

GOVERNING BODY
AGENDA
Tuesday 27th November 2012 from 16.00-18.00hrs
Room 116, College Buildings, Thornhaugh St. Russell Square, WC1H 0XG

Items marked with an asterisk are formal business, not intended for discussion. If members wish to discuss any issues arising from these items they should inform the Clerk to the Governing Body by 9am on Friday 23rd November 2012

I	Conflicts of Interest To note	[Oral Update]
II	Minutes	
	To approve: The minutes of the meeting held on 5 th October 2012	[Attached]
III	Actions Taken	
IV	Matters Arising / Matters for Report	
V	Questions on the Director's report (<i>the Director's monthly report was dispatched on 31st October 2012</i>)	[Appendix A]
VI	Finance: to approve Financial Statements External Auditors Executive Report & Management Letter The Revised Budget 2012-13 Financial Forecast 2012/13 to 2015/16 Financial Strategy	[Appendix B] [Appendix C] [Appendix D] [Appendix E] [Appendix E (i)]
VII	Faculty Plans & Professional Services Plans: to note Arts and Humanities Languages and Cultures Law and Social Sciences IFCELS Plan Professional Services Plan	[Appendix F (i)] [Appendix G (i)] Appendix H (i)] [Appendix I (i)] [Appendix J]

VIII	Audit To approve: The Annual Report of the Audit Committee 2011/12 To note: Changes to the Terms of Reference of the Audit Committee Annual VfM (Value for Money) Report for 2010/11	[Appendix K] Annex A Annex B
IX	Risk Management To approve: The revised Risk Management Policy	[Appendix L]
X	HEFCE Letter on Institutional Risk To receive	[Appendix M]
XI	The Students' Union Annual Report 2011/12 & Financial Statements for the year ended 31 July 2012 To note	[Appendix N]
XII	The London Middle Eastern Institute, SOAS, Annual Report 2011/12 and Financial Report 2010/11 To note	[Appendix O]
XIII	The Health & Safety Annual Report To receive	[Appendix P]
XIV	Sub Committee Reports: To receive: Minutes/reports from the following sub committees: Academic Board Audit Committee Health & Safety Committee Nominations Committee Resources & Planning Committee	[Appendix Q] Annex A Annex B Annex C Annex D
XV	Next Meetings of Governing Body To note: Next meetings of Governing Body: Friday 19 th April 2013 at 9.30am Thursday 4 th July 2013 at 16.00pm An Informal Evening meeting of Governing Body will be held on the following date: Thursday 30 May 2012 4-8pm (venue – SOAS, Brunei Suite) The Governing Body Residential Away day will be held on Monday/Tuesday 4 th /5 th February 2013 at Couldson Manor & Golf Course, Couldson Court Road, Old Coulsdon, Croydon, CR5 2LL. Full details of these events will be provided by the Secretariat Officer (sec-officer@soas.ac.uk)	

SOAS, UNIVERSITY OF LONDON

GOVERNING BODY

Tuesday 27th November 2012

OPEN MINUTES

Dr T Miller (Chairman)
Ms E Wright (Vice-Chair)
Mr G Dalal (Honorary Treasurer)
Professor P Webley (Director)
Professor G Furniss (Pro Director)
Professor N Rao (Pro Director)

Dr F Adamson
Mrs S Alier
Professor Sir I Crewe
Ms A Fulton
Sir Graham Fry
Professor B Harriss-White
Mr C Ilako
Mr H Lanigan-Coyte
Mr N Lerner
Ms R Mortuza
Dr J Parker

Mr J Robinson
Mr S Tinton
Lord Williams

In attendance: Mr G Appleby (Director of Finance & Planning)
Mr D Beaton (Registrar & Secretary)
Professor M Craven (Dean of Law & Social Sciences)
Professor A Pauwels (Dean of Languages & Cultures)
Professor G Singh (Dean of Arts & Humanities)
Dr C Ince (Minutes)

Apologies: Ms Z Weaver

11. Welcome and Apologies

Governing Body **noted** the apologies.

12. Conflicts of Interest

There were no conflicts of interest stated.

13. Minutes

The minutes of the meeting 5th October 2012 were **approved**.

14. Actions Taken

There were no action points for report that were not covered later on the agenda.

15. Matters Arising

(i) MIN 8 – Percival David Foundation
Governing Body **approved** the appointment of Professor Furniss as a trustee of the Percival David Foundation.

