

# Kingston University London

## MINUTES BOARD OF GOVERNORS

### MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON WEDNESDAY 16 MARCH 2011 IN THE TOWN HOUSE, PENRHYN ROAD

#### Present:

Roderic Lyne (Chair), George Alexandrou, Chris Brooks, David Carter, Stephen Cooksey, Sara Drake, TJ Esubiyi, Bruce Fraser, Robert Green, Frank Kennedy, Peter Kopelman, Neil MacIntosh, David Mackintosh, Nona McDuff, Phil Molyneux, Sue Rimmer, John Ripley and David Taylor.

#### In attendance:

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

*Roderic Lyne noted that this was his first meeting as Chair and welcomed Neil MacIntosh and Martin Potter to their first meeting of the Board of Governors.*

*The Chair also welcomed Allan Schofield, the consultant working on the Board Effectiveness Review, who was observing his second Board meeting.*

*The Chair noted that David Reardon had resigned from the Board due to work commitments. It was agreed that recruitment to the vacant post would be delayed until the ongoing Board Effectiveness Review had been completed.*

#### 21.0 Apologies for absence

Apologies for absence were received from Ann Allen, Tony Beadle, Lesley Granger, Derek Osbourne, Clarissa Wilks and the Pro Vice-Chancellor (Academic Support & Student Services),

#### 22.0 Minutes of the Board of Governors Meeting held on 26 January 2011

22.1 The Minutes were approved.

#### 23.0 Matters Arising

23.1 Minute 4.18 – Report on the Student Experience:

Work on the Student Experience was ongoing and had included Away Day discussions between KUSU and the Student Services Department. A report would be prepared for the Board on completion of this work.

### 23.2 Minute 7.0 – Occupational Health and Safety Annual Report:

- (i) The matter of a higher demand for occupational health advice had been considered by the Employment & Diversity Committee at its last meeting.
- (ii) Changes in biological research related to preparatory discussions with the Health & Safety Executive ahead of upgrading the level of activity on GM plant work from low to medium.

### 23.3 Minute 9.2 – Review of signing authorisation levels:

Authorisation levels would be considered by the Audit Committee at its meeting in May, as part of the review of the Financial Regulations.

### 23.4 There were no other matters arising.

*Action: Report on the Student Experience to the Board later in 2011 [Pro Vice-Chancellor, Academic Support & Student Services]*

## **24.0 Acting Vice-Chancellor's Report**

(Paper BG 27/10)

### Funding:

24.1 The Acting Vice-Chancellor presented his report, the main focus of which was the evolving development of fee levels and funding cuts in the HE sector. HEFCE had circulated a letter to the sector indicating the level of cuts that could be expected. For Kingston, this amounted to cuts of £1.4m in the current year and £2.6m teaching grant reduction in 2011/12. Funding towards 2\* research would be reduced from 2011/12 with half the subsequent saving being re-distributed towards 3\* and 4\* research funding. Additionally, HEIF (Higher Education Innovation Fund) funding would be re-allocated, resulting in a 50% cut to the University. The HEIF cut in funding had been anticipated and the Enterprise group was currently undergoing a process of re-structuring. There would also be a reduction in capital funding of approximately £1.5m per annum. It was reported that the University had now received its institutional grant letter, which was under embargo, but which broadly corresponded with expectations.

### Tuition Fees:

24.2 It was reported that to date, four universities had confirmed fee levels at £9k. The Government was looking at mechanisms of control beyond Access agreements, including allocation of student numbers within price bands, further funding reduction, payment of levy charges on fees over £6k, and a possible Student Number Control (SNC). This was likely to be based on core numbers and margins, and driven by price,

cost effectiveness, completion figures and new methods of delivery. It was noted that the Government's approach to control might have an impact on widening participation and result in higher entry requirements. A further complication was a rise in applications for 2011/12 ahead of increased fees coming into effect from 2012/13.

#### Access Agreement:

24.3 It was reported that, in order to charge fees over £6k, all HEIs would need to submit details of access agreements to be reviewed by OFFA (the Office for Fair Access). This would cover the bursaries offered and the University's outreach work, which related to raising awareness in schools of higher education opportunities and encouraging applications. The University performed well in this area and was slightly above the median within the sector in terms of money spent on outreach activity and widening participation, amounting to approximately 20%.

