

Royal Holloway
University of London

COUNCIL

**Minutes of the Meeting of the Council
held on 25 March 2009**

Present:	Sir Andrew Burns	Mrs E Horwood
	Mr A Alway	Professor R Kemp (<i>from item 2</i>)
	Cllr M Angell (<i>until item 8.4</i>)	Mr J Lerche
	Mr D M Beever	Mr A Martin
	Mr P Blagbrough	Ms L Owen
	Professor C Bradley	Mr J R Potts
	Mr J Brannan	Mr W F Rooke
	Mr R Buswell (<i>until item 8.4</i>)	Mr I G Ross
	Professor F Driver	Ms B Shorter
	Mr M Hamilton-Griffin	Dr A Stead
	Professor S R Hill (<i>until RAB</i>)	Mrs S Tyacke (<i>Until item 8.3</i>)
		Mrs J Walker
Apologies:	Cllr H W V Meares	Mrs G Stuart
With:	Ms K Kerr	College Secretary & Head of Governance
	Mr J Ackroyd	Governance Officer
In attendance:	Professor R Kemp (<i>until item 2</i>)	Deputy Principal
	Professor A Tickell	Vice-Principal (Research, Enterprise & Communications)
	Professor G Ward	Vice-Principal (Planning & Resources)
	Professor P Beesley	Dean of the Faculty of Science
	Professor R Deem	Dean of the Faculty of History & Social Sciences
	Professor K Normington	Dean of the Faculty of Arts
	Mr S Bland	Director of Facilities Management
	Dr G Mousinho	Director of Operations
	Mr G Robinson	Director of Finance
	Ms S Kay	Head of Strategic Development
Observers:	Ms B Hughes	PA to College Secretary
	Mr G Sullivan	Observer (on behalf of UCU)
	Mr J Pidgeon	President-Elect, Students' Union

1. MEMBERSHIP

- 1.1 The Council welcomed Janet Walker, Commercial & Finance Director at Ascot Racecourse, who had been appointed as an un-nominated lay member of Council. 09/59
- 1.2 The Council welcomed Professor Rosemary Deem, Dean of History & Social Sciences who would be in attendance at Council meetings. 09/60
- 1.3 The Council welcomed James Ackroyd, Governance Officer and Barbara Hughes, PA to the College Secretary, both of whom were new appointments to the College Secretary's Office. 09/61

[Secretary's note: Officers in attendance and observers were requested by the Chairman to withdraw from the meeting at this point to allow Council members to convene for items of Reserved Business.]

ANNOUNCEMENT BY THE CHAIRMAN

The Chairman explained that, during the Reserved Area Business, Professor Stephen Hill had announced his intention to step down as Principal of the College with effect from 31 July 2009. The Council had appointed the Deputy Principal, Professor Rob Kemp, to assume all the duties of the Principal with immediate effect, which was to include appointment as the College's designated HEFCE representative and confirmed that he would receive the full support of the Council in the undertaking of those duties. 09/62

2. CONFLICT OF INTEREST

The Chairman invited members to indicate if they had a conflict of interest with any of the agenda items. An elected member of Council declared an active interest in a spin-off company connected with the College. 09/63

3. MINUTES

Following some discussion about the form of the Minutes, the Minutes of the previous meeting held on 14 January 2009 (M09/01 to M09/53) were confirmed and signed, subject to the removal of the words "for the proposed merger with St. George's, University of London" at M09/10. 09/64

4. MATTERS ARISING FROM THE MINUTES

4.1 Statute 25 Committees (M 09/48)

It was noted that the College Secretary had received nominations for membership of Statute 25 Committees from the Faculty of Arts and that these would be sent to the Nominations Committee for approval. Further nominations were still required from the Faculty of History and Social Science. 09/65

5. UNSTARRING OF ITEMS

Item 16, the Minutes of the Finance Committee meeting held on 10 February 2009 were unstarred. 09/66

6. PRINCIPAL'S REPORT

6.1 The Deputy Principal informed Council that there was no report under item 6 as the main areas of business were all covered elsewhere on the agenda. 09/67

7. FINANCIAL MATTERS

7.1 Financial Outturn

The Council received a report containing a summary of the financial outturn for 2008 – 09 (CL/09/27) which showed the estimated surplus in the College's outturn for 2008-09 to be c. £2.9 million, this being a £0.2 million improvement on budget. 09/68

