

Kingston University London

MINUTES BOARD OF GOVERNORS

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON WEDNESDAY 25 NOVEMBER 2009 IN THE TOWN HOUSE, PENRHYN ROAD

Present:

Gren Collings (Chair), George Alexandrou, Tony Beadle, Chris Brooks, David Carter, Stephen Cooksey, Ann Corrigan, Sara Drake, TJ Esubiyi, Lesley Granger, Robert Green, Frank Kennedy, Stephen King, Nona McDuff, Phil Molyneux, Sue Rimmer, Peter Scott, David Taylor and Clarissa Wilks

In attendance:

Deputy Vice-Chancellor, Pro Vice-Chancellor (Employer Engagement), Pro Vice-Chancellor (External Affairs), Pro Vice-Chancellor (Research & Enterprise), University Secretary, Finance Director, Head of Planning, Head of Secretariat, Minuting Clerk

96.0 Election of the Chair and Vice-Chair (Paper BG 134/09)

- 96.1 The 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.
- 96.2 The University Secretary asked for nominations for the position of Chair. Gren Collings was proposed for re-election as Chair by David Taylor and seconded by Sara Drake. As there were no other nominations for the position of Chair Gren Collings was elected unopposed as Chair, and duly accepted the position.

It was resolved that

Gren Collings be re-elected as Chair for the period from 21 November 2009 to 20 November 2010.

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

- 96.3 The Chair noted that nominations had been requested for the position of Vice-Chair. Ann Corrigan was proposed by Stephen King and seconded by George Alexandrou. As there were no other nominations for the position of Vice-Chair, Ann Corrigan was elected unopposed and accepted the position as Vice-Chair.

It was resolved that

Ann Corrigan be elected as Vice-Chair for the period from 21 November 2009 to 20 November 2010.

The Chair welcomed Stephen Cooksey, Lesley Granger and Sue Rimmer to their first meeting of the Board of Governors, and also Nona McDuff, who had been elected as the new non-teaching staff member.

97.0 Apologies for absence

Apologies for absence were received from Peter Kopelman, Roderic Lyne, Derek Osbourne, David Reardon and Reza Zaidi.

98.0 Minutes of the Board of Governors Meeting held on 23 September 2009

98.1 The Minutes were approved.

99.0 Matters Arising

99.1 There were no matters arising, which were not covered elsewhere on the agenda.

100.0 Approval of Board and Committee Membership and Election of Staff Governors

(Paper BG 135/09)

100.1 The University Secretary drew the Board's attention to the recommendations of the Nominations Committee as detailed in the Report. The Board approved the re-appointment of Stephen King and David Reardon for a second term of office until 20 November 2012, and the appointment of Sue Rimmer as a co-opted member of the Board until 20 November 2012. The Board also noted that Phil Molyneux had been returned uncontested for a second term as the Teaching Staff Governor and that Nona McDuff had been elected as the Non-Teaching Staff Governor, until 20 November 2012.

100.2 A new Chair of the Employment & Diversity Committee still had to be appointed and the Board agreed that the Nominations Committee would consider this matter and bring a recommendation to the next Board meeting in January. It was also noted that a skills gap had been identified in Board membership with regard to the strategic management and development of estates. Interviews would be held in January with a view to appointing an individual with the relevant expertise onto the Board and Estates Committee.

It was resolved that the Board approve the recommendations of the Nominations Committee as follows:

Stephen King and David Reardon to be re-appointed for a second term until 20 November 2012

Sue Rimmer to be co-opted to the Board for a term of three years until 20 November 2012

Phil Molyneux to be re-appointed as the elected teaching staff governor for a second term until 20 November 2012

Nona McDuff to be appointed as the non-teaching staff governor for a first term until 20 November 2012

David Reardon to move to the Employment & Diversity Committee

Sue Rimmer to join the Employment & Diversity Committee

David Carter to be appointed as Chair of the Estates Committee

Stephen Cooksey to join the Estates Committee

Chris Brooks to join the Finance Committee

Reza Zaidi to join the Nominations Committee

Nona McDuff to join the Nominations Committee

Lesley Granger to join the Remuneration Committee

Frank Kennedy to be appointed Chair of KUEL

David Carter to be appointed Chair of KUP

101.0 Vice-Chancellor's Report

(Paper BG 136/09)

101.1 National issues:

101.1.1 Higher Education Framework:

The Vice-Chancellor reported on the Government's recently published HE Framework document. Of the sixteen recommendations in the Framework, the main themes were: greater flexibility of course patterns; greater emphasis on employer engagement and involvement; more focus on world-class research; and greater emphasis on students as consumers. It was expected that any change of Government following the forthcoming general election would not entail radical changes to the policies outlined in the HE Framework.

