

# Kingston University London

## MINUTES BOARD OF GOVERNORS

### MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON WEDNESDAY 26 JANUARY 2011 IN THE TOWN HOUSE, PENRHYN ROAD

#### Present:

Gren Collings (Chair), Ann Allen, Tony Beadle, David Carter, Stephen Cooksey, TJ Esubiyi, Bruce Fraser, Lesley Granger, Robert Green, Frank Kennedy, Peter Kopelman, Roderic Lyne, David Mackintosh, Nona McDuff, Phil Molyneux, Sue Rimmer, John Ripley, David Taylor and Clarissa Wilks

#### In attendance:

Neil MacIntosh, Pro Vice-Chancellor (Corporate Affairs) & University Secretary, Pro Vice-Chancellor (Academic Support & Student Services), Pro Vice-Chancellor (Research & Enterprise), Finance Director, Head of Secretariat and Minuting Clerk

*The Chair welcomed Neil MacIntosh to his first meeting of the Board of Governors. The Chair also introduced Allan Schofield, one of the consultants assisting with the Board Effectiveness Review, who was observing the Board meeting.*

*The Chair congratulated Sue Rimmer on her OBE in the New Year's Honours List.*

*It was noted that this was the Finance Director, Terry Butcher's last Board meeting ahead of his retirement in February. On behalf of the Board, the Chair thanked him for his work for the University over the years.*

*It was also noted that this was Gren Collings' final meeting as Chair, and that Roderic Lyne would be formally appointed as Chair at the end of the meeting.*

#### **1.0 Apologies for absence**

Apologies for absence were received from, George Alexandrou, Chris Brooks, Sara Drake, Derek Osbourne and David Reardon

#### **2.0 Minutes of the Board of Governors Meeting held on 24 November 2010**

2.1 The Minutes were approved.

#### **3.0 Matters Arising**

3.1 There were no matters arising.

#### **4.0 Acting Vice-Chancellor's Report (Paper BG 160/10)**

- 4.1 The Acting Vice-Chancellor presented his report, which covered an update on national developments and the response to the Browne Report, the recently established SMG and Governors Strategy Group, the QAA audit, Kingston Educational Trust and changes in senior staff.

National Development and Government's response to the Browne Report:

- 4.2 It was reported that the Government was restricting fees to a range between £6k and £9k, and student loans would be charged at a commercial rate of interest. Tough access requirements would be imposed on all HEIs charging over £6k, which were detailed in the guidance note from OFFA (the Office for Fair Access) attached as Appendix C. HEFCE was in the process of reviewing those subjects it classed as strategically important and/or vulnerable and would fund directly. The letter from the Department for Business Innovation & Skills (BIS) to HEFCE, attached as Appendix A, provided some guidance and clarification in terms of the Government's financial context and policies, the key elements of which were outlined on page 2 of the Report.
- 4.3 With regard to research funding, it was expected that 2\* funding would be withdrawn and re-distributed to 3\* and 4\*, resulting in reduced to the University. The University currently received funding from the HEIF (HE Innovation Fund) which was aimed at helping HEIs to interact with business. It was noted that there might be changes in the way this funding was allocated relating to threshold income for enterprise. Finally, there was a possibility of up to 10,000 additional funded places being made available and a bid was being prepared by the Planning Department accordingly.
- 4.4 A modelling exercise had been carried out on the BIS figures which produced an average fee of between £7k and £7.5 across the sector and a similar figure had been drawn up by HEPI (Higher Education Policy Institute). It was believed that the actual sector average would be higher, although it was not clear whether the Government had in place appropriate mechanisms to address this in terms of its loan exposure.
- 4.5 It was noted that the deadline for submitting access arrangements to OFFA was 31<sup>st</sup> March 2011, and it would therefore be necessary to have in place an outline proposal for the University's fee structure.

