

(M11/356-M11/454)

Royal Holloway
University of London

COUNCIL

Minutes of the meeting of the Council held on 21 November 2011 at Cumberland
Lodge

Present:	Mr Andy Alway Mr John Brannan Mr Paul Blagbrough Sir Andrew Burns Professor Clare Bradley Mr Stephen Cooksey Mr Stephen Cox Mr Gurpreet Dehal Mrs Esther Horwood Dr Jackie Hunter Cllr Hugh Meares	Professor Paul Layzell Mr Daniel Lemberger-Cooper Mr Jeremy McIlroy Mr Mark Newlands Mr Joseph Rayment Mr Iain Ross Professor Anne Sheppard Mr David Spence Mrs Sarah Tyacke Miss Hollie White Professor Johannes Zanker
Apologies:	Mr Majid Hawa	
In attendance:	Professor Philip Beesley Ms Helen Coleman Professor Mary Fowler Mr Simon Higman Professor Rob Kemp Professor Katie Normington Mr Graeme Robinson Professor Chris Smith Professor Geoff Ward	Acting Vice Principal (Research) Director of Communications and External Relations Dean of Science Registrar and Director of Operations Deputy Principal (Planning, Resources and Partnerships) Dean of Arts and Social Sciences Director of Finance Acting Dean of Management and Economics Vice Principal (Staff and Student Experience)
With:	Ms Katie Kerr Miss Clare Munton	College Secretary and Head of Governance Governance Assistant
Observers:	Mrs Hilary Baker Dr Alan Bradshaw	Governance Assistant UCU observer

FORMAL BUSINESS

1 MEMBERSHIP

The Council welcomed Mr John Brannan and Miss Hollie White, who had been elected to Council from among their own number as members of the non academic staff, to their first meeting. Their terms of office were from 1 November 2011 until 30 September 2013 and 1 November 2011 to 30 September 2012 respectively. 11/356

The Council welcomed Professor Anne Sheppard to her first meeting. Professor Sheppard had been elected to Council from among her own number as a member of the academic teaching staff to replace Professor Mary Fowler following Professor Fowler's appointment as Dean of Science. Professor Sheppard's term of office was from 14 November 2011 until 30 September 2012. 11/357

It was noted that Dr Alan Bradshaw was observing the meeting on behalf of the UCU. 11/358

2 CONFLICT OF INTEREST

It was noted that one member was Head of a Department affected by the restructuring proposals discussed under item 13. 11/359

It was noted that one member acted as an Equal Opportunities officer for the UCU. 11/360

It was noted that one member was a representative of UNITE. 11/361

It was noted that one member was a representative of GMB. 11/362

It was noted that a member was Director of Benitec Limited, which had made a grant to fund a specific project in the School of Biological Science. The same member was also Chairman of Ark plc which had signed a Confidential Disclosure Agreement with another member of the School of Biological Science regarding a possible collaboration. 11/363

3 MINUTES

The Minutes of the previous meeting (M11/248-M11/355) were confirmed subject to the following amendments 11/364

Deletion of Dr Jackie Hunter from the list of members who had been present 11/365

11/275 – Final sentence to read “The Principal said that such reports were based on subsets of information and had to be treated cautiously, although the College was working actively to improve graduate employability.” 11/366

11/280 – Paragraph to read “it was noted that, although there had been an overspend of 0.5m on legal costs, these related to a number of specific cases and, once these had been concluded, it was expected that future legal costs would be managed within budget.” 11/367

11/303 – Paragraph to read “Throughout the consultation process there had been some concern from the UCU that academic departments were being placed under increasing pressure to cover the direct costs of the institution, particularly those of the Senior Management Team and Human Resources. The Council were informed that Senior Management Team appointments had been announced before they had been formally approved by the Council. This was an error on behalf of the Senior Management Team, but these appointments had been made to ensure the College was able to meet the challenges of the REF and increased expectations on the student experience. Senior Management confirmed that a review of professional services was underway but it was difficult to restrict funding in areas such as student welfare without seriously damaging the institution. A benchmarking exercise of the professional services was planned for the near future.” 11/368