#### White Paper:

24.4 The Government White Paper on the future of higher education, which was originally due to be published in early March, had been delayed until May or June. It was noted that the White Paper was an important document from a strategic perspective.

#### Setting of Fees:

24.5 Work was continuing on determining the level of fees. The joint informal strategy group of Governors and the SMG had met twice to discuss this issue in the context of financial and business models, assumptions and sensitivity levels. The Group had also reviewed recruitment data and considered the possibility of charging differential fees. A report on the Group's last meeting on 8<sup>th</sup> March and a paper outlining the University's strategic outlook were attached to the Acting Vice-Chancellor's report as Annex 1 and Appendix 1. No decision on fees had yet been reached, but a figure towards the centre of the range of £6k to £9k was being considered, with possible differential fees for a small number of subjects. Any differential uplift for specific courses would be based on a number of factors as outlined in the Report, including recruitment metrics.

24.6 Annex 1 included a timetable of the decision-making process including submission of the access agreement by 19<sup>th</sup> April and formal response to HEIs from OFFA by 11<sup>th</sup> July. Although the Board was not due to meet by the required dates, the next Finance Committee meeting was on 6<sup>th</sup> April, by which time it was necessary to be clear about the level of fees to be set. It was noted that, under the Articles of Government, the Board was responsible for the approval of fees. The importance of Board members having the opportunity for full participation in what was a highly significant decision was noted. It was suggested that the Board should receive a report outlining the proposed fee level and the rationale behind the decision, ahead of the Finance Committee meeting

on 6<sup>th</sup> April. Due to time restrictions, it would be helpful to also receive Board members' feedback before this meeting. It was important to ensure that the Board had sufficient information to fully understand the proposals and underlying rationale, to enable it to support a decision. The Finance Committee would have delegated authority to approve the proposal. It was agreed that Board members would be invited to attend the Finance Committee meeting for this item.

- 24.7 An important aspect of higher fees was to ensure that these were appropriately invested to improve the student experience. The key issues for students would continue to be the quality of academic qualifications, and an increased emphasis on future employability. It was noted that the Board would consider the issue of employability later in the year.
- 24.8 It was noted that the outlook relating to the decision over fees was continuously changing and evolving. The Board noted that the level of fees could affect demand, and it was important to be aware of the financial risks in order to minimise the impact on recruitment. It was important to note that the University would not be committed to the agreed figure for an indefinite period. The access agreement would need to be reviewed on an annual basis, at which time the fee levels could also be reviewed and amended.
- 24.9 It was noted that the Government's philosophy was to open up the HE market with the introduction of more for-profit organisations, deregulation of pricing and greater emphasis on external study.
- 24.10 In summary, the Board agreed with the suggested process of approval, via circulation of proposals to the Board and delegation of authority to the Finance Committee. It was noted that the decision with regard to fees was the first in a series of significant forthcoming decisions with regard to operating in a new competitive environment. The informal Board and SMG Strategy Group would continue to meet and identify relevant areas of focus.

#### National Scholarship Programme:

- 24.11 It was reported that the National Scholarship Programme would provide additional matched funding to the University in the region of £500k in the first year, increasing to £1.5m over three years.

#### Scenario Planning / Cost Reduction:

- 24.12 The Cost Reduction exercise planned to reduce costs by £9m over the two years up to the end of 2012/13. The review of faculty and departmental plans was close to completion and would be followed by an implementation plan graded from low to high impact. There would be flexibility to make future adjustments should circumstances allow.

National Student Survey:

24.13 The National Student Survey was underway and due to finish at the end of April. The importance of the Survey was noted, in terms of its significant impact on University league tables.

The Libya Issue:

24.14 The Board noted the importance of being aware of links the University may have with Libya and other countries in the context of donations, research proposals and the conferring of Honorary Degrees, to ensure that the University was fully covered against reputational risk. It was therefore important to ensure that appropriate guidelines were in place.

Employee Relations:

24.15 It was reported that the University and College Union ballot had resulted in a narrow margin in favour of a one-day strike action later in the month. It was not anticipated that this action would have a major impact on the University.

