

**MINUTES
BOARD OF GOVERNORS**

**MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON
21 NOVEMBER 2007 IN THE JOHN GALSWORTHY BUILDING, PENRHYN ROAD**

Present:

Gren Collings (Chair), George Alexandrou, Nick Badman, Ann Corrigan, Stephen Cox, Sara Drake, Deirdre Ferrier, Robert Green, Steve King, Andrew Lomax, Roderic Lyne, Phil Molyneux, David Reardon, Peter Scott, Christine Swabey, David Taylor, Colin Watts and Clarissa Wilks

In attendance:

Deputy Vice-Chancellor, Pro Vice-Chancellor (Arts), Finance Director, University Secretary, Head of Secretariat

Also in attendance:

Director of Development and Alumni and Head of Development (Minute 89), Head of Planning.

82.0 Election of the Chair and Vice-Chair

82.1 The University Secretary took the Chair of the meeting, explaining that the University's Articles of Government required the election of a Chair and Vice-Chair at its first meeting each year after 20 November.

82.2 He asked for nominations for the position of Chair. Gren Collings was proposed for re-election as Chair by Ann Corrigan and seconded by Steve King. There were no other nominations for the position of Chair. The proposal was put to the vote. All members of the Board present voted in favour. Gren Collings was therefore elected as Chair, and duly accepted the position.

It was resolved

THAT Gren Collings be re-elected as Chair.

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

82.3 The Chair asked for nominations for the position of Vice-Chair. Christine Swabey was proposed by Clarissa Wilks and seconded by Stephen Cox.

There were no other nominations for the position of Vice-Chair. The proposal was put to the vote and all members voted in favour of the proposal. Christine Swabey was therefore re-elected as Vice-Chair, and duly accepted the position.

It was resolved

THAT Christine Swabey be re-elected as Vice-Chair.

The Chair welcomed Roderic Lyne to his first meeting of the Board. He also welcomed Professor Martyn Jones who was attending the meeting and would be starting as the new Pro Vice-Chancellor (External Relations) at the start of December.

83.0 Apologies for absence

Apologies for absence were received from Olrick Coker, Sean Hilton, Mark Kierstan, Thalia Marriott, Tim Oliver, Derek Osbourne and the Minuting Secretary.

84.0 Minutes of the Board of Governors Meeting held on 19 September 2007

84.1 The Minutes were approved.

85.0 Matters Arising

85.1 National Student Survey (NSS)

The Deputy Vice-Chancellor reminded the Board it had asked for an update report at the last meeting. Action groups had been established at University and Faculty level to look at how the University could improve its score. The wider issue of the student experience would be the subject of a presentation at the December Away Day.

85.2 Hadleigh Products

The Finance Director reported that the University had sent the bank the final documents to complete the process and would report to the Finance Committee in due course with an analysis of the risks and request for final approval.

85.3 Re-appointment of existing Board members

The University Secretary said that there were no members due to be re-appointed this year. In part this was due to the Board's decision earlier in the year to increase the term of office for co-opted members from two to three years.

85.4 Strategic Risk Register

The University Secretary noted that the Audit Committee had asked for the Board to be updated on how the Strategic Risk Register was being developed. He said that further work was being done to align the Register with the new Strategic Plan.

85.5 There were no further matters arising.

86.0 Approval of the Financial Statements for the year ended 31st July 2007 on the recommendation of the Finance Committee (Paper BG 112/07)

86.1 The Finance Director said that the Financial Statements had been updated to reflect the actual forecast outturn for the year and had been considered by the Finance Committee at its meeting on 25 October 2007. The Chair of the Finance Committee confirmed that it was happy to recommend the Statements to the Board.

86.2 The Board approved the Financial Statements for the year ended 31st July 2007.

87.0 Approval of the Financial Forecast for submission to HEFCE (Paper BG 113/07)

87.1 The Finance Director reminded members that the Board had discussed this in July 2007 and that the only changes had been with regard to the forecast outturn and the phasing of planned capital expenditure. The Chair congratulated the executive team for the University's financial performance over the previous academic year.