The principal factors contributing towards a £0.1m adverse variance in the Main Account estimate included a shortfall of 120 FTE overseas students against budget offset by a £1m contingency, with a net overall fee estimate of £0.3m below budget. The staff forecast was for an underspend of £0.8m against budget, largely due to the impact of vacant posts in academic and some support departments. It was noted that a more stringent approach had been taken to filling vacant posts in order to contain staff costs. There was a contingency overspend of £0.7m above budget to provide for merger costs with St. George's, the Kuala Lumpur project and a provision for the surplus improvement programme (Project IDEA). 09/69

The Council further noted that a surplus of £0.4 million is projected to be achieved in the Residences and Catering account mainly due to the effect of low interest rates on borrowing. 09/70

7.2 Consultancy Policy

The Council received the proposed Consultancy Policy for approval (CL/09/28). It was reported by the Vice-Principal (Research, Enterprise & Communications) that the Policy was being implemented to mitigate against any potential liability incurred by the College for its staff who engage in consultancy work. Additionally, the policy would allow for the generation of third stream income for the College. The Council noted that the Policy had been approved in principle by both the Academic Board and Finance Committee, subject to final clarification being sought as to the taxation implications of adopting the Policy. 09/71

The Council members discussed the usage of titles connected with the member of staff's appointment whilst engaging in private consultancy work, which is expressly prohibited in the Consultancy Policy. It was remarked that this is commonplace practice in Higher Education institutions in order to prevent 09/72

liability being incurred by the College concerned whilst private consultancy was being undertaken. There was discussion around imposing a limit on the maximum number of days consultancy which could be undertaken under the policy.

The Council noted suggestions from Professor Bradley that the policy would bring the College into disrepute and her strong objections to its implementation. These objections related principally towards the prevention of professorial titles being used whilst undertaking private consultancy work. 09/73

The Council 09/74

APPROVED: the Consultancy Policy (CL/09/28)

8. STRATEGIC PLANNING

8.1 Financial Outlook

The Vice Principal (Planning & Resources) presented a report on the financial outlook for the College and its implications (CL/09/29). The report highlighted a cut in the College's recurrent grant in 2009/10, which was anticipated to be £0.5m lower than estimated in the financial forecast for 2009/10. A moderate increase in teaching funding of 2.9%, which included an amount for Additional Funded Places for 2009/10, would not compensate for the impact of a 6.4% reduction in recurrent research funding, comprising a £0.8m and £0.2m reduction in quality-related and Research Degree Programme funding respectively. The Council noted HEFCE's announcement that there would be no further funding of Additional Student Numbers in the sector for the foreseeable future. 09/75

The report noted that it was government policy to protect STEM (Science, Technology, Engineering & Medicine) based research and that funding for these areas had been ring fenced following the RAE. Gaining additional access to STEM funding would be a significant advantage of merger with St George's. 09/76

Despite a national increase of 8% in the number of applications being made to universities for 2009/10, Royal Holloway had seen a decrease of 6.4% in comparison with the figures at the same point of last year. Possible causes included two successive National Student Surveys (NSS) with poor results; the traditional nature of RHUL courses at a time when vocational courses were proving to be popular; and the ongoing difficulty of the College's location in Egham. 09/77

Proposals to meet the challenges facing the College included the management of overheads, revision of academic workloads and the acceleration of programme portfolio revisions in order to ensure the College's courses remained attractive to applicants. It was noted that a revision of programmes was in progress, but would take over a year to complete. 09/78

Steps had already been taken to secure a more positive outcome to the current NSS. The accelerated refurbishment to the Bedford library had been completed at the beginning of the academic year and there had been greater 09/79

efforts to engage with the student body. The number of students completing the survey was considerably higher than in previous years.