11/350 – Final sentence to read “The concerns raised in relation to the policy under agenda item 20, were to be addressed by the Audit & Compliance Committee.” 11/369

4 MATTERS ARISING FROM THE MINUTES

Appointment of a Vice Principal (M11/273)

The Council noted the appointment of Professor Paul Hogg as Vice Principal (Research and Enterprise). Professor Hogg was currently the Head of the School of Materials at the University of Manchester and was previously head of the same school at Queen Mary. The Council were informed that Professor Hogg had an excellent track record in leading research projects and had served as a panel member during RAE 2008. He was expected to take up the post in April 2012. 11/370

5 UNSTARRING OF ITEMS

No items in Part B were unstarred. 11/371

PART A: MAJOR ITEMS OF BUSINESS

6 PRINCIPAL’S REPORT

The Council received the Principal’s Report (CL/11/79). 11/372

- The Council received an update on the College's response to the introduction of the AAB+ policy. It was clear that the College was facing strong competition for students, with some institutions such as Kings doubling the number of places available in the Arts and Social Sciences. The College was offering £1,000 Bedford Scholarships to each student achieving AAB+ who made Royal Holloway their first choice institution before the UCAS deadline in May. The cost of the scholarships had been assessed and the scheme was affordable. 11/373
- Consultation was underway on possible reform of the UCAS system, which included a proposal to introduce post-results admissions. There were concerns that although this might improve widening participation it was also likely to lead to a loss of A level teaching time. 11/374
- Campus based student numbers were expected to exceed 9,000 for the first time. The total number would be confirmed in the December census. Future reports on student numbers were to contain data on the number of non campus based students enrolled on College or College validated programmes. In November 2011, there were 429 non-campus based students. 11/375
- Preparation for the REF was proceeding well. Thanks were given to Professor Beesley, Acting Vice Principal (Research) for his work into developing a set of broad, cross cutting research themes which would enable the College to present a meaningful and accessible summary of its research and impact on society. The Council noted the College's continuing success in securing major research grants and funding at a time of falling success rates in the sector. 11/376
- Refurbishment of the Bedford Library, creating an additional 91 study spaces and improved facilities, and improvement work to low quality teaching rooms, was planned for the Christmas vacation. The Registrar was developing an extensive package of works to improve campus facilities to enhance the student experience. Investment in the estate was essential to ensuring that the College remained competitive and was able to recruit high quality students and staff. 11/377
- The 125th Anniversary celebrations had concluded with a tremendously successful dinner, aimed at raising the College's profile and showcasing its achievements and research, at the Royal Society on 8 November 2011. 11/378
- The Council noted that Professor Bob O'Keefe and Mrs Julia Roberts would be joining Royal Holloway in January 2012 as Dean of Management and Economics and Director of Strategic Development respectively. 11/379
- The Council were informed that AC Grayling and his colleagues at the New College for Humanities were in consultation with the University of London over access to its facilities including the Library. 11/380

7 STATEMENT OF PRIMARY RESPONSIBILITIES

The Council were asked to approve an amendment to article 22 of the Council's Statement of Primary Responsibilities (CL/11/80). 11/381

The Council's responsibilities towards Students' Union finances changed when the Union registered as a Charity in May 2011. The Students' Union was now regulated by the Charity Commission and had its own Board of Trustees. The Council were no longer required to approve the Students' Union annual budgets and accounts. 11/382

The Council 11/383

AGREED

To amend Article 22 of the Statement of Primary Responsibilities to read

'To review and approve the constitution of the Students' Union at least every five years and to monitor its financial position.'

