

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

4 Director & Principal's Report

Governing Body received a report from the Director and Principal [Appendix B] and the following additional comments were noted:

- i) *DIUS, HEFCE & ASNs*
The expectation of the demand for further efficiency savings and the pressures on student numbers were noted. The financial situation was difficult, although DIUS had made a commitment to maintain the unit of resource in the T grant.
- ii) *RAE 2008*
It was noted that the results would be published on 18 December 2008. The School had in place a communications strategy for notification of the results and would ensure that Governing Body members were included in this. The 1994 group of universities would be analysing the results in comparison with the performance of the Russell Group of universities. The educational press (particularly the *Times Higher* and the *Guardian*) would be publishing national research league tables on 18 December.
- iii) *IFCELS*
Governing Body was pleased to note the progress on negotiations with the unions but also noted that there remained a serious problem with IFCELS' long-term financial situation that needed to be recognised and addressed by all parties.
- iv) *The PDF*
The School was waiting to hear back from the Charity Commission before signing the new lease for 53 Gordon Square, and this was not likely to be until April.
- v) *University of London and Senate House Library*
Options were being considered but there was a lack of consensus as to which was the best way forward. The Collegiate Council was likely to agree to more time for the three most plausible options to be considered in greater depth.
- vi) *Personalia*
The Governing Body noted with pleasure that Sir David Brewer had received an honorary degree from the University of London on Foundation Day and that the School's Director and Principal had delivered the oration, which had been warmly received by Sir David. The oration was on the University of London website.

5 Finance

- i) Governing Body received the audited financial statements for the year ended 31 July 2008, as approved by the Resources and Planning Committee on delegated authority from Governing Body (due to the HEFCE submission deadline, in accordance with minute 40 (i)

2007/8), which had also been reviewed by the Audit Committee [Appendix C].

In the unavoidable absence of the Honorary Treasurer, the Vice-Chair emphasised on the former's behalf the points the Honorary Treasurer had planned to make:

- All responsible for delivering the excellent financial situation for the past year should be applauded.
- The current year was clearly going to be a disappointment financially for two key reasons, viz the failure to recruit sufficient overseas students and the unpredicted increase in staff costs.
- The School should 'stick to its strategy' and not resort, as SOAS had done in the past, to a cost-cutting exercise which could only deliver short-term respite from what were long-term problems. Partly due to last year's surplus, the School could absorb the current year loss, provided it reaffirmed its longer-term strategy of growing its way towards financial viability.
- A key consequence of sticking to the strategy was that the School would go ahead with the plan to spend £1.5m this year on the first phase of refurbishment of the estate. It was agreed that this could not be deferred any longer.
- A great deal had been achieved in terms of putting in place the processes and disciplines needed to enable the Faculties to take greater charge of their positions, particularly as far as student recruitment and the generation of higher streams of research and consulting income. Over the next couple of years, the Faculties would need to rise to this challenge.
- Whilst the above were internal challenges, it was noted that the School faced many external challenges, e.g. the HEFCE block on any increase in UK students, the outcome of the RAE, pension costs, etc.
- As far as the capital programme was concerned, it was noted that the 'wrap-around building' - although still a key element of the master plan - had been put back. Instead of retaining the entire Vernon Square proceeds to fund that building, it had therefore been agreed to allocate some of the funds to smaller capital projects which were also part of the master plan. As a consequence, the School would need to raise additional funds from development efforts in order to tackle the major elements of the master plan.
- Turning to investment matters, the decision last spring to liquidate the School's hedge fund portfolio had proved to be a good one, particularly as the Director of Finance had opted to hold the proceeds in cash and not reinvest them. The balance and majority of the portfolio had however suffered in line with the market.
- It was noted that the School was sitting on substantial cash balances and had spread these amongst a range of the safer banks. The Director of Finance had managed to obtain good rates of interest by arranging appropriate fixed-term deposits.
- Although the development function was not the responsibility of the Resources and Planning Committee or the Honorary Treasurer as its Chair, he strongly supported the renewed

Governing Body noted and supported these points.

- ii) Governing Body **approved** the revised budget, as indicated in the Budget Validation report for 2008/9, comprising changes to the budget as recommended by Resources and Planning Committee, reducing the previously agreed surplus of £433,486 to a deficit of £448,250 [Appendix D, Annexes i & ii].
- iii) Governing Body received reports on Cash Flow Projection, Capital & Debt Statement, and Short-term Deposits [Appendix E, Annexes i, ii, & iii].
- iv) Governing Body considered a Letter of Variation amending the terms and conditions of a facility letter dated 7 July 2006 whereby Barclays Bank had agreed to provide a loan to the School [Appendix F].

It was **resolved** that the amended terms and conditions of the loan as set out in the Letter of Variation were hereby **approved** and **accepted**, and that the Director of Finance, Graeme Appleby, was **authorised** to sign on behalf of the School the copy of the said Letter of Variation to indicate acceptance of the amended terms and conditions.

6 Strategic Planning

Governing Body received an update on the planning process for 2009/10 and beyond [Appendix G]. It was noted that processes had been put in place which were now embedding to facilitate planning and review on an ongoing basis throughout the year.