SMG / Governors Strategy Review Group:

- 4.6 The Strategy Review Group had been set up after the last Board meeting in November 2010 and had so far met once in January, with two further meetings planned. It was reported that this was an informal, non decision-making group, with no fixed membership, which had been established with the aim of increasing Board members' knowledge, and to consider strategic matters beyond fee structures. The Group was

also looking at possible changes in the University's approaches to course delivery, and identifying areas of opportunity, with a view to further discussion at the Board and Executive Away Day on 18<sup>th</sup> May.

- 4.7 The Board discussed the possible impact of increased fees on FE colleges, and wider participation. It was likely that access courses would be affected, and that alternative access arrangements to HE may need to be considered. It was also likely that there might be an impact on post-graduate applications, on account of higher future debt. It was predicted that, after an initial rush for places in 2011/12 ahead of the fee increase in 2012/13, there would be a decrease in student numbers of between 10% and 25% whilst the new fee regime became embedded and understood.
- 4.8 It was noted that increased fee levels might also impact on reputational and branding issues, and perception of quality and added value. It was therefore important to ensure that the fees were set at the appropriate level.
- 4.9 Whilst finalisation and publication of fees would be delayed until as late as possible, it was agreed that an initial decision on a provisional figure would be considered by the Board at its next meeting on 16<sup>th</sup> March. A final decision would be considered later in the year, after the new Vice-Chancellor had started in post, with formal publication of the new fee level no later than July.

#### Quality Assurance Agency Institutional Audit:

- 4.10 It was reported that following the final stage of inspection by the QAA in December 2010, the University had achieved the highest level of assurance, including one commendation for good practice. The Chair, on behalf of the Board, congratulated the University on this achievement.

#### Kingston Educational Trust:

- 4.11 It was reported that the University was forming a new trust in conjunction with Kingston College and the Royal Borough of Kingston upon Thames, in order to establish a new secondary school in Kingston. Further detail on this initiative was provided in a separate report on the agenda. It was noted that the project was being funded by the local authority and that there was no financial liability on the part of the University. The initiative was being managed by the Director of Academic Development to ensure that the University's requirements were properly taken into account.

#### Senior Staffing:

- 4.12 The Acting Vice-Chancellor reported on changes within senior staff. A new Finance Director was due to start in post on 14<sup>th</sup> February. A new HR Director had started in early January, following a short period of

overlap with the outgoing Interim HR Director. The Academic Registrar was leaving in February and the Deputy Academic Registrar would be taking over the position pending a new appointment. The Dean of the new combined Faculty of Science, Engineering and Computing had started in post at the beginning of January.

- 4.13 Whilst this represented a significant amount of change over a short period, the Board was reassured that this was not considered to be a risk to the University, as strong appointments had been made and there had been an overlap of senior posts, and that the new appointments were supported by effective teams. It was confirmed that the mechanism was in place to identify any possible strategic risks or problems, through the Board's standing committee structure, which was more closely involved with the University's executive processes.
- 4.14 It was noted that the Board could be further reassured by the work of the Audit Committee. It was also noted that, as part of the Board Effectiveness Review currently underway, Board members wishing to express their views and concerns could do so in their interviews with the consultant.
- 4.15 As previously agreed by the Board, the University's Strategic Risk Register would be reviewed more frequently by the Board. It was noted that this matter would be included as part of the forthcoming informal discussion between Audit Committee members and the new Finance Director.
- 4.16 The Board discussed staff morale in the context of senior staff changes and the current financial uncertainty. It was reported that, whilst there was some anxiety, it was felt that generally morale was reasonably good and that staff recognised that the University was in a strong financial position in comparison to the sector. The KUSU President reported that the general feeling amongst the student body was the desire to be guaranteed that the standards of teaching quality and University facilities would be maintained.
- 4.17 The Board was reminded of KUSU's forthcoming informal reception on 15<sup>th</sup> February to which all Board members had been invited.
- 4.18 The Pro Vice-Chancellor, Academic Support & Student Services reported on a new initiative being developed involving objectives and indicators of success relating to the Student Experience. It was planned that a report on this matter would be made to the Board at its next meeting in March.

