

Minutes of a Meeting of the Board of Governors
held at 4pm on Thursday, 22 November 2012
in 1B33, Technopark, London SE1

Present

David Longbottom	Chairman
Prof Martin Earwicker	Vice Chancellor and Chief Executive
Barbara Ahland	
Steve Balmont	
Douglas Denham St Pinnock	
Ken Dytor	
Sir David Melville	
Anne Montgomery	
Diana Parker	
Prof Shushma Patel	
Prof Jon Warwick	

External Auditor David Barnes, Grant Thornton (*for minutes 29-42*)

In attendance

Dr Phil Cardew	Pro Vice Chancellor (Academic)
Richard Flatman	Executive Director of Finance
Beverley Jullien	Pro Vice Chancellor (External)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

Welcome and apologies

1. Apologies had been received from Dame Sarah Mullally, Anisa Ali, Janet Cattini, Andrew Owen and James Smith.
2. The Board welcomed Barbara Ahland, student governor elected by the Student Council and Professor Patel, staff governor nominated by the Academic Board to their first Board meeting.

Declaration of Interests

3. The staff governors and the Chairman, due to his marriage to an employee, declared an interest in the item in the Vice Chancellor's report on pay award (minute 18 below).

4. Richard Flatman and Beverley Jullien, as directors of South Bank University Enterprises Ltd (SBU EL), declared an interest in the proposed gift aid payment to LSBU from SBU EL which the Board would be asked to ratify when approving the accounts (minute 38 below).

Minutes of the previous meeting

5. The Board approved the minutes of the meeting of 3 October 2012 and authorised their publication.

Re-election of Vice Chair

6. The Board re-elected Sarah Mullally to serve as Vice Chair of the Board.

Vice Chancellor Appointment Committee update

7. The Chairman updated the Board on the progress of the Vice Chancellor appointment committee. It was noted that Perrett Laver had been appointed as recruitment consultants to lead the search. Following consultation with governors and staff the job description had been agreed and an advert published.
8. The Board welcomed the news that Professor John Brooks, Vice Chancellor of Manchester Metropolitan University, had kindly agreed to act as the external advisor to the committee. The committee would meet on 20 December 2012 to review the long list of applications. After interviews by Perrett Laver, the committee will meet again on 24 January 2013 to select the final candidate list for final interviews to be held on 6 February 2013.

Update on Nominations for Independent Governors

9. The Chairman updated the Board on progress of the Nomination Committee to identify three suitable candidates for the independent governor vacancies. They had been invited to meet the committee to discuss the role.

Resolution under Article 12(a)

Professor Patel left the meeting

10. The Board noted that Professor Patel was married to an employee of the University and that under Article 12(a), the Board were required to consider whether she should continue to serve as a governor.

11. The Board noted the potential for a conflict of interest to arise in the future, particularly in relation to matters affecting staff and their terms of employment. This would be mitigated by requesting Prof Patel to leave the room for items for which the Board agreed she would be conflicted.
12. The Board passed the following resolution:

“That due to her marriage to an employee and in accordance with Article 12.(a), Professor Patel is authorised to serve as a Staff Governor.

That in the future, any potential conflict of interest relating to Professor Patel’s marriage to the employee will be handled by asking her to leave the meeting for that particular item of business”.

Professor Patel returned to the meeting.

Matters Arising

13. All matters arising from the previous meeting were covered elsewhere on the agenda.

October Strategy Day

14. The Board noted the summary of the board strategy day held on 18 October 2012 (paper **BG.84(12)**). As had been previously requested, the Executive were developing proposals for discussion at the next strategy day in April 2013.

Revised Financial Forecast

15. The Board discussed in detail the revised financial forecast for 2012/13 with a reforecast surplus of [REDACTED] (paper **BG.85(12)**). The Board noted the revised financial forecast would form part of the annual accountability return submitted to HEFCE in December 2012.

16. [REDACTED]

17. The Board approved the revised financial forecast.

Vice Chancellor's Report

18. The Board noted the Vice Chancellor's report (paper **BG.86(12)**), which updated the Board on the opening of the Student Centre (planned for 26 November 2012), the national pay award of 1% and progress on the University Technical College and University Engineering Academy.
Secretary's Note: Under Vice Chair's action the pay award will be paid in the January 2013 payroll.