A Student Experiences Working Group had been established to address issues of concern to students. Further areas requiring attention included the College's provision of retail outlets, an improvement in sporting facilities and an increase in the space available for the Students' Union buildings. St George's achieved high NSS ratings, particularly for its provision of student facing services, and it was expected that there could be considerable advantage in sharing best practice in this area. 09/80

St. George's Merger

8.2.1 The Deputy Principal and Director of Operations provided the Council with an oral update on the merger negotiations with St. George's. Progress had been slower than anticipated mainly due to issues with pensions and governance. However, the pace of progress had now increased and the merger company board had been established with Professors Kemp and Ward and Dr Mousinho as directors from Royal Holloway and Professors Kopelman and Hilton and Mr Duffy from St George's. Weekly shadow meetings of the directors were now taking place pending the final set up of the merger company. 09/81

The merger timetable was very demanding. Final proposals for the merger would need to be presented to the HEFCE board on 25 September 2009. Parliamentary submissions for the merger would need to be made at the end of November 2009. Detailed discussions on the merger would be needed by both Council and Academic Board. 09/82

The merger company would be appointing a Project Director as soon as possible. In the meantime Susan Kay from RHUL and Mark Berry from SGUL were working on the business case. Significant progress had already been made on the academic vision for the merger institution. 09/83

It was reported that significant progress had been made in the shared governance arrangements between the merging institutions. The Head Office was to be situated in Egham which would include the Principal's Office and most Senior Managers, with a Deputy Principal being located on each of the campuses. Additionally, the faculty / department structure at RHUL was to be mirrored at St. George's, together with mirrored support services on each site. Considerable further work would be needed with Kingston University to resolve issues over the shared faculty and to develop the future of the current SWAN network. 09/84

It was intended that one set of advisors would be instructed to undertake due diligence on behalf of both institutions. This had been discussed at the Audit and Compliance, and Finance Committees and, whilst unusual in the private sector, was an increasingly common model for public sector mergers. Additional advice could then be sought by the individual institutions as necessary based on the findings of the combined reports. 09/85

Discussions were continuing between RHUL and St. Georges, and SAUL and USS on the requirement to crystallize the £220m of pension benefits for current staff. Both SAUL and USS appeared keen to assist if at all possible although SAUL would be unlikely to give a definitive response until closer to 09/86

finalisation of the merger.

It was noted that the proposed new name for the merged institutions was either “Royal Holloway St. George’s” or “Royal Holloway and St. George’s”. Given the existing value of the two brands the Joint Council Committee believed that it would be unhelpful to create a new brand for the merged institution. 09/87

8.2.2 The Council

AGREED: the Terms of Reference of the Royal Holloway and St George’s Joint Council Committee (CL/09/31). 09/88

8.2.3 The final Memorandum of Association and Articles for RHSG (CL/09/32) were noted by the Council. 09/89

8.3 Branch Campus in Kuala Lumpur (Kuala Lumpur Education City)

The Deputy Principal presented an update on the invitation to participate in a joint venture in Kuala Lumpur. Progression towards the branch campus had ceased following Loughborough University terminating their involvement in the project. The Council noted that the College was unwilling to continue negotiations until a further UK institution of appropriate quality was interested in participating in the venture. 09/90

8.4 Project IDEA

The Director of Operations presented a report on project IDEA (CL/09/33) which outlined the approaches considered by College management in achieving a £6m contribution to the College’s surplus by 2011-12. The process adopted involved College staff developing solutions to reduce expenses and provide revenue growth in order to achieve the surplus funds required. Consultancy firm, Harvest Earnings had been selected to provide the mechanism for running the process which commenced on 2 February 2009 with an idea generation phase which was scheduled to last until 8 May 2009. The idea implementation phase was scheduled from 9 May 2009 until June 2012. 09/91

Project IDEA was projected to generate a net annualised surplus improvement of between £6m and £15m which was forecast to be achieved by July 2012. To date 3000 ideas had been generated, 2000 of which were categorised as “good” although these figures did include some duplication. The number would be reduced once the Steering Committee had reviewed and refined the submitted ideas. 09/92

It was reported that consultancy fees for the project were broken down into 3 bands, contingent on the surplus improvement gained, these being no fees payable for a surplus gain of up to £2m, 10 % of surplus payable for an improvement of £2m - £10m and 20% of surplus payable for improvements of over £10m. Expenses were reported as being payable as incurred, subject to a cap of £200k. 09/93

There was considerable discussion about the terms of the agreement with Harvest Earnings with fees to be paid wholly contingent on surplus 09/94

improvements identified, prior to such surpluses being generated. Further concerns were raised regarding the stretch on staffing resources which the project had created, the lack of experience which the consultancy firm had in working with the Higher Education sector, the uncapped payment terms contained in the contract and the lack of buy-in to the project within many areas of the College.

