

(M/12/293-M/12/374)

Royal Holloway  
University of London

## COUNCIL

Minutes of the meeting of the Council held on Friday 23 November 2012 at 10.45am in the  
Beaumont Lounge, at Beaumont House

Present:	Mr Andy Alway Mr John Brannan Professor Clare Bradley Mr Stephen Cooksey Mr Stephen Cox (Chair) Mr Gurpreet Dehal Mr Doug German Mr Majid Hawa Dr Jackie Hunter Mrs Margaret Jack	Professor Paul Layzell Mr Richard Mallett Mr Jeremy McIlroy Mr Mark Newlands Mr Joseph Rayment Mr Iain Ross Mrs Chris Shoukry Professor Anne Sheppard Mr David Spence Ms Colette Wilson
Apologies:	Mr Paul Blagbrough Mrs Christine Goodyear	Mrs Sarah Tyacke Professor Johannes Zanker
In attendance:	Ms Helen Coleman  Mrs Laura Gibbs  Professor Rob Kemp  Mrs Julia Roberts Mr Graeme Robinson	Director of Communications and External Relations Director of Academic Services and Chief Information Officer Deputy Principal (Planning, Resources and Partnerships) Director of Strategic Development Director of Finance
With:	Mr Simon Higman Miss Clare Munton	Registrar and Secretary Governance Assistant
Observers:	Mrs Hilary Baker Dr Alan Bradshaw	Governance Assistant UCU observer

## FORMAL BUSINESS

### 1 MEMBERSHIP

Mrs Chris Shoukry, who had been appointed as a lay member, was welcomed to her first meeting.

12/293

## 2 CONFLICTS OF INTEREST

It was noted that one member was a Director of Benetic 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 Therapeutics Plc which had signed a Confidential Disclosure Agreement with another member of the School of Biological Science regarding a possible collaboration. 12/294

The Council noted that one elected member had raised an employment tribunal against the College and one of these claims related to Professorial Banding. 12/295

It was noted that one member had been a Partner until 2006 with the firm chosen to deliver the College's Internal Audit Service for the financial year 2012-13, and continues to undertake occasional ad hoc consultancy work with them. 12/296

## 3 MINUTES

The minutes of the previous meeting (M12/196-M12/292) were confirmed subject to the following amendments 12/297

12/198 – second sentence to read “The same member was also Chairman of Ark Plc which had signed a Confidential Disclosure Agreement with another member of the School of Biological Sciences”. 12/298

12/275 – second sentence to read “The Council were informed that the College's internal audit function was to be outsourced, and that agreements were being reached with current members of the College's internal audit team.” 12/299

## 4 MATTERS ARISING FROM THE MINUTES

### Major Projects (12/235)

It was noted that an update on the Library Project would be given in the Principal's Report. The College was continuing to explore its options regarding improving libraries facilities. It was proposed to invite at least one lay member of Council to join the Library Review Panel. 12/300

### Principal's Report (12/214)

It was noted that no financial offer had been made by the College to the academic involved in the Employment Tribunal case, either before or after the tribunal had been heard. The Council were informed that a copy of the tribunal decision was available from the College Secretary's Office should any member wish to read it. 12/301

### Recruitment and Admissions (12/228)

The College had received the report from the recent UKBA visit. It was expected that the College's Highly Trusted Sponsor status would be renewed. The College was satisfied with the outcome of the visit and assurance was given to Council that it would continue to monitor its processes around UKBA compliance. Thanks were given to the Deputy Registrar and her team. 12/302

### Professorial Banding (Item 13.3)

An elected member of Council noted that the paper presented for this item (CL/12/50) did not reference the Professorial Banding Monitoring Group, and raised a concern that there had been lengthy gaps between meetings of this group. The College had recently asked a member of the Senior Management Team to Chair the group instead of a lay Council member. The elected member was concerned that the monitoring stage was not yet complete and therefore it was inappropriate to stop Council member involvement in the group at this time. 12/303

## **5 UNSTARRING OF ITEMS**

To note that the following items in Part B were unstarred 12/304

Item 20 Unconfirmed minutes from the meeting of the Equality and Diversity Committee held on 15 October 2012 (CL/12/73) 12/305

Item 23 Unconfirmed minutes from the meeting of the Remuneration Committee held on 23 October 2012 (CL/12/76) 12/306

## **PART A: MAJOR ITEMS OF BUSINESS**

## **6 PRINCIPAL'S REPORT**

Despite current sector wide challenges in securing humanities funding, the College had received two large grants in Media Arts and Drama and Theatre which indicated that the College was remaining competitive in a difficult environment. 12/307