7 Developing Third Stream Activity

Governing Body received a report from the Pro-Director on research and enterprise initiatives, including action points agreed by the School's Executive Board as a result of recommendations from Oakleigh Consulting and from other considerations [Appendix H]. Governing Body **endorsed** the proposed ways forward, which included *inter alia* the revision of the Research Strategy to encompass both research and enterprise, and the appointment of a Director of Research and Enterprise, funded from HEIF 4 money, to bring research and enterprise support mechanisms into a single Research and Enterprise Office.

8 Development Matters

Governing Body received a report on development matters from the Director of Development and Alumni Relations [Appendix I, Annex i]. The paper outlined activity and outcomes achieved by the Development and Alumni Office in 2007/8 and set out targets and proposals for income generation during the three years of the HEFCE Matched Funding Scheme 2008-2011. Governing Body stressed the need to mobilise the support and co-operation of the School's academic staff. It was acknowledged that there was still progress to be made on effective contacts with alumni. Governing Body congratulated the Director of Development and Alumni Relations and her team for progress achieved to date and **endorsed** the proposed ways forward.

Governing Body **agreed** that a Development Advisory Board be set up, with terms of reference as outlined in the paper, and that the formal process of agreeing membership should be decided by a specified sub-committee of Governing Body subsequent to this meeting [Appendix I, Annex ii].

9 Governing Body Effectiveness Review

Governing Body received an interim report from the Registrar and Secretary on the progress of the effectiveness review [Appendix J]. It was noted that a steering group had met and had agreed the review's scope, timetable and processes. A questionnaire had been agreed to be circulated to Governing Body in the New Year and it was also noted that some in-depth face-to-face interviews with some Governing Body members might also be deployed to obtain feedback. The School's staff and students would also be consulted on their understanding and perceptions of Governing Body. Governing Body looked forward to a second report at its meeting in March 2009.

10 Degree Awarding Powers (DAPs)

Governing Body received a paper from the Vice-Principal setting out the rationale for the School's move – as proposed by Executive Board and supported by Academic Board - towards obtaining DAPs and the process and timetable involved [Appendix K, Annex i]. Governing Body **approved** the draft Critical Self-Analysis document to be submitted to the QAA, subject to further work to be done on finalising the document and approval of any resultant drafting amendments to be made by the Chair of Academic Board [Appendix K, Annex ii].

11 Estates Matters

Governing Body noted current developments with the School's estate and infrastructure and **endorsed** the recommendations of the Estates and Infrastructure Committee and the Resources and Planning Committee in these matters [Appendix L]. It was noted that this included the adjustment of some priorities, notably a revised timescale for the 'wrap around' building and the bringing forward of three interim improvements projects.

12 QAA Institutional Audit 2007

Governing Body noted a letter from the QAA confirming completion of the 2007 Audit [Appendix M], and noted that the School's Learning and Teaching Quality Committee continued to monitor the follow-up action points.

13 Internal Audit

- i) Governing Body received the Annual Report of the Audit Committee for 2007/8 [Appendix N, Annex i].
- ii) The minutes of the meeting of Audit Committee held on 22 September 2008 were received [Appendix N, Annex ii].

(Secretary's note: the Committee also met on 3 November 2008 and those minutes are attached for members of Governing Body to receive with these minutes.)

- iii) Governing Body received the Annual Internal Audit report [Appendix N, Annex iii]. It was **agreed** that an update on the Risk Register should be reported back to a future Governing Body meeting.

14 HEFCE

- i) Governing Body received the HEFCE Financial Forecasts 2008 and commentary, as approved by Resources and Planning Committee under delegated authority [Appendix O, Annexes i & ii]. Governing Body noted the Honorary Treasurer's earlier comments in this regard.
- ii) Governing Body noted the Annual Assurance Return to HEFCE [Appendix O, Annex iii].
- ii) Governing Body received the Corporate Planning Statement for 2008, as approved by Resources and Planning Committee under delegated authority [Appendix O, Annex iv].

15 Students' Union

- i) Governing Body received the Annual Report 2007/8 from the Students' Union [Appendix P] and congratulated the Union on the development achieved.
- ii) Governing Body received the Financial Statements of the SOAS Students' Union for the year ended 31 July 2008 [Appendix P, 2nd part], noting the Union's stated plans for spending some of its substantial reserves.

16 Honorary Degrees and Fellowships

The procedures for nomination of Honorary Degrees and Fellowships were noted [Appendix Q], with the proviso that recommendations were now to be reported to the secretary of the University of London's Collegiate Council.

17 Health & Safety Committee

Governing Body received a report from the Health & Safety Committee [Appendix R].

18 Academic Board

Governing Body received the draft minutes of the meeting of Academic Board held on 19 November 2008 [Appendix S].

19 Resources and Planning Committee

Governing Body received the draft minutes of the meeting of Resources and Planning Committee held on 18 November 2008 [Appendix T, revised copy circulated that week].

20 Any other business

- i) *Annual Report and Financial Statements 2007/2008*
Governing Body noted the tabled publication and warmly congratulated the Head of Marketing, Publications and Print and his team on the high quality of the document.

21 Date of next meeting

The next meeting of Governing Body would be held on Friday 20 March 2008, starting at 11.00am followed by lunch.