8 FINANCIAL MATTERS

8.1 Annual Accounts 2010/11

The Council received for approval the Annual Financial Statements 2010-11 (CL/11/81 Appendix A) including a letter of representation which the governing body were required to submit to the Auditors (CL/11/81 Appendix B). The Council also noted the External Audit Report (CL/11/81 Appendix C) and the RHE Limited accounts (CL/11/81 Appendix D). It was noted that the Financial Statements 2010-11 had already been reviewed by the Audit and Compliance and Finance Committees, and the Council Executive. 11/384

The Council were asked to particularly note the Operating and Financial Review in the Financial Statements, and that the Audit and Compliance Committee were satisfied that the College was able to provide the assurances set out in the letter of representation. It was noted that representation 6 on the going concern basis provided assurance on the College's ability to continue trading for at least 12 months following the signing of the accounts and was extremely important. The College was fully able to provide assurance on this because of its high level of liquidity and because a surplus was forecast for 2011-12. 11/385

The Council noted that a key change to the 2010-11 accounts was that from 13 April 2011 the Students' Union finances were not consolidated into the College's financial accounts, following its registration as a separate charity with an independent trustee board. 11/386

It was noted that only the costs of pension contributions were included in the accounts. The assets and liabilities of the USS and Saul schemes were not attributable to individual institutions. 11/387

The Council thanked the Director of Finance and his team for collating and preparing the information. 11/388

The Council 11/389

APPROVED

the Annual Accounts 2010-11 and the Letter of Representation to the Auditors.

The Chair of the Council signed off both documents prior to their submission to the auditors. 11/390

8.2 Provisional Out-turn 2011-12

The Council received a summary of the estimated financial outturn for 2011-12 (CL/11/82). 11/391

At its meeting on 5 October 2011, the Council noted that the outturn for 2010-11 was above budget, primarily because of the significant increase in overseas student numbers, particularly in the School of Management. The Council noted that a surplus of £6.8m was forecast for 2011-12. The Main Account surplus was expected to exceed budget by 6.5m, predominantly as a result of exceeding student number targets for 2011-12 in both the overseas and Home/EU markets. The Council were asked to note this in the context of the uncertainty in student recruitment following the increase in tuition fees from 2012-13. At the time of the budget, it was predicted that staff would receive an annual salary increase of 1%. It was now anticipated that staff would receive an increase equivalent to less than 0.5% and the figures had been updated to reflect this. The RCS budget was also expected to achieve a surplus in line with the outturn in 2010-11. 11/392

The Council raised the issue of income generation from the London Olympics 2012, given that Royal Holloway was an Olympic village. It was noted that the Olympics were expected to bring in considerable revenue for the College. It was 11/393

AGREED

that a short report on the Olympic Village at Royal Holloway would be presented to the Council at a future meeting.

Some concern was raised that the College was consistently taking a conservative approach to budgeting. The Council were informed that it was difficult to predict overseas student numbers in an uncertain global environment, which meant that the College had to make provisional 11/394

estimates. It was hoped that these numbers would be easier to predict in future following the introduction of a higher deposit for the most popular postgraduate programmes. There was also uncertainty over the HEFCE T grant allocation between April and July. An estimate had therefore been made based on last year's grant. The Council noted that it was important for the College to continue to make a surplus to mitigate against HEFCE funding cuts, for example there had been a sharp reduction in HEFCE capital funding which had to be replaced by generating additional surplus to maintain the same level of capital investment.

8.3 Fee Income Risks 2012-13

The Council received a report on the risks to student fee income from the new arrangements for AAB+ and the changing student number controls (CL/11/83). 11/395

The Council were informed that the AAB+ policy and the introduction of the higher tuition fee charges created increased competition for students and a risk to the College's income from 2012-13. It was expected that the AAB+ policy would continue into 2013-14 and beyond but that there may be reductions to ABB+ and BBB+. There was already evidence to suggest that some institutions were expanding provision in the Arts and Social Science subjects. It was anticipated that the policy would cause a particular squeeze on the upper and middle ranking universities such as Royal Holloway. The College had started to put in place marketing policies to attract students, for example increasing the range of bursaries available and putting extra emphasis on UCAS open days. The Council noted the forecasted financial impact of changes to the student number control limit in the appendix. 11/396

The Council were informed that the College had undertaken significant market analysis to identify its main competitors and the reasons why students had declined Royal Holloway in favour of another institution. It was noted that some departments, such as Drama, had lower numbers of applications but good conversion rates. The College had created a separate team in Admissions to focus on converting applications. Specialised marketing plans were in place for each department. 11/397

8.4 Treasury Management

The Council received a paper on a proposed amendment to the deposit limits for Money Market Funds permitted in the College's Treasury Management Policy (CL/11/84). 11/398

The Treasury Management Policy, agreed by the Council at its meeting on 23 June 2010, permitted a maximum of £40m to be placed in AAA Money Market Funds, with a maximum of £10m in any one fund. Recent downgradings in the credit ratings of certain British Banks had 11/399

resulted in a reduction in the capacity to place monies with individual counter parties. The maturity of the deposits the College held with these banks, and the payment from the Student Loans Company in February 2012, would cause the College to have cash balances above the existing limit of £40m.