A VAT exemption had recently been introduced which would allow certain institutions with charitable status to share back-office services without incurring VAT costs. This made shared service provision across University of London Colleges a more feasible and cost effective option. Discussions were in the early stages and it was noted that a successful shared services scheme across the University of London could bring considerable benefits to Royal Holloway. 12/308

The Council received an update on recruitment for a Dean of Science. The recruitment process had been suspended and the Vice Principal (Research and Enterprise) would continue to act as Dean of Science for the time being. The Council were informed that the Principal was reviewing arrangements for the structure of the College's Executive team. 12/309

## **7 STUDENT NUMBERS**

The Council received a report on the position with regard to student admissions 2012-13, based on the student number count taken in November 2012. 12/310

The Council were informed that had been no drastic change between the October and November student number counts. The College was approximately 200 students below the overall target, a shortfall attributed solely to its failure to attract sufficient AAB+ students. Overseas PGT recruitment had been impressive. The College had under recruited on Home/EU postgraduate students but it was recognised that this was a sector wide issue that needed to be addressed. It was not expected that there would be huge fluctuations between the November count and final numbers made in the official return to HEFCE on 1 December 2012. Therefore, it was anticipated that the overall student recruitment shortfall would have a negative impact on budget of £2.5-2.6 million, which was less than the £3.5 million reported at the October meeting. 12/311

## **8 PERFORMANCE MONITORING**

8.1 The Council received the College's Strategic Risk Register, which identified the main risks that could cause difficulty to the College in meeting its strategic goals and fulfilling the Corporate Plan (CL/12/60). It was noted that the register would have to be revisited once the new strategy had been developed, but that it was useful to look ahead and determine the risks in relation to the College's current and emerging plan. The Register was a Council document that was managed on a day to day basis by the College's Executive team. The Audit and Compliance Committee had reviewed the register and amendments had been made in response to their suggestions. The Audit and Compliance Committee were satisfied with the way the risks had been articulated and that the register distinguished between the existing and proposed actions that would reduce the likelihood of the risk. The Committee also considered this to be a document that would help to inform the audit plan. 12/312

One member asked if there were plans to financially quantify the risks. It was noted that some risks were difficult to financially quantify but that the College consistently modelled the impact of the risks. 12/313

One elected member suggested it would be useful to add another row on discrimination, equalities and pay. The member also raised concerns over the appointment process for an Equality Opportunities Advisor and as to whether the College would be allowed to advertise the post externally. The Secretary advised that the operational side of the appointment process was the responsibility of the Director of HR and that he was satisfied the College would make an appropriate full time appointment. 12/314

The Council asked the College Executive to reconsider the tolerance level for risk number 10 which looked at the College's governance systems, policies and procedures and the effect they had on effectively managing the institution. 12/315

The Council 12/316

APPROVED

the Strategic Risk Register, subject to College management reconsidering risk number 10.

8.2 The Council received a report on the College's Key Performance Indicators (KPIs), and institutional comparisons across the sector (CL/12/61). It was noted that the penultimate column on the first page should read 2016/17. 12/317

The Council were informed that these were interim KPIs and would be updated once the new strategic plan was in place. The performance against the interim KPIs and sector comparisons had been used to analyse the College's current performance and inform some of the aims in the new plan. The Council noted that additional work would be undertaken in the New Year to consider PGR submission rates within the next seven years. It was noted that the College was not performing well in the sector in terms of reducing its carbon footprint, mostly because of the condition of some of its buildings. It was expected that there would be an improvement once the new Estates Strategy had been developed and implemented. 12/318

There was some concern that the target for graduate employability was not challenging enough. It was acknowledged that this needed further review and the College had measures in place to help it achieve well in this area. 12/319

One member of Council asked if it had been assumed that the Russell Group and 1994 Group performance would stay static. The Director of Strategic Development assured Council that the KPI targets had been based on where the College needed to be aspiring to be rather than what it could comfortably achieve. 12/320

It was noted that targets for 2016/17 would be reassessed further as part of the development of the new Strategic Plan. 12/321

**9 RESIDENCES**

The Council received a progress update on plans to expand the student residence provision (CL/12/62). It was noted that this paper contained commercially sensitive information and was therefore strictly confidential to the Council at this stage. 12/322

The Council were informed that negotiations relating to the purchase of the former Brunel campus site at Runnymede had stalled because of difficulties in agreeing a suitable price, lack of detailed product quality specification and unrealistic Heads of Terms. 12/323