*Action: Report outlining the proposed fee level and rationale behind the decision to be circulated to the Board of Governors and feedback requested ahead of the Finance Committee meeting on 6<sup>th</sup> April 2011 [Finance Director]*

## **25.0 South West London Academic Network** (Paper BG 28/11)

25.1 The Acting Vice-Chancellor briefly explained the underlying concept of SWAN, formed approximately six years ago as a three-way alliance between Royal Holloway, St George's University of London and Kingston University. The cessation of HEFCE project funding last year, and the failed merger between Royal Holloway and SGUL, resulted in a review of the initiative.

25.2 Following recent changes, SWAN was now operating as a collaboration of staff using the existing structure, with a maximum fund of £150k per annum split three ways, towards joint activities. It was noted that some areas of the SWAN collaboration had been very successful and it was felt that the initiative should continue, particularly in the context of research opportunities. Further areas of collaboration were being developed, along with identifying other partnerships in South West London. It had been agreed that the SWAN collaboration should continue, under the revised structure. The Board noted the report.

## **26.0 KUSU Constitution** (Paper BG 29/11)

26.1 The Board was required to approve the KUSU Constitution under the University's Articles of Government. The main change to the

Constitution was the requirement for the Union to register as a Charity and create a Board of Trustees, in compliance with changes to the Charities Act 2006.

- 26.2 It was reported that a new Memorandum of Understanding and Financial Agreement were being developed between the University and KUSU, on the lines of HEFCE's institutional memorandum. This was due to be finalised before the end of the current academic year.

It was resolved that

The Board approve the revised KUSU Constitution and byelaws.

## **27.0 Interim report on the Forecast Outturn 2010/11** (Paper BG 30/11)

- 27.1 The Chair of the Finance Committee noted that the Forecast Outturn exercise covered the period to the end of December 2010, and that the report had been overtaken by further events. The Finance Committee was due to meet on 6<sup>th</sup> April to review the Forecast Outturn and authorise its re-submission to HEFCE.
- 27.2 The Finance Director noted that there were a number of variances relating to timing issues on CDP expenditure. The figures indicated a downturn of £1.4m on student fee income, especially on non-standard overseas intake, although this had improved by approximately £400k since December 2010. It was anticipated that there would be some Faculty underspends.
- 27.3 The overall figures remained reliable and were expected to slightly exceed the forecast surplus.

## **28.0 Update on the Board Effectiveness Review** (Paper BG 31/11)

- 28.1 The Chair of the Board Effectiveness Review Group gave an update report on the work carried out to date including a summary of the consultants' work, findings from the project on governing body effectiveness undertaken by CUC and LFHE, and the emerging views from the individual interviews carried out by the consultants. The main discussion was scheduled to take place as part of the Away Day meeting on 18<sup>th</sup> May.
- 28.2 Whilst there were no significant unexpected items, there were a number of issues to consider. These were listed under paragraph 10 in the Update Report.
- 28.3 The Group had considered the outcomes of an effective governing body, drawn up as part of the CUC and LFHE research work. These

outcomes were listed under paragraph 6 in the Update Report. The Group had agreed that items 1 – 3 were essential to Board effectiveness and also felt that item 4 relating to quality levels in academic and service provision and the student experience was of particular significance. The Board considered item 4, particularly in line with the earlier discussion on student fees and the market place, and agreed that this was an important outcome. The Board discussed how the area of student experience could best be measured. It was suggested that employability and progression should be included as part of the student experience. The Board agreed that it was important to ensure that the measure of the student experience was a genuine reflection of the student perspective.

- 28.4 It was reported that the Board Effectiveness Review Group would meet again in early May, to consider the initial draft report from the consultants, ahead of the main discussion at the Away Day on 18<sup>th</sup> May. The final report, including recommendations, would be presented to the Board at its meeting on 13<sup>th</sup> July 2011.

*Action: Consultants' draft report to Board at its next meeting / Away Day on 18<sup>th</sup> May 2011 [Secretariat]*

## **29.0 Progress Report on the Campus Development Plan** (Paper BG 32/11)

- 29.1 The Pro-Vice Chancellor, Corporate Affairs & University Secretary reported that progress on CDP Phase 1 was on track and within budget, with day-to-day issues managed by the Director of Property Management and Development with the contractors. Work on CDP Phase 2 was at the feasibility study stage, which was due to be completed in the autumn. A report would be presented to the Board at its meeting in September 2011.