*Action: Board's engagement with the University Strategic Risk Register to be discussed with the new Finance Director*

*Action: Report on Student Experience objectives and indicators to March Board meeting.*

## **5.0 Progress Report on the Campus Development Plan** (Paper BG 2/11)

- 5.1 The Pro-Vice Chancellor, Corporate Affairs & University Secretary presented the progress report on the CDP, which covered both Phases 1 and 2. The topping-out ceremony had taken place at the new Rennie Building at Kingston Hill on 25 March 2011. The project was on track, with occupancy expected in one year's time, and would provide a significant contribution to the capacity of the Kingston Hill campus and the University as a whole. All other Phase 1 work was also progressing within budget and on plan.
- 5.2 Following the Board's approval of expenditure towards feasibility studies, preparatory work was now underway and progress would be reported to the Board in September, including an outline of options available.
- 5.3 It was noted that the corridor widening work at Penrhyn Road had made a significant positive difference to the flow of the building.

*Action: Progress report on CDP Phase 2 feasibility studies to Board of Governors in September 2011 (Pro Vice-Chancellor, Corporate Affairs/University Secretary)*

## **6.0 Progress Report on the Board Effectiveness Review** (Paper BG 3/11)

- 6.1 The Chair of the Board Effectiveness Review Group reported on the work carried out to date. The main actions emanating from the Group's discussions related to consideration of the general direction of the Board, the opportunity for governors to provide their input and observation of Board and Committee meetings by the consultants.
- 6.2 The proposed timeframe for the Effectiveness Review was noted. One to one meetings between governors and the consultants and observation of meetings were planned during the next few weeks. The Board & Executive Away Day on 18<sup>th</sup> May would provide an opportunity for a group discussion of initial findings and recommendations. This would be followed by recommendations and proposed implementation plan to be presented to the Board at its July meeting.
- 6.3 The consultant noted the importance of clarifying the type of Board best suited to the University, in particular in the current climate of financial challenge. In this context the Venn diagram shown in the report provided a useful tool in defining the three main different types of Boards and their primary roles and responsibilities, relating to accountability, compliance and oversight. The direction of travel would reflect specific requirements based on Board composition, size and membership. Governors would be asked for their views in the context of this diagram and the preferred direction of travel.

- 6.4 The Board noted the need to ascertain an overall sense of priority from the University's staff and students as it was important that the outcome of the review addressed the needs of all the University's stakeholders.
- 6.5 It was also noted that the governors' knowledge of HE was generally limited, and it was therefore important to ensure that Board members were properly equipped to fulfil their roles and responsibilities appropriately, which might require changes to the Board's levels of involvement and accountability.
- 6.6 Changes to Board membership might also be required, with a possible move away from commercial backgrounds towards a wider range of expertise. The balance relating to gender and ethnicity also needed to be considered.
- 6.7 Further thought needed to be given to the type of Board the University needed to best deliver its strategic objectives. It was important that the Board should add value to the University, whilst ensuring a clear division between governance and management.
- 6.8 It was noted that there was a significant degree of innovation across the HE sector at present, and that it would be helpful to look at the range of arrangements in use at other HEIs. It could also be useful to consider best practice outside of the sector.
- 6.9 The involvement in the Review of staff outside the Executive Board was discussed. It was noted that an invitation for comments from across the University had been included on the intranet. Although it was possible to extend the scope of participation, the benefits of this may be limited, due to a lack of knowledge of governance where there was little direct involvement.
- 6.10 The need of effective communication to staff was noted, to ensure the appropriate management of concerns around possible change.
- 6.11 The Board agreed to the observation by consultants of the 16<sup>th</sup> March Board of Governors' meeting, and the forthcoming meetings of the Estates and Finance Committees.