The Council were updated on the progress of negotiations with the University of London regarding development of the Depository site near Spring Rise, which was now the College's preferred option. The University of London had indicated it would like to move forward on a deal and it was possible that they would consider renegotiating the lease for a further 30-40 year period which would allow a third party operator, most likely Universities Partnerships Programme (UPP), to build and operate student accommodation on the site. 12/324

One member of Council asked if students from other University of London Colleges would be eligible to apply for accommodation. It was confirmed that they would be entitled to apply but that it was unlikely students studying in central London would choose to live in Egham. It was also noted that RHUL students are also allowed to apply for accommodation at other University of London Colleges. 12/325

A member of Council asked if the College had conducted a risk assessment into future student numbers and whether there was the potential for voids in accommodation. Negotiations were not yet advanced enough for an accurate risk assessment to be conducted around this, however Royal Holloway had not historically struggled to fill its student accommodation. Unlike several of its competitor institutions, RHUL was not currently in a position to guarantee accommodation to overseas students and it was hoped that increasing its provision would enable it to do this. 12/326

The Council expressed some concern that the University of London had indicated that it may not require a nominations agreement, whereby either RHUL or the University of London would underwrite the occupancy of the new accommodation. The Council noted that it would offer the College more protection if it could negotiate a favourable agreement. 12/327

One member of Council asked who would be responsible for obtaining planning permission. It was noted that the third party operator would apply for permission as the lease would be in their name but that Runnymede Borough Council would expect a supporting statement from RHUL. 12/328

It was acknowledged that there were competing needs for space on campus and that any new build would need to offer a degree of flexibility in its usage. It was hoped that the residences would also incorporate areas on the ground floor that could be used for meetings by groups and societies that would not disrupt the students living upstairs. 12/329

The Council 12/330

#### APPROVED

1. Continued negotiations with University of London through its partnership with UPP to secure a student residence development on the Depository site.
2. Further negotiations with Runnymede Borough Council to seek planning permission on the site.

3. Negotiations to change the terms of the existing 999 year lease with the University of London to reduce the lease period to 30-40 years and to extend the existing footprint.

It was possible that the timescale of negotiations would be such that agreement on key issues needed to be reached between Council meetings. The Council 12/331

AGREED

that the Chair of Council and the Chair of the Finance Committee could make a joint decision on behalf of Council should this situation arise to enable the project to progress. Council Executive would be kept informed of progress and given an opportunity to comment prior to Chair's action being taken.

## 10 POLICIES

### 10.1 Donation Acceptance Policy

The Council received the College's Donation Acceptance Policy (CL/12/63), which had been updated to incorporate the recommendations from the Woolf enquiry into links between Libya and the LSE and to clarify the delegation of authority for the acceptance of gifts. The policy had been scrutinised by the Audit and Compliance Committee at its meeting on 25 July 2012, and had been revised following that meeting to take account of its recommendations. It was noted that the success of a policy such as this was reliant on staff awareness of their responsibilities and that the College must ensure that the policy was effectively communicated. 12/332

It was 12/333

AGREED

following a suggestion by a member of the Audit and Compliance Committee that the seventh bullet point in paragraph 5 should be amended to read

'Create conflicts of interest which are not fully transparent and managed appropriately'

One member of Council was unsure how the College would determine if the policy was working. It was 12/334

AGREED

that the Development Office should periodically report to the Planning and Resources Committee to allow it monitor the effectiveness of the Policy. A paragraph would be added to the section on Record Keeping to incorporate this amendment.

The Council 12/335

APPROVED

the Donation Acceptance Policy subject to the above amendments.

10.2 Admissions Handbook

The Council received the Admissions Handbook which also incorporated the Admissions Policy (CL/12/64). The Handbook had been written to document and formalise the processes and procedures for student admissions. The College was committed to operating a fair and transparent admissions process. It was noted that the Handbook was still going through the committee approval process and would be considered at Academic Board on 28 November 2012. The Council noted the Handbook and 12/336

AGREED

that subject to approval at Academic Board, Chair's action could be taken to approve the Handbook on behalf of Council. The approved Handbook would be published on the College website.