11/400

The Council

AGREED

to increase the total deposit limit for Money Market Funds to £60m with a maximum of £10m in any one fund.

The Council noted that the University of London had initiated a project to review Treasury Management Specialists with a view to negotiating Pooled Treasury Facilities. However, as progress had been slow, the College had started its own process of reviewing external providers of treasury management providers.

11/401

8.5 The Exploitation of Invents and Patents

The Council received a paper for approval of proposed amendments to the Code of Practice relating to Inventions and Patents (CL/11/84a). The amendments had been reviewed and approved by the Enterprise Sub and Finance Committees.

11/402

Income from Intellectual Property had grown significantly over the last five years. The College had recently needed to apply the Code of Practice in a number of new situations, which had identified areas in which it needed to be clarified and expanded to remain fit for purpose. It was hoped that the College would continue to grow its income stream from Intellectual Property and had recently employed a Business Development Manager to explore new areas in which to do this.

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The Council raised some concern over the clarity of tax liability in section 6.1 which stated that “the inventor must not derive any benefit from the use of funds which might be deemed to be taxable”. It was

11/404

AGREED

that this should be re-worded to

“the inventor must not derive any benefit from the use of funds which might be deemed to be personally taxable.”

The Council requested to see a breakdown by department of income from intellectual property and it was 11/405

AGREED

that a breakdown would be provided at a future Council meeting.

The amendments to the Code of Practice relating to Inventions and Patents, as detailed in CL/11/84a, were 11/406

AGREED

Subject to the above amendment in section 6.1

9 REPORT FROM THE AUDIT AND COMPLIANCE COMMITTEE

The Council received and noted the 2010-11 Audit and Compliance Committee Annual Report. 11/407

The Council noted that the report highlighted concerns about continued problems with management responses to audit reports, and that as a result there had been an external review of the College's internal audit function. It was possible that internal audit work would be contracted out from 2012-13. 11/408

Council also noted that the Audit and Compliance Committee had investigated concerns raised by the Internal Auditor around the College's approach to Value for Money and Risk Management. Both issues had been satisfactorily resolved. 11/409

It was noted that the policies on Bribery and Fraud needed regular monitoring to ensure the College remained compliant with legislation. 11/410

The Council noted that paragraph 16 should be amended to read "The Committee received the annual report from the Ethics Committee at its meeting in November 2011." 11/411

The Council noted that the first sentence of paragraph 19 should be amended to read "The Committee is no longer responsible for Diversity; this change was reflected in the amended terms of reference, to be approved by Council on 21 November 2011." 11/412

It was noted that there was no peer review of Internal Audit work. 11/413

Thanks were given to the Internal Audit team for their work. 11/414

The Council 11/415

APPROVED

the Annual Report of the Audit and Compliance Committee 2010-11, and the Internal Auditor's Annual Report. Both documents would be submitted to the Head of Assurance at HEFCE.

10 CORPORATE PLAN PROGRESS REVIEW

The Council received the Corporate Plan Progress document for the year up to July 2011 (CL/11/86). It had previously been agreed by the Council that progress against key performance indicators would be reported to Council on an annual basis. 11/416

The Council were informed that the Council Executive had considered the Corporate Plan at its meeting on 3 November 2011, and had agreed that a new version was required as it had become apparent that the existing document did not reflect the College's Manifesto, and the changing external environment. The Corporate Plan was the Council's primary tool for monitoring the development and performance of the College and it had to be fit for purpose. The new Director of Strategic Development, would work alongside the Vice Principal (Planning, Resources and Partnerships) to update the Corporate Plan, ensuring its consistency with the Manifesto. 11/417

