

Royal Holloway
University of London

COUNCIL

**Minutes of the Meeting of the Council
held on 23rd June 2010**

Present:

Mr Andy Alway
Mr David Beever
Sir Andrew Burns
Professor Clare Bradley
Mr Stephen Cooksey
Professor Felix Driver
Mrs Esther Horwood
Professor Rob Kemp
Mr Andrew Martin
Cllr Hugh Meares
Mr James Pidgeon
Mr Bob Potts
Mr Bill Rooke
Mr Iain Ross
Mrs Gloria Stuart
Dr Emmett Sullivan
Mrs Sarah Tyacke
Mr Arran Wiltshire

Apologies:

Mr Paul Blagbrough
Mr Richard Buswell
Professor Mary Fowler
Mr John Lerche
Ms Barbara Shorter
Mrs Janet Walker

With:

Ms Katie Kerr
Miss Clare Munton
College Secretary & Head of Governance
Governance Assistant

In attendance:

Professor Adam Tickell
Professor Geoff Ward
Professor Philip Beesley
Professor Rosemary Deem
Professor Katie Normington
Vice-Principal (Research, Enterprise & Communications)
Vice-Principal (Planning & Resources)
Dean of Faculty of Science
Dean of History and Social Sciences
Dean of Faculty of Arts
Mr Stephen Bland
Ms Susan Kay
Mr Graeme Robinson
Director of Facilities Management
Head of Strategic Development
Director of Finance

Observers:

Professor Paul Layzell
Miss Rachel Pearson
Mrs Michelle Reilly
Principal Designate
Students' Union President Elect
PA to College Secretary

1. MEMBERSHIP

The Council extended a warm welcome to Professor Paul Layzell, Principal designate, who attended the meeting as an observer.	10/120
1.1 It was noted that the following members would shortly be completing their periods of office	10/121
<ul style="list-style-type: none">• Barbara Shorter who had been appointed as a lay member on 1st August 1998. Mrs Shorter had played a significant and stabilising role during her 12 years on Council. In addition to her contribution to the work of the Council Mrs Shorter had been an extremely active member of College committees including the Human Resources and Equal Opportunities Committee, the Nominations and Honorary Awards Committee, the Remuneration Committee, Strategic Policy and Council Executive and had been involved on several selection panels.• John Lerche who had been appointed as a lay member on 1st September 2004. The Chair informed Council that Mr Lerche had resigned from Council due to ill health and that his perceptiveness and local connections would be missed. In addition to his contribution to the work of the Council, Mr Lerche had been an active member of College committees and had played a particularly important role in the work of the Estates and Nominations Committees.• Professor Rob Kemp who had been Acting Principal since March 2009. He would be replaced on Council by Professor Paul Layzell on 16th August 2010• James Pidgeon and Arran Wiltshire, student members, who would be completing their one-year periods of office as President and elected student representative respectively at the end of July. Council appreciated the skill and perceptiveness they had shown during their time in office. Rachel Pearson, President Elect, was welcomed to the meeting as an observer.	10/122
In addition, Mrs Janet Walker had recently accepted a new appointment and had indicated that she therefore wished to resign from Council.	10/126
1.2 Council noted that elections were underway for the two elected members of the non-academic staff on Council. Andy Alway and Andrew Martin were both eligible to stand for another term	10/127
1.3 Council noted that the Academic Board would be holding an election for its representative on Council. Professor Felix Driver was eligible to stand for another term	10/128