87.2 The Board approved the Financial Forecast for submission to HEFCE.

88.0 Approval of the External Auditors' Audit Summary and Draft Management Letter for the year 2006/2007 on the recommendation of the Audit Committee (Paper BG 114/07)

88.1 The Board agreed that it would consider the External Auditor's Audit Summary and Draft Management letter in conjunction with papers elsewhere on the Agenda covering the Annual report from the Audit Committee (Paper BG117/07) and Internal Audit Operational Plan for the year ending 31 July 2008 including the updated Internal Audit Strategic Plan to 2009 (Paper BG118/07).

88.2 The Chair of the Audit Committee explained that the later papers on the agenda gave strong support for the Board approving the report from the external auditors. The period covered by the Annual Report from the Audit Committee had been changed to better fit with the financial reporting period.

- 88.3 The Audit Committee had been pleased with the performance of the internal audit team and that the quality of the management responses had shown a significant improvement on previous years. It was felt that the improvement in the audit protocol, incorporating a letter of introduction from the Vice-Chancellor, had been a great success. However, there was a need for better feedback from auditees to the team. The overall improvement in performance, (there were no priority 1 recommendations), was reflected in the internal audit team's decision to reduce the number of audit days needed for the current year.
- 88.4 Both Value for Money and Risk Management had been considered in detail by the Audit Committee and had shown significant progress since the last year. However, the Committee would continue to monitor these areas closely to ensure continuing improvement.
- 88.5 The Audit Committee now held regular meetings with the external auditors, which had been highly beneficial. The Committee felt the current audit team showed an improvement on the previous year but that there were some concerns to be addressed and recommended that the audit contract be re-tendered the following year.
- 88.6 The Vice-Chair said the reports were very useful for the Board but suggested that each audit report be given an overall rating, in addition to any recommendations. The Finance Director said that any Priority 1 recommendations would be brought to the attention of the Senior Management Group but agreed that a summary rating for each report would be useful for the Board.
- 88.7 Finally, the Chair said it would be his last report as Chair of the Committee and he thanked all those members of the Board who had served on the Committee during his time as Chair. He also thanked the Finance Director, Head of Internal Audit and their teams for the very professional service they offered to the Committee. The Board offered its thanks to the Chair for all his work.

Action: *Head of Internal Audit to include a summary rating for each audit report in future.*

The Director of Development and Alumni and Head of Development joined the meeting for the next item.

89.0 Report and presentation on the UUK Matched Funding Scheme and Alumni Fundraising (Paper BG 114/07)

- 89.1 The Director of Development and Alumni gave a presentation to the Board outlining the background and development of the University's fundraising activities along with the results for 2006/7 and ongoing work. The University

had introduced good information systems to manage a database of over 150,000 alumni or contacts.

- 89.2 It was reported that the University is in receipt of government funding, matched by the university, for the development of fundraising capacity. The availability of these funds is government recognition that in the early stages of fundraising, set-up costs generally exceed any income. Fundraising, and the income it generates, is increasingly an expected function in a modern university. The Government has announced another scheme, due to run between 2008 and 2011 that will match funds raised by HEIs at a ratio of 2:1 up to a limit of £2million. The University had set itself a target of £4M to raise over the three year period to attract the maximum matched funding. The Board was reassured that the process had been thoroughly audited by the University's internal audit team.
- 89.3 Senior management were actively involved in the fundraising process either through events held to raise awareness or cultivating relationships with potential major donors. There was much to learn from the United States in this area and it was recognised that the University had to develop a long-term strategy of developing relationships and establishing a class culture for alumni.
- 89.4 The University did have arrangements in place for legacy funding and would look to establish an endowment funding in the future. However, most funding to date had been for specific projects.
- 89.5 Whilst major gifts would be linked to major projects the University's Annual Fund targeted a rolling programme that had included scholarships in the first year. The feedback received had led to this being extended to the student hardship fund, research and support for learning resource centres for the second year.

The Director of Development and Alumni and Head of Development left the meeting.

90.0 Vice-Chancellor's Report (Paper BG 116/07)

90.1 Comprehensive Spending Review:

The Vice-Chancellor reported that the detail of the CSR was still unclear but it was expected that the Government would increase the funding available to HEFCE in line with the headline inflation rate and that funding would also be provided for around 50,000 of additional student places.

However, the inflation increase proposed was lower than the rate at which costs were increasing in higher education, some of the ASNs would be linked to the Employer Engagement agenda and the Government had decided to phase out HEFCE funding for students taking the equivalent of lower-level qualifications (ELQ), discussed in more detail later.