Concern was raised that a number of the current KPIs were not sufficiently challenging, and should be re-written to reflect the importance of improving the student experience. It would be helpful for the Council to have a one page scorecard to measure performance against KPIs. 11/418

The Council noted that the progress document had been useful and looked forward to considering the revised plan in March 2012. 11/419

11 STUDENT NUMBERS

The Council received an early summary of first year admissions numbers, against targets as at 1 November 2011, for the 2011-12 academic year (CL/11/87). 11/420

The Council noted that overall the figures showed a very satisfactory situation, and that the College was unlikely to be fined for going above its student control limit. Overseas Undergraduate and Home EU postgraduate taught numbers were slightly below target but this was offset against above target Overseas taught numbers, particularly in the School of Management. The senior management team were taking measures to ensure that the quality of the student experience in the School of Management did not suffer because of the unexpected over recruitment. The College was aware of the impact on its reputation if students were dissatisfied with the teaching and learning environment. 11/421

The official student count would be taken in December 2011, and the figures reported to HEFCE. 11/422

12 THE RESEARCH EXCELLENCE FRAMEWORK: PREPARATIONS AND TIMETABLE FOR THE COLLEGE SUBMISSION

The Council received a paper on the forthcoming HEFCE assessment of research excellence, the Research Excellence Framework (REF), which outlined the College's preparations and the timetable leading up to submission to HEFCE in November 2013 (CL/11/88). 11/423

The Council were informed that there were some very significant differences between REF 2014 and the Research Assessment Exercise carried out in 2008. The quality of the research was to be assessed on three criteria – outputs, impact and environment. Impact was a new measure of assessment, equal to 20% of the overall score. Submissions in 2013 needed to show the social, cultural and economic impact of the research in each submitted unit over a 15 year period. The College was reviewing HEFCE guidance, looking at pilot studies and conducting workshops with departments to address this. 11/424

The Council noted that the outcome of the REF was critical. It was a key indicator of research reputation and the College was allocated income on the basis of its quality profile. Good performance was also vital to the retention and recruitment of high quality staff. 11/425

Council noted that a Code of Practice had been drafted to select staff for submission in the REF, in compliance with HEFCE guidelines. The Code would be published in early 2012. 11/426

An internal review process of draft submissions was in place to ensure that the final submissions were of a high quality. 11/427

Information Security publications would be submitted with Computer Science in REF 2014. 11/428

13 POTENTIAL AMENDMENTS TO THE ACADEMIC PORTFOLIO

The Council received an oral update on the consultation on the proposed amendments to the academic portfolio. 11/429

The College remained determined to mitigate against compulsory redundancies. Staff identified to be at risk of redundancy had all received letters from HR and would be invited to attend meetings. It was noted that consultation with UCU was continuing and meetings were planned later that week to allow them to present their counter proposals. 11/430

The Council noted that terms of reference were being drafted for the Steering Group which would lead the process for setting up the School of History and Classics. The School of Modern Languages had largely adopted the restructuring proposals. At its meeting on 2 November 2011, the Academic Board agreed to the transfer of Philosophy into the Department of Politics and International Relations, and meetings had since taken place between the teachers of Philosophy and representatives of the Department of Politics and International Relations.

11/431

There had been no change to the restructuring proposals affecting the Department of Computer Science since the Council meeting on 5 October 2011. The Dean of Science was in consultation with staff in Maths and Computer Science regarding the formation of a steering group to guide the formation of the new School.

11/432

Concern was raised from one member of the Council that the Chair of the UCU had recently resigned in frustration over the consultation process with the College's senior management team. The senior management team acknowledged that the process was frustrating and that difficulties had been caused to the UCU by the Chair's resignation, but also asked the Council to note that in the spirit of co-operation they had agreed to extend the time frame on consultations with the UCU. It was also suggested that the UCU were reluctant to discuss potential redundancy schemes because they did not understand the College's case for presenting them. The senior management team informed Council that they had conveyed the basis for their decisions in a transparent way and had publicised all of the information available to them to support their case. The Council were assured that the College was prepared to consider any additional information and counter proposals presented to them during the ongoing consultation period.