101.1.2 Fees Review:

The independent review of HE funding, promised at the time when fees were first introduced, had now been established. It was expected that the review would report its findings in 2010, and that any subsequent changes would be introduced no earlier than 2011/12. The key area of the review was the possible revision of the cap on top-up fees.

101.2 Kingston issues:

101.2.1 STEM Faculty:

The proposal of a STEM faculty was one of a number of initiatives relating to the new Strategic Plan, which also included Scenario Planning; Fitness for Purpose; Academic Foresight; and changes to the modular structure and the academic year. Following detailed consideration of a number of options, the Executive Board was recommending to the Academic Board at its meeting on 2 December that a STEM faculty should be established. The Executive paper on STEM was attached as an annex to the Vice-Chancellor's Report. Effective communication of the proposal would form an important part of the remit of the group implementing the initiative. The benefits of the proposal and the rationale for the new faculty would be clearly explained to staff. The matter would be discussed further at the Board and Executive Away Day in December.

101.2.2 St George's University of London:

Since the recent decision by SGUL not to proceed with the Royal Holloway merger, both SGUL and Royal Holloway had confirmed their commitment to SWan (South West London Academic Network). However, it was expected that there might be some loss of momentum in this area, whilst the two institutions considered their futures. In the meantime, together with King's College Academic Health Sciences (Kings Health Partners) and a number of other partners including Kingston, SGUL was bidding to establish a Health Innovation Education Cluster (HIEC) in South London. It was noted that there were two other such bids in the London area, and that the outcome would be known by the end of the calendar year.

101.2.3 Student recruitment:

As previously reported to the Board, the University's target for additional student numbers in key subjects was increased from 329 to 501 by HEFCE. In order to maintain the University's position within its HEFCE target range, it was expected that the University would reduce future target intake to the level it was before the HEFCE allocation. A decision on this matter would be made shortly. The University was committed to maintaining its college partnerships for a number of reasons and it was believed that the decrease in intake would not have a significant impact on partner colleges. However, the removal of the 10% premium towards Foundation Degrees might have a long term impact on the University's involvement in this area.

101.2.4 HESA return:

It was reported that the potential clawback of funds following the HESA data return was likely to be less than £200,000. Due to strong recruitment for 2010/11 the University was comfortably back in the middle of its contract range. However, rates of non-completion had not improved significantly, and this matter would need to be further addressed.

101.3 Other matters for report:

101.3.1 Pay Dispute:

It was reported that, whilst the University had paid a salary increase of 0.5%, most of the trade unions had rejected the offer from UCEA (Universities and Colleges Employers Association) and the pay dispute had not yet been resolved.

101.3.2 Awards ceremonies:

Following the student concerns over the use of the Rose Theatre for graduation ceremonies, reported to the Board earlier in the year, two award ceremonies had recently been held in the theatre and early feedback indicated a positive response. This matter would be monitored by the Pro Vice-Chancellor, External Affairs, particularly after the majority of graduation ceremonies had taken place in January.

101.3.3 Support our Sports:

The Students' Union had been running a campaign to highlight the lack of sports and recreational facilities at the University. It was reported that there had been significant investment at the Tolworth Court sports ground. However, it was acknowledged that there was a need for indoor facilities on campus.

101.3.4 Dean of Science:

The appointment of Professor Andy Augousti as Acting Dean of Science was noted.

102.0 Approval of the Financial Statements for the year ended 31 July 2009 (Paper BG 137/09)

102.1 The Board received the following financial papers:

BG 137/09 – Approval of Financial Statements for year ended 31/7/09

BG 138/09 – Approval of HEFCE Financial Forecast

BG 139/09 – Approval of Financial Strategy

BG 140/09 – Approval of Financial Plan 2009

It was suggested that it would be useful to consider the Financial Statements in conjunction with the other three finance-related documents listed above. The Chair of the Finance Committee noted that the Financial Statements, along with the HEFCE Financial Forecast, the Financial Strategy and the Financial Plan 2009 reflected earlier reports to the Board, and that the Finance Committee had considered all four documents in detail and had agreed to recommend their approval to the Board of Governors.