2. CONFLICT OF INTEREST	The Chairman invited members to indicate if they had a conflict of interest with any of the agenda items. The Chairman stated that he had been appointed the new UK Envoy for Post- Holocaust Issues.	10/129
3. MINUTES	The minutes of the previous meeting held on 31st March 2010 (M10/62 to M10/120) were signed as an accurate record of the meeting.	10/130
4. MATTERS ARISING FROM THE MINUTES	There were no matters arising.	10/131
5. UNSTARRED OF ITEMS	The following item was un-starred for discussion during the meeting:	10/132
	Item 22 – Paper CL/10/64 Minutes of the meeting of the Human Resources & Equal Opportunities Committee, held on 18 th May 2010	
PART A: MAJOR ITEMS OF BUSINESS		
6. ACTING PRINCIPAL'S REPORT		
	The Council received the Acting Principal's report (CL/10/43)	10/133
	Royal Holloway had reluctantly agreed to withdraw from negotiations on the joint venture with Kuala Lumpur Education City (KLEC) which had aimed to establish a branch of Royal Holloway in Kuala Lumpur. The Acting Principal informed Council that despite being unable to reach a satisfactory agreement, particularly in relation to branding and exclusivity over courses, this had not been a wasted exercise as the institution had gained valuable experience of dealing with transnational education opportunities.	10/134
	The College had recently undergone a HEFCE audit of the student number return and the five yearly HEFCE Assurance Review. In both cases the oral feedback was positive and there were no major concerns.	10/135
	A HEFCE quality assurance institutional audit would take place in May 2011. Considerable preparation had already taken place under the leadership of Dr Maire Davies. From August 2010 Professor Rob Kemp would be taking over responsibility for the audit. Updates would be provided for Council at future meetings.	10/136
	The Acting Principal was pleased to report that numbers of student volunteers had increased over the past year. Volunteering was a valuable extra curricular activity for students and it played an important role in	10/137

maintaining and improving relations between the College and local community. Thanks were expressed to the Community Action Volunteer Manager for his hard work.

The Chair of Council expressed his gratitude to the Acting Principal for his excellent leadership over the last 18 months at an extraordinarily busy and difficult time. The Council thanked the Acting Principal for his courage in taking up the post and for the commitment he had shown to the College.

10/138

7. STUDENT'S UNION

7.1. Student's Union Constitution.

The Council received the revised constitution for the Students' Union and Schedule 2: Duties and Responsibilities of the Board of Trustees (CL/10/44), for approval. The Students' Union constitution had been revised to take into account the requirements for registration with the Charity Commission and as part of the five yearly review.

10/139

Recent implementation of the Charities Act 2006 had required Students' Unions with an annual income in excess of £100,000 to register as charities. They had previously been exempt from registration. In order to fulfil the requirements for registration, the Students' Union were establishing a Board of Trustees. It was confirmed that the Students' Union would continue to report to the Finance Committee.

10/140

The revised Constitution Proper was

10/141

APPROVED

Subject to a change in clause 4.7 to state that loans could only be raised with the prior approval of the Finance Committee

Schedule 2 : Duties and Responsibilities of the Board of Trustees was

APPROVED

but would not become active until the Board of Trustees had been appointed and the Students' Union had officially been awarded charity status.

7.2. The Council received the Students' Union Annual Report 2009-10 (CL/10/45) from the President of the Students' Union. The President highlighted the constitutional and governance development work completed by the Union, the cultural week, RAG fund raising, and the record numbers of students involved in sports clubs, societies and student volunteering. The Students' Union worked with the College on environmental issues and gained recognition from the National Union of Students as one of the greenest institutions in the country. The Students' Union had been actively involved in forging closer

10/142

liaison between the Students' Union and the academic community to improve the student experience through events such as the BIG Student Debate. Royal Holloway hosted the AMSU conference which further heightened the reputation of the Students' Union across the country. The President presented the Council with a short video to summarise the year's main events.

The President formally thanked all College staff and members of Council who had assisted the Sabbatical Officers and Students' Union throughout the year.

10/143

8. FINANCIAL MATTERS

- 8.1 The Council received and noted a summary of the forecast financial outturn for 2009-10 (CL/10/46).

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As had been reported to Council previously, the forecast showed a big positive variance for the 2009 - 10 academic year. A large proportion of the variance was the result increased student fee income and the unused overseas fee contingency within the budget. A similar contingency would not be included in the budget for 2010 -11. The RCS account forecast was for a surplus of £1 million. Other reasons for the positive variance included some savings from Planning for Change coming through earlier than had originally been expected and lower student bad debt costs. The restructuring costs had also been lower than expected during the period. Additional allocations had been made in IT and the Library which were intended to enhance the student experience.

10/145

It was noted that this was the fourth consecutive year of healthy outturn figures and that this made for a difficult context in which to justify proposals for future cost reduction. The College would need to consider staff concerns very carefully. There was a need to improve the situation regarding variances in the budget, but there had been a high degree of uncertainty about overseas student recruitment for 2009 - 10 and there had been doubts whether Planning for Change would deliver the necessary savings in 2009 – 10. The next Finance Committee meeting would review the College's budgetary forecasting processes to analyse why previous budgets had proved to be so conservative.