11/433

The Council were informed the Planning and Resources Committee had agreed an Early Retirement Voluntary Severance (ERVS) Scheme.

11/434

One member of Council raised concern over the disparity in data provided by the College and by the UCU. It was suggested that a group comprising of a small number of lay Council members review the data. Council members were asked to inform the College Secretary if they were interested in taking part.

11/435

14 COMMITTEES HANDBOOK

The Council received an updated version of the Committees Handbook (CL/11/89).

11/436

The Handbook had been updated to reflect the recent changes to the Committee structure. A new section had been added which contained terms of reference for the College's internal Management Committees. The Faculty Constitutions were still to be included and it was hoped that

11/437

these would be approved by the Academic Board and subsequently by Council at their meetings in March 2012.	
It was noted that the Committees Handbook was a constant work in progress and that additional amendments, in particular to the terms of reference for the new committees, were expected as the year progressed.	11/438
 The Council	 11/439
 APPROVED	
 the Committees Handbook.	

PART B: ITEMS FOR FORMAL NOTE AND APPROVAL

15* ANNOUNCEMENTS

The Council noted the death of Emeritus Professor Ian Spink of the Music department on 29 October 2011.	11/440
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Professor Spink was Head of the Music Department at Royal Holloway from 1969-92, and a Professor there from 1974-1997. He built up the Department over a period of some 25 years, establishing the foundations which helped to secure its current pre-eminent position within UK Music Departments. He was a major figure in research into English Music from the sixteenth to the eighteenth century, with special emphasis on seventeenth-century song, and Church music between 1660 and 1750. In addition to journal articles and reviews his publications included English Song from Dowland to Purcell (Batsford, 1974, 2 nd ed. 1986), Restoration Cathedral Music, 1660-1714 (Clarendon Press, 1995), and Henry Lawes: Cavalier Songwriter (Oxford University Press, 2000).	11/441
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A memorial service would be held at the College in early 2012.	11/442
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16* REPORT OF DECISIONS TAKEN BY THE CHAIRMAN

It was noted that no decisions had been taken by the Chairman since the last meeting.	11/443
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17* REPORT OF DECISIONS TAKEN BY CIRCULATION

It was noted that no decisions had been taken by circulation since the last meeting.	11/444
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18*	ACADEMIC BOARD	The unconfirmed minutes of the meeting of the Academic Board held on 2 November 2011 were available to Council members on 22 November 2011. The confirmed minutes would formally be included with the papers for the Council meeting on 28 March 2012.	11/445
19*	AUDIT & COMPLIANCE COMMITTEE	The Council received the minutes of the meeting of the Audit & Compliance Committee held on 3 November 2011.	11/446
20*	FINANCE COMMITTEE	The Council received the unconfirmed minutes of the meeting of the Finance Committee held on 27 October 2011.	11/447
21*	NOMINATIONS COMMITTEE	The Council received the unconfirmed minutes of the meeting of the Nominations Committee held on 5 October 2011.	11/448
22*	REMUNERATION COMMITTEE	The Council noted that no meetings of the Remuneration Committee had taken place since 13 September 2011. The unconfirmed minutes from the meeting scheduled to be held on 6 March 2012 would be available at the Council meeting on 28 March 2012.	11/449
23*	COUNCIL EXECUTIVE	The Council received the unconfirmed minutes from the meeting of the Council Executive held on 3 November 2011.	11/450
24*	HEALTH CENTRE ANNUAL REPORT	The Council received the Health Centre Annual Report 2010-11.	11/451
25*	HONORARY DEGREES	The Council noted that the University of London had indicated that there are no problems with the College's choices for conferral of Honorary Degrees in 2012.	11/452
26*	SEALING OF DOCUMENTS	The Council noted that no documents had been sealed since the last meeting.	11/453

27* DATE OF THE NEXT MEETING

It was noted that the next meeting of the Council would be held on
Wednesday 28 March 2012 at 5pm in MX034.

11/454

Miss Clare Munton
Governance Assistant
March 2012