15. Questions on the Director's Report

(Appendix A)

Governing Body **discussed** the October and November reports from the Director. The initial data on student applications for 2013/14 entry showed a decline, which was mirrored at the national level. There was a significant drop in law applications but the School had increased its entry tariff for this programme so this would be expected to have an impact. At this point in the recruitment cycle it was difficult to draw any conclusions and more would be known in January and be discussed at the informal Governing Body meeting in February.

The focus of efforts would be on the conversion of applications to accepted offers and this would be challenging in an increasingly competitive marketplace. Steps had been already been taken to reduce the turnaround time on making offers to applicants and other additional resources would be used.

The Director **reported** on the recent student occupation of the Brunei Gallery and thanked Mr Lanigan-Coyte for his role in ending it. There had been a number of occupations at the School over the last four years and it was not possible to stop them in an open institution. Support for occupations from staff and students made it difficult to tackle them and discussions were ongoing with the Students' Union. Governing Body **agreed** it was fully supportive of the School taking robust action against occupations, including legal action if required, in line with the agreed Policy on Occupations.

16. Finance: to approve

Annual Review and Financial Statements [Appendix B] Tabled

Governing Body **approved** the Annual Review and Financial Statements for the year ended 31 July 2012. The figures showed a surplus of £3M, which was £1M better than the February 2012 forecast and represented a 4.3% surplus against income. This was due to a number of factors including better income from distance learning and less expenditure on equipment and capital costs. There been some negative variances including a decrease in overhead contributions from research and enterprise activity and an increase in voluntary severance payments.

External Auditors Executive Report & Management Letter [Appendix C]

The Chair of the Audit Committee **reported** on the Executive Report from the External Auditors and the Management Letter; no significant issues had been raised. The statement on the School as a going concern had been based on the last forecast submission to HEFCE but was still valid even with the changes to the 2012/13 budget. One issue to report was that HMRC was taking a more robust stance with the sector on the provision of accommodation to staff and this had required a provision in the 2011/12 accounts and ongoing discussions over future arrangements.

Governing Body **noted** that the Executive Report contained a statement that the responsibility for the School's website rested with the Governing Body. It discharged this through the work of its sub-committees and the Executive Board as well as any internal audit work in this area.

Governing Body **approved** the documents.

The Revised Budget 2012-13 [Appendix D]

Governing Body **considered** the revised budget for 2012/13, which had been discussed in detail at the Resources & Planning Committee. The budget had required changes from that originally approved in July to take account of actual recruitment and a number of other variances. Overall the budget now showed a £87K deficit compared to the original £672K surplus. This was predominately due to a shortfall in fee income although this was offset by a number of positive variances including the contingency provision, salary costs and planned reductions in non-pay costs. The proposed additional expenditure to accelerate investment in key areas, covered in Appendix CR, was not included in the figures.

Governing Body **noted** the assumptions around increases in student recruitment. These were assumed to predominately return to earlier levels within two years and so supported the budget and financial forecasts. The most significant variance in the fee income had been an unanticipated drop in PGT recruitment. This was a sector issue against historic conversion rates and the School would be making more prudent estimates in the future. There was a risk that the drop in undergraduate recruitment was not a blip associated with the introduction of the new fee regime but the School had an action plan to improve recruitment and a number of new programmes to be introduced.

GB **agreed** that the proposal to accelerate investment in key areas that would improve the student experience was essential. The investment in the Senate House North Block was also fundamental to the School's plans and the business case had included very prudent assumptions in respect of income from the disposal of Vernon Square and philanthropy. These were looking more positive and along with the new programmes being developed gave good confidence in the overall plans. However, these would be reviewed in light of future recruitment and there were a number of alternate options to reduce costs if required.

Governing Body **approved** the budget for 2012/13 and the proposed increased investment fund. Any planned recruitment in the faculty plans would be reviewed at the time of appointment in light of the latest data on student recruitment. Work on the increased investment would be discussed in more detail at the Away Day and regular reports made to Resources & Planning Committee and Governing Body.

Financial Forecast 2012/13 to 2015/16 [Appendix E]

The Director of Finance & Planning **reported** that HEFCE only required a one-year forecast at this time but a forecast through to 15/16 would be submitted in July 2013. The forecast contained a number of assumptions including those around student growth, which were derived from the Faculty Plans. Within the period the growth in professional services staff was 8%, compared with 12% for academic staff, which showed an increasing efficiency.