10/146

As a result of the surplus the College had been able to commit to investing in the estate without the need to increase borrowing. It was critical that the College continued to produce a surplus to allow for investment. Overseas student fee income was essential for maintaining a healthy surplus and the College would need to consider how to address the risk associated with most of this income being generated by a small number of departments.

10/147

Departmental budgets had not yet been released as it had been necessary to revisit the budget following the Finance Committee meeting.

10/148

8.2	The Council received and noted a report on Financial Risks (CL/10/47).	10/149
	It was noted that there had been changes to the visa process for international students and it was uncertain how international students who had previously studied at a UK institution would be awarded a visa. If they were forced to return to their home country to apply it might cause problems with students arriving late to start the 2010-11 academic year.	10/150
	HEFCE expected institutions to produce a surplus of between 3 and 5%. The Council were assured that a surplus did not pose a risk to the College's HEFCE funding allocation.	10/151
8.3	The Council received the proposed Revenue and Capital Budget 2010/11 and the update financial forecast (CL/10/48) for approval.	10/152
	The Finance Committee had not approved the budget at its meeting in May and had asked for revisions to increase the surplus. The budget presented to Council was the revised version.	10/153
	It was proposed that Council approve the budget on an interim basis pending further review at the Council meeting in January. This would enable the incoming Principal to review the budget in light of the outcomes of the emergency Budget in June 2010 and the conclusions of the Browne and Comprehensive Spending Reviews expected in October 2010 .	10/154
	Phase A of the Planning for Change process had yielded savings without making major structural change. However it would only achieve around half of the necessary savings by 2012-13. Phase B would aim to generate the rest of the savings and would involve more structural change. It was expected to begin when the new Principal was in post. It was unlikely the budget would yield the same surplus as in previous years. Departments had been warned there might be revisions to their budgets later in the year. Although there was a need for stringency it was important that some of the surplus was invested back into the estate to enable the College to continue to attract students.	10/155
	A review of Student and Academic Services had been launched and was expected to lead to cost savings by improving efficiency.	10/156

The Council

APPROVED

the interim budget subject to a further review in January 2011.

- 8.4 The Council received and considered the annual report on treasury management (CL/10/49) for approval. 10/157

The main objective of the treasury management policy was to achieve a balance between optimising College income and the security of the funds. It was noted that the policy permitted investment in triple A rated Money Market Funds (MMFs) to provide diversification and achieve a higher rate of return. It was noted that some of the risks associated with MMFs were different from those for direct cash deposits.

The Council

AGREED

to endorse the Treasury Management Policy subject to an amendment that there should be an appropriate spread of maturity dates to take account of the cash funding requirements of the College.

Council was suspended to allow for the meeting of the Founders Endowment Fund to take place. Council then resumed at agenda item 8.5.

- 8.5 The Council received a report on the proposed investment strategy for the fund managers (CL/10/50) for consideration. 10/159

The Investment Sub Committee proposed a change to the existing investment strategy for the Founder's Endowment Fund, the Hilda Martindale Fund, the Scholarship Fund and the General Endowment Fund as the current mandate was too restrictive and did not allow the fund managers to respond to market conditions to optimise investment.

The Council

APPROVED

the proposed investment strategy.

- 8.6 The Council received a recommendation for a new fund manager to replace the College's fund manager Kleinwort Benson (CL/10/51). 10/161

The Council

APPROVED

the proposed recommendation to appoint Newton Investment Management as the fund manager for the Hilda Martindale, Scholarship and General Endowment Funds.

The Chair of the Council thanked the Assistant Director of Finance and Chair of the Finance Committee for their efforts in developing these recommendations.

10/162

9. HEFCE MATTERS

- 9.1 The Council received and noted the 2010 HEFCE institutional risk assessment (CL/10/52). 10/163

Royal Holloway had been assessed by HEFCE as “not at higher risk” based on the 2008-09 figures the College had submitted to HEFCE and concluded that the College was meeting the accountability obligations set out in the Financial Memorandum. The Council noted the annex supplied by HEFCE which benchmarked the key financial metrics for the College. Although borrowings were in the top quarter the overall financial position of the institution was strong.