**11 AUDIT AND COMPLIANCE COMMITTEE**

The Council received the Audit and Compliance Committee's Annual Report 2011-12 (CL/13/65). 12/337

The Council noted that in June 2011 the Committee had agreed to outsource Internal Audit provision from 2012-13 and that the transition had been more complicated than expected. There was some resulting tension which was reflected in the Internal Auditor's Annual Report. The Committee had sought to address this with College management. Following a tendering process, the contract for provision of Internal Audit in 2012-13 had been awarded to Grant Thornton, and it was expected that the current Head of Internal Audit would leave the College at the end of November. An OJEU tendering process for a longer term arrangement, starting from 2013-14, was expected to commence shortly. 12/338

It was also noted that from 2012-13, the College had appointed BDO as it's External Auditors. 12/339

The College was in the process of implementing a new finance system and the Council were informed that the Audit and Compliance Committee were receiving regular reports from the project team. The Committee had identified a small number of concerns which the team were investigating. 12/340

The Council 12/341

APPROVED

the Annual Report of the Audit and Compliance Committee 2011-12, and the Internal Auditor's Annual Report. Both documents would be submitted to the Head of Assurance at HEFCE.

## 12. FINANCIAL MATTERS

### 12.1 Annual Accounts 2011-12

The Council received the consolidated Financial Statements 2011-12 (CL/12/66). 12/342  
The statements had been considered by both the Finance and Audit and Compliance Committees. Both committees recommended the statements to Council for approval. The Statements had been audited by BDO, the College's External Auditor.

The Council were asked to note the Operating and Financial Review in pages 2-6 12/343  
which gave a commentary on the financial statements along with a review of important operational matters and risks, and developments affecting the College.

The annual surplus was confirmed at £7.6 m (before tax) and therefore the 12/344  
College had met its Key Performance Indicator for financial surplus.

Cash balances had increased during the year from £50m to 59m, although the 12/345  
Council were informed that this was not necessarily indicative of what was available to invest as cash was needed as working capital and to manage risk.

The Letter of Representation provided in CL/12/66a had been reviewed by the 12/346  
Audit and Compliance Committee who were satisfied that Council could agree to the assurances it set out, including that the College could continue to operate as a going concern. The Council noted the position in relation to the spin-out company Holloway Immunology Limited, which had been dormant from its incorporation in March 2012 until 31 July 2012, and so no transactions with the company had been included in the accounts.

The Council 12/347

APPROVED

The Financial Statements 2011-12 and Letter of Representation. The Chair of Council and the Principal signed off both documents prior to their submission to BDO.

On behalf of the Council, the Chairman thanked the Director of Finance and his 12/348  
team for preparing the statements.

### 12.2 Estimated Out-turn 2012-13

12.2.1 The Council noted the estimated out-turn for 2012-13 (CL/12/67). 12/349

The Out-turn had been updated since the last Council meeting to reflect the student number count taken on 1 November 2012. Student numbers had increased since the October count and a final count would be taken on 1 December. Home/EU undergraduate numbers were below target for AAB+ students resulting in a £2.3m shortfall in tuition fee income. 12/350

The Council noted that although there had been a shortfall in student numbers, it had not had a significant impact on income from residences. Unfilled places reserved for first years had been successfully re-allocated to other students. 12/351

12.2.2 The Council received and 12/352

APPROVED

the HEFCE return and commentary for the 2011-12 out-turn and the 2012-13 forecast (CL/12/68). These were part of the annual accountability returns, along with the financial statements and audit reports for 2011-12.

The Council noted that the College would submit a full forecast to 2015-16 to HEFCE in July 2013. 12/353

12.3 Treasury Management Policy

The Council were informed that the Treasury Management Policy had been under review for some time and the College had appointed an external consultant to review the policy and also the internal process for managing the placement of cash balances. Overall the consultants were complimentary about the College's policy and process in this area but had recommended a small number of changes to the Treasury Management Policy, which were considered and approved by the Finance Committee on 25 October 2012. The Chair of the Audit Committee had also reviewed the recommendations. The amendments were summarised for the Council in paper CL/12/69 and the updated policy was provided in Appendix A. 12/354

The Council 12/355

APPROVED

the amended Treasury Management Policy as set out in Appendix A .

## 13 GOVERNANCE

### Nominations Process

The Council received a policy from the Nominations Committee which set out a process for the recruitment of lay members of Council (CL/12/70). The College had historically appointed to vacancies as and when they arose but it was hoped that in future the College would create a pool of potential Council members from which it could select from depending on the skills requirements of the Council at that time. 12/356

## APPROVED

the Nominations process as set out in CL/12/70 but also remained mindful that a Council Effectiveness Review was about to be conducted in conjunction with a major review of the College Statutes and Regulations. It was therefore possible that the policy would need further revision following the outcome of those reviews.