- 102.2 The Finance Director stated that one of the most important issues was that 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.
- 102.3 It was noted that the performance measures included in the Financial Strategy were set by the University, but followed the figures used by HEFCE for all institutions, in order to allow for sector benchmarking. The University had performed well against these figures historically, and it was believed that they gave a good reflection of the University's operation in the future economic climate.
- 102.4 The level of investment in capital projects would need to be reviewed by the Estates Committee. The NUP (New University Project) which preceded the CDP had been subject to an options and investment appraisal when it changed to the CDP, and a similar appraisal would be carried out for the next phase of the CDP.
- 102.5 The Board noted the additional £21m pension deficit in 2008/09 and overall liability of £70m across the plan period. The Finance Director explained that the superannuation scheme in which the deficit had arisen was a local government scheme to which the University had limited rights as an Admitted Member. It was reported that the cost of the deficit was covered in the Financial Plan by increased levels of pension contributions. It was agreed that a detailed report on the pension arrangements would be provided to the Board at its meeting in January 2010.

It was resolved that

The Board approve the Financial Statements for the year ended 31 July 2009 on the recommendation of the Finance Committee

*Action: Report on the Pension Plan to Board of Governors meeting in January 2010
[Finance Director]*

103.0 Approval of HEFCE Financial Forecast (Paper BG 138/09)

- 103.1 The Finance Director noted that HEFCE required a specific format for the financial forecast. In view of the current economic situation, HEFCE was particularly interested in the financial sustainability of HE institutions. The University's Scenario Planning exercise would assist in improving its readiness to react to any reduction in HEFCE funding. The Finance Director noted that any potential funding cuts were included in the sensitivity analysis.
- 103.2 The Board noted the movement in net liquidity over the period and that the current figure was a reflection of the borrowing undertaken for the CDP that had yet to be committed. It was noted that, in terms of both income and operating costs, the figures for 2008/09 were affected by the

significant increase in overseas student numbers, which would bring about a baseline change in 2009/10. Budget underspends in 2008/09 had been factored into 2009/10 and future years.

103.3 The Financial Plan included a comparison of the Plan against the performance measures outlined in the Financial Strategy. It was noted that there were no significant variations over the Plan period. Capacity for further borrowing was in place should the need arise.

It was resolved that

The Board approve the HEFCE Financial Forecast

104.0 Approval of the Financial Strategy

(Paper BG 139/09 - *confidential*)

104.1 The Financial Strategy included performance measures to monitor the financial objectives over the plan period.

104.2 The Board noted it might be useful to include a performance measurement relating to efficiency. It was agreed that the section on performance measures would be further reviewed.

104.3 The University's resource allocation methodology was due to be reviewed by the Senior Management Group at its meeting in January, and also at the next Finance Committee meeting in February. This review would follow the current benchmarking exercise being conducted independently on behalf of the University, which was focused on support services in departments and faculties. The income-related methodology was likely to be replaced by an alternative system which would give a more streamlined and effective budgeting process for faculties and departments. Zero-based budgeting would be considered as a possible methodology for departments.

It was resolved that

The Board approve the Financial Strategy

Action: Review of section in Financial Strategy relating to performance measures
[Finance Director]

105.0 Approval of the Financial Plan 2009

(Paper BG 140/09 – *confidential*)

105.1 The Financial Plan covered a ten-year period, of which the first four years relating to the HEFCE Forecast were the most significant part. Included in the Plan was a comparison of performance against the parameters of the Financial Strategy. It was noted that the Plan would be refined next year following the Scenario Planning exercise.

It was resolved that

The Board approve the Financial Plan 2009

106.0 Approval of the External Auditors' Audit Report and Management Letter for the year 2008/09

(Paper BG 141/09)

106.1 The Chair of the Audit Committee reported on the External Auditors' Report and Management Letter, noting that this item should be taken in conjunction with the next two items – the Annual Report of the Audit Committee and the Operational Internal Audit Plan for 2009/10 & Internal Audit Strategic Plan to 2011/12, as well as item 18 on the agenda – Letters of Support for University subsidiary companies.

106.2 The main purpose of these reports was to give the Board of Governors assurance with regard to the financial management and governance of the University.