*Action: Group discussion at Board & Executive Away Day on 18<sup>th</sup> May and final report and recommendations to Board meeting on 13<sup>th</sup> July 2011 [Secretariat]*

## **7.0 Occupational Health and Safety Annual Report** (Paper BG 4/11)

- 7.1 The Pro Vice-Chancellor & University Secretary presented the Occupational Health and Safety Annual report, reminding the Board that it had approved the revised Health & Safety Policy at its last meeting in November 2010. It was noted that this Report would ideally have been presented at the November meeting, but was deferred to the January meeting because of the extensive agenda in November.

- 7.2 The Report presented a good picture of safety across the institution, against the sector average. It was reported that the University had been presented with external awards in recognition of its achievements.
- 7.3 One area to note was the higher demand for occupational health advice. This area would be further investigated and reported through the Employment & Diversity Committee.
- 7.4 A query relating to changes in biological research would be investigated and clarified.

Action: *Higher demand for occupational health advice to be investigated and reported through the Employment & Diversity Committee (Secretariat)*

*Changes in biological research to be investigated and reported (Secretariat)*

## **8.0 Report on the Kingston Educational Trust** (Paper BG 5/11)

- 8.1 The Pro Vice-Chancellor Corporate Affairs & University Secretary reported on the KET initiative which related to the University's involvement in the development of a new secondary school in Kingston, which would offer a number of advantages and opportunities to the University. It was noted that the University's only commitment to the initiative was to assist in setting up the Trust and that there would be no direct financial impact.

## **9.0 Approval of contract for Media Planning, Buying, Production & Search Services** (Paper BG 6/11)

- 9.1 It was noted that the contract for Media Planning, Buying, Production and Search Services exceeded the financial authority level of the Vice-Chancellor and therefore required the approval of the Board.
- 9.2 The Board considered whether the process could be adjusted in order to enable the Board to make an informed decision on contract approval rather than simply financial sign-off, without involving a high level of detail. It was suggested that the Vice-Chancellor's signing level could be raised above £500k, without incurring any financial risk, in order to reduce the number of contracts presented to the Board for approval. It was agreed that the Vice-Chancellor's signing level would be reviewed. Additionally, it was agreed that the Board would be given more detail in respect of contracts presented for approval, which would be considered by the Finance Committee and endorsed by the Board on the recommendation of the Finance Committee.

It was resolved that

The Board approve the contract for Media Planning, Buying, Production and Search Services

*Action: Signing authorisation levels and reporting on contract detail to be reviewed  
[Finance Director]*

**10.0 Approval of contract for Library Management System**  
(Paper BG 7/11)

10.1 It was reported that the contract for Library Management Systems exceeded the financial authority level of the Vice-Chancellor and therefore required the approval of the Board.

It was resolved that

The Board approve the contract for Library Management Systems

**11.0 Approval of contract for Waste Collection, Recycling and Disposal Services**  
(Paper BG 8/11)

11.1 It was reported that the contract for Waste Collection, Recycling and Disposal Services exceeded the financial authority level of the Vice-Chancellor and therefore required the approval of the Board.

It was resolved that

The Board approve the contract for Waste Collection, Recycling and Disposal Services

**12.0 Approval of revised bank signatories**  
(Paper BG 9/11)

12.1 It was noted that formal approval by the Board was required for the addition of the new Finance Director, Martin Potter, to the list of the University's bank signatories.

It was resolved that

The Board approve the revised authorised signatories as indicated in paper BG 9/11

**13.0 Arrangements for the agreement of the revised financial forecast for HEFCE**  
(Paper 10/11)

13.1 It was reported that a revised financial forecast was required to be submitted to HEFCE in April. It was therefore proposed either that the

Board hold a special meeting to deal with this matter, or that the Finance Committee act on behalf of the Board to approve any revisions to the forecast. The Board agreed that the Finance Committee should act on behalf of the Board on the understanding that any revisions would be minor.