**PART B: ITEMS FOR REPORT AND FORMAL APPROVAL****14\* ANNOUNCEMENTS**

The Council noted that the date of Professor Dorothy Wedderburn's memorial service had been confirmed as Sunday 17 March 2013. 12/358

The Council noted with great sadness the death of Mr Andrew Martin, former elected member of Council, who died peacefully on 17 November following a three year battle with cancer. Mr Martin served on Council from 2008 to 2011 and on various College committees including Estates, Space and the Trading Sub Committee. Members had been contacted with funeral arrangements. 12/359

**15\* REPORT ON DECISIONS TAKEN BY THE CHAIRMAN**

The Council noted that in the absence of a permanent Chair of the Student Discipline Committee, the Chair of Council agreed to the appointment of Ms Colette Wilson as Chair of two meetings of the Student Discipline Committee on 23 November 2012. 12/360

**16\* REPORT OF DECISIONS TAKEN BY CIRCULATION**

The Council noted that no decisions have been taken by circulation since the last meeting. 12/361

**17\* ACADEMIC BOARD**

The Council noted that no meetings of the Academic Board had taken place since 30 May 2012. The minutes from the meetings scheduled to take place on 28 November 2012 and 6 March 2013 would be available at the Council meeting on 20 March 2013. 12/362

<b>18*</b>	<b>AUDIT &amp; COMPLIANCE COMMITTEE</b>	The Council received the unconfirmed minutes from the meeting of the Audit & Compliance Committee held on 8 November 2012 (CL/12/71).	12/363
<b>19*</b>	<b>COUNCIL EXECUTIVE</b>	The Council received the unconfirmed minutes of the meeting of the Council Executive held on 23 October 2012 (CL/12/72).	12/364
<b>20*</b>	<b>EQUALITY &amp; DIVERSITY COMMITTEE</b>	The Council received the unconfirmed minutes from the meeting of the Equality and Diversity Committee held on 15 October 2012 (CL/12/73).	12/365
		In addition to the minutes, the Council also received a short oral report from the Chair of the Equality and Diversity Committee. It was noted that at it's last meeting the committee had considered its current membership. The committee performed an assurance and monitoring function of equality related issues on behalf of the Council and it was therefore decided that it would be more appropriate for student and trade union representatives to be invited to join the Equalities Steering Group rather than the Equality and Diversity Committee. The Equalities Steering Group had greater involvement in planning and implementing equality strategies. The Committee had also agreed to hold a series of focus groups involving a cross section of staff and students. The focus groups would be chaired by the lay members of the committee so that they could develop a greater understanding of equality issues at the College. Implementing the recommendations from the Equality Monitoring Report was an ongoing process and the committee would receive regular progress updates. One elected member of Council suggested that the minutes could contain more detail. The comment was noted, although it was also acknowledge that the minutes were written in the usual College style. This would be considered as part of the Council Effectiveness and Statutes Review.	12/366
<b>21*</b>	<b>FINANCE COMMITTEE</b>	The Council received the unconfirmed minutes from the meeting of the Finance Committee held on 25 October 2012 (CL/12/74).	12/367
<b>22*</b>	<b>NOMINATIONS COMMITTEE</b>	The Council received the unconfirmed minutes from the meeting of the Nominations Committee held on 11 October 2012. (CL/12/75)	12/368

- 23\***            **REMUNERATION COMMITTEE** 12/369
- The Council received the unconfirmed minutes from the meeting held on 23 October 2012 (CL/12/76).
- One elected member of Council asked for further information on the proposed revisions to the Professorial pay scheme. It was noted that the revised scheme would continue to evaluate professors using the same criteria as the existing scheme but that it was likely there would be amendments to the levels within the bands. The Dean of Arts and Social Sciences and Director of Human Resources had started a process of consultation with the professoriate and UCU on proposed amendments. Comments from these groups would be considered and used to rework the existing system. It was noted that it was a management responsibility to determine how the levels and bands would be refined and therefore it did not require further discussion with the Council at this point. 12/370
- 24\***            **STUDENT DISCIPLINE COMMITTEE**
- The Council 12/371
- APPROVED
- the members of staff nominated by the Faculties to serve on the Student Discipline Committee as detailed in paper CL/12/77.
- 25\***            **SEALING DOCUMENTS**
- The Council noted that no documents had been sealed since the last meeting. 12/372
- 26\***            **DATE OF THE NEXT MEETING**
- The next meeting will be held on Wednesday 20 March 2013 at 5pm in Windsor Building Room WIN0-05. 12/373
- Secretary's note
- Please note that there has been a change in venue for the Council meeting on 20 March 2013. The meeting will be held in Windsor Seminar Room **WIN 02-03** at 5pm. 12/374