These factors might impact on the student growth seen by the University and had been reflected in the sensitivity analysis considered by the Board in parallel with the Financial Plan in July 2007.

90.2 Equivalent of lower-level qualifications (ELQs):

The Department of Innovation, Universities and Skills (DIUS) had instructed HEFCE to stop funding students who were following courses leading to equivalent and lower-level qualifications (ELQ) – essentially students who were taking a second first degree or a diploma course that was postgraduate in terms of time but not of level. The arrangements for this transition and any exemptions were yet to be finalised but it was anticipated that the financial loss to the University would amount to £1.5 million (2.7 per cent of our HEFCE grant), although this loss would be phased over three years.

90.3 SGUL:

The Vice-Chancellor updated the Board on St George's ongoing Strategic Options Review. Three meetings had been held with the team from PA Consulting conducting the review and he had also met with the Chief Executive of HEFCE. PA Consulting had given a preliminary presentation to a meeting of the SGUL Council on October 3 and the Council was due to meet again on November 27 and December 5.

The process for appointing a new Principal of St George's had been proceeding in parallel to the mid-term strategic review. The final choice was due to be made on December 12.

The Chair reminded members that any decision taken by SGUL would be its decision but any proposals affecting Kingston would need to come back to the Board for approval.

90.4 SWAN:

The three institutes under the SWAN umbrella were all up and running at various stages of development. The SWAN Project Manager was leaving at the end of November and arrangements were in place to cover the work until a permanent replacement could be found.

The governance arrangement for SWAN had been changed to incorporate a member from each institution's governing body attending one of the SWAN Board meetings a year and the Board would need to nominate someone at its meeting in January.

90.5 Admissions 2007:

The Vice-Chancellor reported on the current admissions figures for 2007 noting that the figures for international recruitment had increased slightly but not in line with expectations and so was slightly disappointing. However, the main area of concern was in foundation degree numbers as the University had not met its HEFCE sub-target and so, in theory, could receive reduced

funding. The University would be looking at the figures in detail once the final numbers were known.

90.6 New Buildings:

The Board noted that all three buildings from the New University Project were now open and several members had attended the opening of the John Galsworthy Building the previous week. The Chair thanked Andrew McEwan, Director of Property Management and Development, and all his colleagues in the department for their hard work as well as that carried out by the former Pro Vice-Chancellor Ken Hopkins.

90.7 Kingston Theatre:

The Vice-Chancellor said that the theatre was now scheduled to open in January 2008 and that whilst there might be a slight overrun on fitting out costs the University's additional commitment would only be in the order of £10k. The Board had already approved a contribution of £250k to the project and a further £250k for the lease on the studio theatre. He would come back to the Board if he had any concerns about the release of the second sum.

90.8 New appointments:

The Board noted the recent appointments of a Pro Vice-Chancellor (Employer Engagement) and Executive Director for Enterprise.

Action: *Board meeting in January 2008 to nominate one member to attend annual SWAN Board meeting*

91.0 Annual Operating Statement

(Paper BG 119/07)

91.1 The Head of Planning said that the Annual Operating Statement was produced each year both for internal use and submission to HEFCE. The report showed progress against the actions from last year as well as any newly identified actions. The Statement needed to be considered in conjunction with the Report on Key Performance Indicators (the following paper). He added that it contained the University's Annual Monitoring Statement and Action Plan, which reported on Special Funding Initiatives and Race Equality and Diversity.

91.2 The Board welcomed the Statement as a very useful document.

92.0 Report on Key Performance Indicators

(Paper BG 120/07)

92.1 The Head of Planning said that the Review of Progress, incorporating the KPIs, brought together information that the Board would have seen previously

and showed trend analysis and benchmarking. The current KPIs had been developed by a governance sub-group of the Board and were broadly in line with those recommended by the Committee of University Chairmen (CUC). The University would look at its KPIs and how they were reported in light of this guidance and the new Strategic Plan.

92.2 Specific areas of the KPIs were discussed as follows:

Student numbers – Both post graduate taught and overseas had not achieved the targets set in 2006/07 but these had been ambitious and the actual figures still showed an increase on the previous year.