- The College received an oral update on the Institutional Assurance Review. 10/164

This was addressed under item 6, M (10/??)

10. NEWSPAPER LEAGUE TABLES

- The Council received a paper (CL/10/53) on the newspaper university guides 2010-11. 10/165

The methodology used to achieve the rankings varied between the tables, although all were strongly influenced by the results of the National Student Survey (NSS). The 2011 Guardian figures were achieved using a different combination of weightings and metrics compared to previous years so it was not possible accurately to compare the data. 10/166

Royal Holloway’s ranked positions for 2011 had slid down the tables in the Independent, the Guardian and The Times Higher comparative to its 2010 positions. 10/167

Four of the common elements of the league tables had been approved by Council as Key Performance Indicators for the College in 2008 and NSS was approved as a “Super” Key Performance Indicator. 10/168

Council expressed concern over the effect a drop in league table ranking would have on the institution’s ability to attract students. Council were informed that results from the annual decliners survey indicated that the institution’s ranking in the league tables was important to government funded overseas students. The College had set up a series of Student Experience Working Groups to address the problem areas highlighted in the National Student Survey. Council’s attention was drawn to the league tables by subject area and it was noted that these were of significance to potential students. 10/169

It was noted that the College had achieved a higher position in the Green League university rankings table than in 2010, having jumped 22 places. 10/170

11. ENERGY MANAGEMENT POLICY

The Council received a paper on the College's Energy Management Policy 2010-2013 (CL/10/54) which was aimed at reducing carbon costs.

10/171

The Council

APPROVED

the College's Energy Management Policy 2010-2013.

12. THE NEW ROYAL HOLLOWAY WEBSITE

The Council received a presentation on the College's new website. The revised website had been developed in consultation with the academic community and was designed specifically to allow greater integration of College systems and consistency in format between departments. It was expected that phase one of the new website would be launched by the new Principal in September 2010 and that phase two would be implemented during the 2010-11 academic year.

10/172

13. RESEARCH INCOME

The Council received a paper for information on the College's research income (CL/10/55).

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The College had been working hard to raise research grant income but still had a high dependency on government funded Research Council income which was likely to be vulnerable to cuts. Diversifying the College's funding sources remained an important corporate objective.

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14. GOVERNANCE

14.1 The Council received an oral update from the College Secretary on the appointment of lay members of Council. The Nominations and Honorary Awards Committee had started the process of recruiting new members and had identified that there was a particular need to recruit members with audit and investment skills and legal experience. An advertisement had been placed in the local press which had attracted a number of expressions of interest, mostly from those with an audit/financial background. No applications had been received from candidates with legal or human resources experience and the College continued to seek to recruit members with those skills. More applications from female and ethnic minority candidates would be welcomed. Council were asked to consider their contacts and let the College Secretary's Office know of any possible candidates.

10/175

The Council received a recommendation to appoint Mr Jeremy McIlroy as a lay member of Council (CL/10/56a)

10/176

The Council

APPROVED

the appointment of Mr Jeremy McIlroy as a lay member of Council.

- 14.2 The Council received the updated terms of reference of the Finance Committee (CL/10/56). 10/177
- The Council
- APPROVED**
- the terms of reference for the Finance Committee
- 14.3 The Council received the updated terms of reference of the Investment Sub Committee (CL/10/57) 10/178
- The Council
- APPROVED**
- the terms of reference of the Investment Sub Committee
- 14.4 The Council received the updated terms of reference of the Nominations and Honorary Awards Committee (CL/10/58) 10/179
- The Council
- APPROVED**
- the terms of reference of the Nominations and Honorary Awards Committee subject to the inclusion of reference to appointments to the Statute 25 Committees.
- 14.5 Upon the recommendation of Nominations and Honorary Awards Committee the Council 10/180
- AGREED**
- to extend Mr David Beever's appointment on Council to 31 July subject to the approval of the Privy Council.
- The Privy Council had informed the College that they no longer wished to nominate a member of the Council. A change to the College Statutes would therefore be required.
- 14.6 The Council received the Conflict of Interest Policy (CL/10/59). 10/181
- The Council
- AGREED**
- that the College Secretary should add a clarifying statement to the policy to address potential conflicts of interest between members of Council who are also members of a union.
- 14.7 The Council
- APPROVED**
- the Conflict of Interest Policy subject to the clarification.