It was noted that the Council expressed a number of concerns over the project and that these issues needed to be addressed within the week following the Council meeting. 09/95

9. **STUDENTS' UNION**

Students' Union Governance Review

The President of the Students' Union presented a report on Student's Union Governance issues and proposals for reform to be approved by Council (CL/09/34). The report drew attention to the main aspects of the current governance model used by the Students' Union, together with a description of the issues which have arisen from the existing model. These included the use of the term "Union Council" which was misleading to members, uneven distribution & lack of clarity in workloads between certain roles, an inconsistent level of representation on academic issues, lack of clarity on the role of the Commercial Students Officer, lack of representation for black & ethnic minority students and lack of specific forums to resolve issues. 09/96

The Council thanked the Union President for her report and the hard work done on the Union's Governance arrangements, and 09/97

AGREED: The proposed amendments to the SURHUL governance structures, as proposed in pages 8 & 9 of CL/09/34.

10. **ANNOUNCEMENTS**

10.1 The Council noted the appointment of Professor Jonathan Powell as Head of the Department of Media Arts. 09/98

10.2 The Council noted the appointment of Professor Julian Johnson as Head of the Department of Music. 09/99

10.3 The Council noted the appointment of Professor Martin Dzelzainis as Head of the Department of English. 09/100

11. **REPORT OF DECISIONS TAKEN BY THE CHAIRMAN**

The Council noted that no action had been taken by the Chairman since the last meeting. 09/101

12. **REPORT OF DECISIONS TAKEN BY CIRCULATION**
- The Council noted that no decisions had been taken by circulation since the last meeting. 09/102
13. **HEALTH & SAFETY ANNUAL REPORT**
- The Council received the Health & Safety Annual report for 2009 (CL/09/35). 09/103
14. **AUDIT & COMPLIANCE COMMITTEE**
- The Council noted that the minutes of the Audit and Compliance Committee held on 27 February 2009 would be provided for the next meeting of Council on 24 June 2009. 09/104
15. **ESTATES COMMITTEE**
- The Council received the unconfirmed minutes of the meeting of the Estates Committee held on 12 March 2009 (CL/09/37) 09/105
16. **FINANCE COMMITTEE**
- The Council received the unconfirmed minutes of the meeting of the Finance Committee held on 10 February 2009 (CL/09/38). The revised credit limits set out in Minute 4(ii) of paper CL/09/38 were approved. The College Secretary was asked to clarify the powers delegated to the Finance Committee and its Chairman. 09/106
17. **HUMAN RESOURCES & EQUAL OPPORTUNITIES COMMITTEE**
- The Council noted that the minutes of the Human Resources & Equal Opportunities Committee held on 17 February 2009 would be provided for the next meeting of Council on 24 June 2009. 09/107
18. **NOMINATIONS & HONORARY AWARDS COMMITTEE**
- The Council noted that the meeting of the Nominations & Honorary Awards Committee, scheduled to be held on 19 February 2009 had been cancelled. 09/108
19. **REMUNERATION COMMITTEE**
- The Council noted that the meeting of the Remuneration Committee, scheduled to be held on 29 January 2009 had been postponed to a future date. 09/109
20. **STRATEGIC POLICY COMMITTEE**
- The Council noted that the meeting of the Strategic Policy Committee, 09/110

scheduled for 5 March 2009 had been cancelled.

21. **STUDENTS' UNION**

21.1 The Council noted the results of the elections held for Students' Union Sabbatical Officers for the academic year 2009/10. The appointments would be effective from 1 August 2009. 09/111

- President Mr James Pidgeon
- Vice President Ms Charlotte Bassam-Bowles
(Education & Welfare)
- Vice President Mr David Cummins
(Communications & Services)
- Vice President Ms Emma Montague
(Student Activities)

21.2 Students' Union Trustee Board

The council received a report from the Students' Union Trustee Board (CL/09/39) 09/112

22. **SEALING OF DOCUMENTS**

The Council noted that no documents had been sealed since the previous meeting. 09/113

James Ackroyd
Governance Officer
3 April 2009