Progression to degree – The University was below the benchmark figure, as in the previous year. The Vice-Chancellor said the model used to calculate this was very complex and based on the model for a “traditional” university.

National Student Survey (NSS) – The University had increased its score in the 2007 NSS but not as much as the sector. As previously discussed under matters arising, the University was taking steps to address this and the Board would discuss it in more detail at the Away Day.

Research Grant income – The University had not achieved its target figure in 2005/06, staying at a similar level to the previous year. This was an area of concern, especially with the University’s ambitions to develop its research activity.

93.0 Report on the Employment and Estates Committees Effectiveness Reviews (Paper BG 121/07)

93.1 The University Secretary reported on the effectiveness reviews undertaken by the Employment and Estates Committees as part of the Board’s rolling programme to review its effectiveness and that of its committees. Both committees had proposed new Terms of Reference for approval by the Board.

93.2 The Employment Committee was suggesting that its remit be expanded to place a greater emphasis on ensuring the Board was meeting its legal responsibilities on diversity issues and so was proposing its name was changed accordingly to the Employment and Diversity Committee.

93.3 Both Committees had held a responsibility for looking at safety issues in the past. Both felt that the best route for the Board to ensure it was meeting its statutory responsibilities was to receive a short report at each meeting on safety issues, (a sample report was included in the paper), whilst it continued to receive a more comprehensive Annual Report on Health and Safety. It would still be able to delegate any relevant issues to the committees and they would monitor specific areas as part of their remits.

93.4 The Chair of the Employment Committee said that it had held a lengthy debate on the issues of diversity and felt the proposed solution was the most

pragmatic. This would ensure closer monitoring than had taken place in the past and the Board would continue to receive an Annual Diversity Report.

93.5 The Chair of the Estates Committee said that it would look at how the Campus Development Plan linked with other parts of an Estates Strategy such as planned preventative maintenance. The work recently undertaken by PMD for a return to HEFCE would be a major help in developing KPIs for the Committee to monitor. He added that the Committee was proposing that in future its meetings should always precede those of the Finance Committee to ensure they linked better and the Estates Committee could advise on any specific areas.

93.6 The Board agreed with the proposals but asked that both committees review their arrangements in a year, particularly with regard to diversity and safety issues. It also asked that the University consider having a member of the Board as an observer at the management safety committee.

Action: *Terms of Reference for Employment and Estates Committees to be changed as proposed in paper*

Employment and Estates Committees to review Terms of Reference in January/February 2009, with particular regard to issues of diversity and safety

Estates Committee meetings to be scheduled to precede those of the Finance Committee

University Secretary to look at inviting a member of the Board to act as an observer on the University's Health, Safety and Security Committee

94.0* KUSU's draft Financial Statements for the year ended 31 July 2007

(Paper BG122/0)

94.1 The Board received KUSU's Financial Statements for the year ended 31 July 2007. These had been considered in draft by the Audit Committee at its meeting on 18 October 2007.

95.0 * Summary Finance Report for September 2007

(Paper BG123/07)

95.1 The Board received the summary Finance Report for September 2007.

96.0 * Minutes of the Academic Board meeting held on 28 September 2007

96.1 The Board received the minutes of the Academic Board meeting held on 28 September 2007.

97.0 * Minutes of the Estates Committee meeting held on 11 October 2007

97.1 The Board received the minutes of the Estates Committee meeting held on 11 October 2007.

98.0 * Minutes of the Audit Committee meeting held on 18 October 2007

98.1 The Board received the minutes of the Audit Committee meeting held on 18 October 2007.

99.0 * Minutes of the Finance Committee meeting held on 25 October 2007

99.1 The Board received the minutes of the Finance Committee meeting held on 25 October 2007.

100.0 *Minutes of the Employment Committee meeting held on 8 November 2007

100.1 The Board received the minutes of the Employment Committee meeting held on 8 November 2007.

101.0 Any other business

101.1 The Head of Secretariat advised members that they would receive invitations to attend the various Faculty Degree Ceremonies.

101.2 There was no other business.

102.0 Date of next meeting

The Board of Governors and Executive Board joint Away Day was scheduled to take place on Wednesday 12 December 2007 at the Lensbury Conference Centre, Teddington.

The next meeting of the Board of Governors was scheduled for Wednesday 23 January 2008 in Frank Lampl Building 6233, Kingston Hill Campus.