The Council discussed the register of interests and 10/182

AGREED

That the guidance on completing the register of interests should be revised to ask members of Council to provide details of unions that they represent.

The Council

AGREED

That the register of interests for members of council should continue to be available on request from the College Secretary's Office.

10/183

PART B: ITEMS FOR REPORT AND FORMAL APPROVAL

15. REPORT OF DECISIONS TAKEN BY THE CHAIRMAN

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

10/184

16. REPORT OF DECISIONS TAKEN BY CIRCULATION

The Council noted that the decision had been taken for the Investment Sub Committee to proceed with the short listing and the selection of a new fund manager in place of Kleinwort Benson.

10/185

17. ACADEMIC BOARD

The Council received the minutes of the meeting of the Academic Board meeting held on 17 March 2010 (CL/10/60).

10/186

18. AUDIT AND COMPLIANCE COMMITTEE

The Council noted that no meetings have taken place since 26 February 2010.

10/187

19. ESTATES COMMITTEE

The Council received the minutes of the meetings of the Estates Committee held on 11 March 2010 (CL/10/61) and 13 May 2010 (CL/10/62).

10/188

20. FINANCE COMMITTEE

The Council received the minutes of the meeting of the Finance Committee, held on 19 May 2010 (CL/10/63).

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21. HUMAN RESOURCES AND EQUAL OPPORTUNITIES COMMITTEE

The Council received the unconfirmed minutes of the meeting of the Human

10/190

Resources and Equal Opportunities Committee, held on 18 May 2010 (CL/10/64).

This item was unstarred for further discussion of item 49. There was some concern that the account given in the minutes was not an accurate record of the meeting between UCU and the College. The Chair of the Human Resources and Equal Opportunities Committee emphasised that these were an unconfirmed set of minutes and that she would be happy to note the concerns raised and reconsider the minutes with the rest of the Committee at their next meeting.

10/191

22. NOMINATIONS AND HONORARY AWARDS COMMITTEE

The Council received the minutes of the meeting of the Nominations and Honorary Awards Committee held on 18 February 2010.

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The Council noted that the minutes of the Nominations and Honorary Awards Committee, held on 20 May 2010 would be available at the Council meeting on 13 October 2010.

10/193

23. STRATEGIC POLICY COMMITTEE

The Council noted that no meetings had taken place since 19 March 2010.

10/194

24. COUNCIL EXECUTIVE

The Council noted that the Council Executive Committee met informally on 27 May 2010.

10/195

25. SEALING OF DOCUMENTS

The Council noted that the following documents had been sealed since the last meeting.

10/196

A letter which confirmed Professor Rob Kemp as the Acting Principal was sealed and provided to the E.U.

10/197

A JLT minor building works contract with W&L Installation.

10/198

An Agency Agreement with the Energy Consortium (Education and Public Sector) for the provision of gas and electricity.

10/199

26. STUDENT DISCIPLINARY COMMITTEE

The Council noted that the Student Disciplinary Committee had, at the request of the Acting Principal, met on four occasions during the 2009/10 academic year to consider matters which had related to nine students.

10/200

There were five requests for termination of registration. Three were upheld, one was converted to an administrative withdrawal and one was reduced to a suspended termination of registration.

10/201

There had been one request for a suspension for a year which was upheld.	10/202
There had been two requests for suspended termination of registration, one of which was upheld.	10/203
The Student Disciplinary Appeal Committee met once and considered an appeal against termination of registration. The Student Discipline Committee's original decision was upheld.	10/204
The Student Disciplinary Committee met on one occasion to consider an appeal against termination of registration determined by the Fees Sub Group. The original decision was upheld.	10/205

27. ACTING PRINCIPAL'S OVERSEAS TRAVEL EXPENSES

The Council noted the Acting Principal's Overseas Travel Expenses for 2009/10.	10/206
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28. DATE AND TIME OF NEXT MEETING

The Council noted that the next meeting of Council would be held on Wednesday 13 October 2010 at 5.00pm	10/207
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Katie Kerr
 College Secretary and Head of Governance
 August 2010