Reports from Committees

19. The Board noted the reports from committee meetings (paper **BG.87(12)**).
20. The Board noted an update on SBUEL since its recapitalisation in July 2012. There had been two meetings of the board, chaired by James Smith, independent governor. The two non-executive directors were being recruited. The CEO, James Smith, had been confirmed in post and had strengthened the enterprise team. The next meeting of the SBUEL board would consider business development. A full report on enterprise would come to the Board in May 2013.

Draft Articles of Association

21. The Board discussed a proposed complete revision of LSBU's Articles of Association (paper **BG.88(12)**), which had been reviewed by the Policy and Resources Committee. The draft revisions were noted.
22. The Board discussed in detail the proposed article on academic freedom. The Board requested that the duty to have regard to academic freedom should rest with the Board of Governors.
23. The Board discussed in detail a proposed enabling power to remunerate governors. The Board requested to consider the matter again at its meeting in March 2013 after consultation with the joint unions on this and all the proposed revisions.

Pensions Update

24. 



Risk Register

25. The Board noted the risk register which had been reviewed and updated by the Executive following discussion at the Board meeting of 3 October 2012 (paper **BG.90(12)**). The Board requested the Executive to review the risk of reputational damage around accepting donations.

HEFCE Assessment of Institutional Risk

26. The Board noted HEFCE's assessment of institutional risk of the University as "not at higher risk" (paper **BG.91(12)**).

University Engineering Academy

27. The Board approved the proposal to set up a trust to establish the new University Engineering Academy in Trafalgar Street, Southwark and to invite the Sir John Cass Foundation to be co-sponsors of the Academy (paper **BG.92(12)**).

Policy and Resources Committee and Human Resources Committee Terms of Reference

28. The Board approved revised terms of reference for the Policy and Resources Committee (P&R) and the Human Resources Committee (paper **BG.93(12)**).

David Barnes of Grant Thornton entered the meeting

Audit Committee Annual Report

29. The Board discussed the Audit Committee annual report (paper **BG.94(12)**). The Board noted that the two key concerns of the committee were the in year payroll incident and student data quality.
30. It was noted that actions had been taken to address the failure of a number of controls leading to the overpayment to a member of staff in the March 2012 payroll.
31. Governors discussed the actions taken by the Executive over the previous three years which had included the appointment of a new Academic Registrar in November 2011. It was noted that the Audit Committee continued to

monitor progress on the action plan for data quality at each meeting. The Board requested an update on data quality at its next meeting.

Report from the Policy and Resources Committee on the Accounts

32. The Board noted the report on the University's accounts and the Student Union's accounts from P&R (paper **BG.95(12)**).

Key Issues Memorandum

33. The Board noted the key issues memorandum from Grant Thornton (paper **BG.96(12)**), which had been reviewed in detail by the Audit Committee.

Letter of Representation

34. The Board approved the letter of representation by the Board to Grant Thornton and authorised the Chairman to sign it on behalf of the Board (paper **BG.97(12)**).

Annual Report and Financial Statements for year ended 31 July 2012

35. The Board discussed the annual report and financial statements for the year ended 31 July 2012 (paper **BG.98(12)**), which had been reviewed in detail by the Audit Committee and P&R.
36. The Board noted that the £3m write down of stabilisation works on the terraces was now shown separately as impairment rather than depreciation.
37. The Board noted that the paragraph on going concern had been revised following the revised financial forecast but that the conclusion remained the same.
38. The Board ratified the gift aid payment of £648,240 from SBUEL to the University and authorised the situational interests of all the directors of the SBUEL Board, with regard to their roles within the University.
39. After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2012 and authorised signature by the Chairman and Vice Chancellor on behalf of the Board.

Students' Union Annual Report and Financial Statements for year ended 31 July 2012

40. The Board noted the Student Union's annual report and financial statements for the year ended 31 July 2012 (paper **BG.99(12)**), which had been reviewed by the Audit Committee and P&R and approved by the Students' Union trustee board.

HEFCE Reporting

41. The Board approved the annual accountability return for submission to HEFCE (paper **BG.100(12)**).

Date of next meeting

42. The next meeting will be held at 3pm on Thursday 21 March 2013, to be followed by the meeting of the University Court.

The Chairman closed the meeting. The forty-second annual general meeting then followed.

Confirmed as a true record:

..... (Chairman)