106.3 It was reported that there were no significant issues arising from the External Auditors' report and management letter, and all outstanding items listed in the report had now been resolved. Two of the key areas covered related to data quality management and assessing the University as a "going concern" (reported under Minute 102.2 of today's meeting). The auditors had requested that the University provide Letters of Support for two of its subsidiary companies.

It was resolved that

The Board approve the External Auditors' Audit Report and Management Letter for the year 2008/09 on the recommendation of the Audit Committee

107.0 Annual Report from the Audit Committee for the year 2008/09

(Paper BG 142/09 - *confidential*)

107.1 The Annual Report from the Audit Committee summarised audit work for the year and provided assurance to the Board that the proper level of governance had been conducted by the University in financial and management terms. The Audit Committee Terms of Reference had been updated and modified to reflect the new HEFCE requirements on data quality. The Board of Governors was asked to approve the revised Terms of Reference and to endorse the opinion of the Audit Committee with regard to governance and control.

107.2 It was noted that there had been a pattern of continued improvement in the nature and speed of management responses and a reduction in the number and level of recommendations being made. This indicated an overall improvement in the governance control of the University.

It was resolved that

That the Board approve the revised Audit Committee Terms of Reference, note the Annual Report and endorse the Audit Committee's opinion with regard to governance of the University.

108.0 Operational Internal Audit Plan for the year ending 31 July 2010 and new Internal Audit Strategic Plan 2009/10 to 2011/12
(Paper BG 143/09 - *confidential*)

108.1 The Chair of the Audit Committee said that two additional issues had been discussed in relation to the Plan, firstly that the Audit Committee had requested that Internal Audit consider the impact of a 10% reduction in income on its work, and secondly that Internal Audit review and prioritise assignments taking into account a possible reduction in audit days whilst providing adequate assurance to the University.

109.0 Campus Development Plan – Kingston Hill Procurement Summary
(Paper BG 144/09 - *confidential*)

It was agreed that this Minute be confidential.

(*See Confidential Minutes attached*)

110.0 Review of Progress, incorporating Key Performance Indicators
(Paper BG 145/09)

110.1 The Head of Planning presented the Review of Progress which he noted should be considered in conjunction with the next agenda item, the Annual Operating and Annual Monitoring Statements. The Review of Progress was an annual document which provided information on the analysis of trends and benchmarking against comparator groups across a range of activities. The scope of the Review had been extended this year to include Estates, HR information and the Enterprise Strategy.

110.2 The key section for the Board was the list of Key Performance Indicators, which had been reviewed last year. Two new KPIs would be added to the list relating to the University's Estate and Staff-related issues, once these had been agreed by the Estates and Employment & Diversity Committees respectively.

110.3 It was noted that the University was below its target with regard to the National Student Survey (NSS). It was reported that a considerable amount of work was being carried out on student support and in the Learning Resource Centres to improve the student experience and help to enhance this academic year's NSS scores. Faculty action plans included

detailed analysis of the feedback from students in order to address and improve specific areas.

110.4 The Board agreed that it was vitally important for students to understand that their opinions were being taken into account, and in this regard it was crucial to improve student communication and participation. It was noted that student perception had shifted, and students increasingly viewed themselves as customers and had higher expectations accordingly. It was important for the University to address these perceptions and to ensure that any bureaucracy was kept to a minimum.

110.5 It was reported that the decision had been taken to conduct staff satisfaction surveys at regular intervals, with the next one to be held in the spring of 2010. This would be overseen by the Employment & Diversity Committee.

110.6 It was noted that feedback from cases of staff grievance and student complaints following Governors appeal hearings were reviewed annually and changes made to procedures as necessary.

111.0 Annual Operating Statement and Annual Monitoring Statement

(Paper BG 146/09)

111.1 The Head of Planning reported that the Annual Operating Statement provided an update on progress over the last academic year towards implementing the Strategic Plan. The Annual Monitoring Statement reported on development against specific HEFCE initiatives and the University's progress against its objectives. These documents formed part of the University's annual submission to HEFCE.

Stephen King left the meeting

112.0 Implementation of the Strategic Plan

(Paper BG 147/09)

112.1 The Head of Planning presented a report setting out the University's approach and work to date on implementing the new Strategic Plan. The report provided details of four possible projects – Academic Foresight, Fitness for Purpose, Modular Structure and the STEM Faculty.