- 13.2 The Finance Director reported that, on the basis of the BIS (Business and Skills Department) letter to HEFCE it was anticipated that HEFCE funding to the University for 2011/12 would be reduced by £4m. In addition, capital funding would be reduced by £1.5m, giving a new baseline with a £5.5m reduction. The University would receive confirmation of its own grant on 16 March 2011. It was noted that the University had assumed a fee level of £6k in its initial modelling and would receive additional income of around £8m for every £1k charged over the £6k fee level.
- 13.3 The Board agreed that authority should be delegated to the Chair to approve the revised financial forecast on the recommendation of the Finance Committee, Vice-Chancellor and Finance Director. It was also agreed that the next Finance Committee meeting should be brought forward to early April.

It was resolved that

The Board delegate authority to the Chair to approve the revised financial forecast on the recommendation of the Finance Committee, Vice-Chancellor and Finance Director

#### **14.0 Dissolution of Kingston City Group Ltd** (Paper 11/11)

- 14.1 The Finance Director reported that KCG Ltd had been set up at the time that Kingston City Group was established to provide external audit services, with the intention of handling commercial business. However, KCG Ltd had never traded and was now considered to be an inappropriate vehicle and was therefore being recommended for dissolution. The Board agreed that KCG Ltd should be dissolved.

It was resolved that

As a representative of the sole shareholder in the University's subsidiary companies the Board notes the application to dissolve Kingston City Group Ltd

#### **15.0 Dates of future Board of Governors and standing Committee meetings** (Paper BG 13/11)

- 15.1 The Board noted the agreed dates of Board and Committee meetings for this academic year, and the proposed dates for the following

academic year. The Board approved these dates, with the caveat that the frequency and timing of meetings might be adjusted following the conclusions and recommendations of the Board Effectiveness Review.

It was resolved that

The Board note the confirmed dates for 2011/12 and approve the proposed dates for 2012/13, in line with minute 15.1 above

**16.0\* Finance Report for November 2010**

(Paper BG 14/11)

16.1 The Board noted the Finance Report for November 2010.

**17.0\* Health and Safety Update Report**

(Paper BG 15/11)

17.1 The Board noted the Health and Safety Update Report

**18.0\* Minutes of the Academic Board meeting held on 3 November 2010**

(Minutes enclosed)

18.1 The Board requested clarification of the role and criteria of the professorial fellowship. The Acting Vice-Chancellor noted that this related to opportunities to demonstrate scholarly excellence in alternative ways to research, and that it was felt that this area should be distinguished from the standard professorial group. This matter was due to be discussed by the Academic Board, and further clarification would be made to the Board of Governors in due course.

*Action: Further clarification of the role and criteria of the professorial fellowship to the Board later in the year (Deputy Vice-Chancellor)*

**19.0 Any Other Business**

19.1 Gren Collings noted that this was his final Board meeting. As agreed by the Board at its last meeting, it was formally confirmed that Roderic Lyne was appointed as Chair. Gren Collings thanked the Board for its support over the years. It was also agreed that the Board would formally record its debt of gratitude to Terry Butcher who was retiring as Finance Director in February.

19.2 Roderic Lyne noted that Gren Collings had been a member of the Board for ten years and Chair for three and a half years, during which time the Board had been run effectively, and the University had attained a strong position for what was an uncertain future. The contribution of all management was noted, and in particular the performance of Terry

Butcher and the guidance of Gren Collings. The Board noted its appreciation to both with a round of applause.

19.3 There was no other business.

It was resolved that

Sir Roderic Lyne be appointed as Chair of the Board until 20 November 2011.

## **20.0 Date of next meeting**

The next meeting of the Board of Governors was on Wednesday 16<sup>th</sup> March 2011 in the Town House, Penrhyn Road.

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

Ref: Governors\Minutes\BoG260111(final)