The forecast included the planned expenditure in relation to the Senate House North Block project and this now included £2M of philanthropic income. This was a prudent estimate along with the £6M included for the disposal of Vernon Square.

The Governing Body **discussed** the effect of student growth on staff student ratios. The aim was to retain the overall ratio at around the current level but this varied substantially from one course to another. Therefore, additional staff recruitment was included in Faculty Plans to support planned growth as well as the development of new programmes.

Governing Body **approved** the Financial Forecast.

Financial Strategy [Appendix E (i)]

The Honorary Treasurer **presented** the new Financial Strategy, which built on the themes and underlying data already discussed in relation to the budget and forecast. There were a number of variables and assumptions but the School needed to create room to invest whilst recognising the need to have flexible plans. The Strategy contained a new Key Performance Indicator (KPI) that acted as a metric for cash generation.

Governing Body **considered** each of the KPIs in detail and if the targets set for each were appropriate. Further work would take place, via the Resources & Planning Committee, on scenario planning to ensure that the Financial Forecasts aligned with the targets.

Governing Body **approved** the Financial Strategy.

17. Faculty Plans & Professional Services Plans: to note

Arts and Humanities [Appendix F]

Languages and Cultures [Appendix G]

Law and Social Sciences [Appendix H]

IFCELS Plan [Appendix I]

Professional Services Plan [Appendix J]

Governing Body **noted** the Faculty and Professional Services Plans, which had been approved by the Resources & Planning Committee. The Plans had been incorporated into the budget and forecast. Each of the faculties had slightly different priorities but this reflected differing starting points for areas of activity.

18. Audit

To approve The Annual Report of the Audit Committee 2011/12 (Appendix K)

Changes to the Terms of Reference of the Audit Committee (Annex A)

To note:

Annual VfM (Value for Money) Report for 2011/13 (Annex B)

Governing Body **approved** the Annual Report from the Audit Committee for 2011/12 as well as minor changes to the Committee's Terms of Reference. It **noted** the Annual Value for Money Report, which was included as an annex to the Report.

19. Risk Management

To approve: (Appendix L)

The Risk Management Policy was **approved**.

20. HEFCE Letter on Institutional Risk

To receive (Appendix M)

Governing Body **received** the annual letter from HEFCE on institutional risk. This gave the School the best rating available and it **noted** that the point raised in the letter had been dealt with.

21. The Students' Union Annual Report 2011/12 & Financial Statements for the year ended 31 July 2012

To note (Appendix N)

The Co-President, Finance & Communications **reported** it had been a difficult year for the Student's Union but there had been a number of positive areas including it receiving an award from the NUS's Students' Union Evaluation Initiative.

As previously reported to the Governing Body, the School's internal auditors had undertaken a review of the Union's governance and financial arrangements following an incident that was still under investigation by the police. The audit report had been considered by the Audit Committee, which would be reviewing progress against the recommendations at its next meeting.

The Students' Union was looking at how it ensured its processes were democratic as well as how it could be involved more in the School's decision making. Its Union General Meetings had not agreed to the inclusion of external trustees on its Trustee Board but had agreed to the appointment of external advisers. These changes were now being included in a revised submission to the Charity Commissioners, so the Students' Union could formally register as a separate entity.

22. The London Middle Eastern Institute, SOAS, Annual Report 2011/12 and Financial Report 2010/11

To note (Appendix O)

The Director **reported** that the LMEI was registered as a separate charity from the School but the majority of its Trustee Board was from the School. The Institute had a range of activities and publications and whilst it currently ran at a small loss it was aiming to break even in 2012/13.

Governing Body **noted** the Annual Report and that the finances were not consolidated into the main School accounts.

23. The Health & Safety Annual Report

To receive (Appendix P)

Governing Body **received** the Annual Health & Safety Report. This was presented in an improved format that gave a range of comparative data. Governing Body would continue to receive the minutes of the Committee's meetings in addition to the Annual Report.

24. Sub Committee Reports

To receive

Academic Board [Appendix Q]

Audit Committee [Annex A]

Health & Safety Committee [Annex B]

Nominations Committee [Annex C]

Resources & Planning Committee [Annex D]

Governing Body **received** the reports from its sub-committees.

25. Dates of the Next Meetings of Governing Body

Governing Body **noted** that its next meeting would be the Residential Away Day on 4/5th February 2013 at Coulsdon Manor and Golf Course.

The next Governing Body meeting would be held on Friday 19th April 2013