112.2 It was noted that the Implementation Plan would be subject to revision based on future decisions made. The Plan would be reviewed on a regular basis and reported to the Board accordingly. Major items would be reported as part of the Vice-Chancellor's reports, or as separate items.

112.3 Work on Scenario Planning was expected to be completed by the spring of 2010. It was agreed that a report on this issue would be presented to the Board at its meeting in May.

112.4 It was also agreed that a report on Employer Engagement would be presented to the Board at a later date, based on the work carried out by the Pro Vice-Chancellor.

112.5 With regard to the University's detailed sub-strategies, it was noted that a number of these were considered by the appropriate sub-committees of the Board and details would be provided to the Board in the reports of those committees. Other strategies and operational plans were considered within the University's management committee structures, and whilst the detail need not necessarily be reported to the Board, the Board's interest was in knowing that the strategies existed. It was noted that the work of the Audit Committee included some scrutiny of sub-strategies and operational plans.

Action: Report Scenario Planning to Board in May 2010 [Head of Planning]

*Report on Employer Engagement to Board later in 2009/10
[Pro Vice-Chancellor, Employer Engagement]*

Ann Corrigan left the meeting

113.0 Approval of Debt Write-Off (Paper BG 148/09)

113.1 The Finance Director reported that the approval of debt write-off was an annual process and that the matter had been discussed by the Finance Committee at its meeting in October. Although the write-off figure was fairly low in comparison to previous years, the debt was likely to increase as many students had not yet taken up the support arrangements available from the Student Loan Company (SLC). The current take-up rate from the SLC was 64%.

113.2 Risks relating to commercial debt had increased in the light of the current economic climate. The University was working towards keeping commercial debt to a minimum through the use of increased due diligence procedures.

113.3 It was noted that the external auditors were satisfied with the University's processes in this area.

It was resolved that

The Board approve the write-off of £541,570.38 of debt on the recommendation of the Finance Committee

114.0 Letters of Support for University subsidiary companies (Paper BG 149/09)

114.1 The Letters of Support for two of the University's subsidiary companies had been considered earlier in the meeting as part of the items relating to Audit Committee work.

115.0* KUSU's Financial Statements for the year ended 31 July 2009

(Paper BG 150/09)

115.1 The KUSU financial statements had been considered by the Audit Committee at its meeting in October. It was noted that an Audit recommendation relating to a review of KUSU's commercial activities, remained outstanding.

116.0*Report on Health and Safety Metrics

(Paper BG 151/09)

116.1 The Board noted the report on Health and Safety Metrics.

117.0*Finance Report for September 2009

(Paper BG 152/09 enclosed)

117.1The Board noted the Finance Report for September 2009.

118.0 Minutes of the Academic Board meeting held on 24 June 2009

118.1 The Board noted the Minutes of the Academic Board meeting

119.0 Minutes of the Estates Committee meeting held on 14 October 2009

119.1 The Board noted the Minutes of the Estates Committee meeting

120.0 Minutes of the Audit Committee meeting held on 27 October 2009

120.1 The Board noted the Minutes of the Audit Committee meeting

121.0 Minutes of the Finance Committee meeting held on 29 October 2009

121.1 The Board noted the Minutes of the Finance Committee meeting

122.0 Minutes of the Employment & Diversity Committee meeting held on 5 November 2009

122.1 The Board noted the Minutes of the Employment & Diversity Committee meeting

123.0 Any Other Business

123.1 Kingston University entry points and degree classifications:

The Board discussed the issue of University entry points and degree classifications. It was agreed that the Deputy Vice-Chancellor would provide a report on this matter to the Board meeting in January.

123.2 It was agreed that the Board's involvement in student matters, in particular student perceptions and satisfaction levels, was crucially important. In this regard, it was agreed that the President of KUSU would make a presentation to the Board later in the academic year, on the lines of previous such presentations.

123.3 There was no other business.

*Action: Report on KU entry points and degree outcomes to Board in January 2010
[Deputy Vice-Chancellor]*

*Report on student matters to Board later in academic year
[President of KUSU]*

124.0 Date of next meetings

The Board of Governors and Executive Board Away Day meeting was due to be held on Wednesday 16 December at the Lensbury Conference Centre

The next meeting of the Board of Governors was scheduled for Wednesday 20 January 2010 in room FL6138 (Frank Lampl Building) at Kingston Hill

There being no further business, the meeting ended at 11.15am