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

## **30.0 Student Residential Accommodation Strategy 2011-14** (Paper BG 33/11)

- 30.1 The Chair of the Estates Committee presented the Student Residential Accommodation Strategy noting that it had been discussed in detail by the Estates Committee at its last meeting on 3<sup>rd</sup> March. The Estates Committee had considered present and future demand for accommodation, and had adopted a measured, but positive, approach with regard to a future strategy, which would need to take into account a significant element of the Student Experience, currently not included in the CDP.
- 30.2 The Strategy was essentially based on two plans, which the Board was being asked to approve. The first plan was based on the long-term

development of up to an additional 2500 units, with up to 1500 in the first phase, using a modular approach which would allow for the incremental review of targets. The second entailed a review of existing accommodation and student facilities in order to improve current stock and provide a better and more competitive standard of accommodation. It was reported that the figure of 2500 was based on a series of metrics relating to additional demand calculated by the Director of Student Services & Administration and a review of existing property, including leased property, which could be otherwise utilised, or disposed of. It was noted that whilst there was clear evidence that further accommodation was needed the proposed approach involved a prudent initial period, with regular future review.

- 30.3 It was important to deliver better provision to existing students as well as to students of the future, and in this context it was also proposed to review areas where revenue could be provided in a shorter period of time in order to achieve rapid improvements.
- 30.4 It was noted that the Estates Committee would review the Student Accommodation Strategy and ongoing developments on an annual basis.
- 30.5 The Chair summarised the report noting that the Board was being asked to approve the Strategy, but not, at this stage, any expenditure. It was noted that the Strategy would be administered through the three areas of Estates Committee, Finance Committee and Student Services & the Student Experience.

It was resolved that

The Board approve the Student Accommodation Strategy.

### **31.0 Approval of extension to IQ Wave Contract** (Paper BG 34/11)

- 31.1 The Finance Director noted that this related to an additional one-year extension of the contract with IQ Wave Property Partnership for the lease of student accommodation in central Kingston. The value of the contract was £1.8m which was covered by student rental income.

It was resolved that

The Board approve the extension of the agreement with IQ Wave.

### **32.0 Approval of Consultancy Framework Agreement awards Under Deed** (Paper BG 35/11)

- 32.1 The Pro Vice-Chancellor Corporate Affairs & University Secretary reported that the Consultancy Framework Agreement related to a series of agreements, presented as Deeds, which had been discussed

at the January meeting of the Board, and which were designed to improve estates business and allow contracts to be expedited. In line with the previously agreed process for approval of contracts required under the Campus Development Plan outside of the Board timetable, the framework agreements were approved by the Virtual Sub-Committee, which comprised the Chair, Vice-Chair and Committee Chairs.

**33.0\* Health and Safety Update Report**  
(Paper BG 36/11)

33.1 The Board noted the Health and Safety Update Report

**34.0\* Finance Report for January 2011**  
(Paper BG 37/11)

34.1 The Board noted the Finance Report for January 2011.

**35.0\* Minutes of the Academic Board meeting held on 26 January 2011**  
(Minutes enclosed)

35.1 The Board noted the Minutes of the Academic Board meeting.

**36.0\* Minutes of the Estates Committee meetings held on 3 February and 3 March 2011** (Minutes enclosed)

36.1 The Board noted the Minutes of the Estates Committee meetings.

**37.0\* Minutes of the Finance Committee meeting held on 10 February 2011**  
(Minutes enclosed)

37.1 The Board noted the Minutes of the Finance Committee meeting.

**38.0\* Minutes of the Employment & Diversity Committee meeting held on 17 February 2011** (Minutes enclosed)

38.1 The Board noted the Minutes of the Employment & Diversity Committee meeting.

**39.0\* Minutes of the Audit Committee meeting held on 24 February 2011**  
(Minutes enclosed)

39.1 The Board noted the Minutes of the Audit Committee meeting.

#### **40.0 Any Other Business**

40.1 There was no other business

#### **41.0 Date of next meeting**

The next meeting of the Board of Governors would be combined with the Board and Executive Away Day on Wednesday 18<sup>th</sup> May 2011 at Warren House, Kingston Hill.

#### **42.0 Presentation by KUSU**

There followed a presentation and discussion on KUSU activities over the past year and future direction. The presentation was made by Chris Dingle, Vice-President of Education, and TJ Esubiyi, President.

There being no further business, the meeting ended at 10.45am.

Ref: Governors\Minutes\BoG160311(final)