

## Annual Report of Council Business 2014/15

Welcome to the first annual report of Council for the academic year 2014/15. The purpose of the report is to improve communication and understanding of the work done by Council and the commitment of this wide variety of people. Members voluntarily and freely contribute their time and experience to support the College and ensure the Council and College meet their statutory requirements.

### Overview of the year

The academic year 2014/15 saw a series of major initiatives that had been in development since the approval of the College Strategic Plan in 2013 move from planning to implementation. The Strategic Plan for growth in student numbers set out plans for the launch of new departments, including The School of Law, and of new programmes and major improvements to the infrastructure and buildings on Campus to create a working and study environment suited to the 21<sup>st</sup> Century.

During 2014/15 Council monitored the development and approval process of the Estates Masterplan, oversaw and challenged the development of the first two major construction projects and worked with management to agree the processes for raising the funds. Council took responsibility for the agreement needed to finance the building work. Two new committees, which met frequently and often at short notice, were set up to provide assurance to Council that the appropriate procedures were being followed and that the College would realise the benefits of its investment.

Council also continued to work on the redrafting of the College Statutes; a major piece of work that involved consultation with Academic Board on its statutes. Council expects to seek formal Privy Council approval for the revised College Statutes early in 2016.

This work, carried out in addition to the routine annual business, showed Council's immense commitment to the College.

### Council's Role

Council is the College's governing body and is ultimately responsible for the affairs of the College subject to the powers of Academic Board in relation to academic matters as defined in the Royal Holloway and Bedford New College Act 1985.

The primary functions of Council are

1. to determine the strategy for the College
2. to ensure the financial and academic probity and sustainability of the College
3. to ensure that policies and processes that can achieve the desired outcomes are in place and are properly executed
4. to safeguard the good name of the College.

In carrying out its role, Council has met the conditions of the Financial Memorandum between Higher Education Funding Council for England (HEFCE) and institutions, which includes an expectation that institutions adopt the Committee of University Chairs (CUC) governance code of practice and general principles.

## Ensuring our governance structure and effectiveness

### Council Membership

Council is made up of individuals from varied backgrounds with skills and experience they contribute freely and independently to decision making for the benefit of the College. In order to be able to conduct its work effectively Council must be correctly constituted, and have a full membership in order to ensure a reasonable workload. The membership of Council is set out in Statute and includes:

- lay (independent) members from outside the College
- ex officio members, the Principal and the President of the Students' Union
- elected members of staff from Academic Board, academic teaching staff and non-academic staff
- a student of the College who is elected by the whole student body.

During 2013/14 there was a recruitment programme for new lay members which included advertising to alumni of the College and in national Sunday press. Advertisements included the statement:

*"The College is committed to equality and diversity and encourages applications from all sections of the community. We particularly welcome female applicants and those from an ethnic minority as they are under-represented within the current Council membership at Royal Holloway, University of London"*

The recruitment programme was successful in filling all vacancies for lay members on Council and establishing a small pool of potential future lay members that would help provide for succession when lay members retire.

At the November meeting of Council a recommendation was made to co-opt to two members from the pool. These co-opted members are now members of Audit and Compliance Committee and Finance Committee respectively contributing their experience to the committees and increasing their knowledge of the College.

At the end of the academic year six lay members were reappointed to Council committees and Council continues to have a full membership.

### Equality and Diversity

Council has responsibility for promoting equality and diversity throughout the College and at its meeting in November 2014 Council approved the Equality and Diversity Strategy recommended by the Council's Equality and Diversity Committee.

The strategy sets out the College's approach to equality and diversity both as an employer and as a provider of academic, educational and research experience in the Equality and Diversity statement:

*"Royal Holloway, University of London is proud to continue its tradition of providing excellent education on the basis of merit. We commit to valuing diversity and promoting equality of opportunity for all in employment, admissions and in our teaching, learning and research activities.*

*The College is committed to ensure that:*

- we create a positive, inclusive environment, free from prejudice, bullying, harassment and unlawful discrimination within the College. We will take action to challenge inappropriate behaviour and discriminatory practice.*
- staff, students, applicants for employment or study, visitors and other persons in contact with the College are treated fairly, with dignity and respect*
- people and diverse groups with multiple identities and individual differences are recognised and valued*
- we will provide our staff and associates with the knowledge and skills they need to understand and meet their equality and diversity responsibilities"*

The development of the strategy was the result of consultation involving staff, students, unions and the College's diversity networks. The strategy was accompanied by an action plan of priorities to 2017. The first year priorities included the development of annual action plans with key milestones and performance indicators, improvement of the collection and reporting of equality data and the conduct of an equality pay audit. Council will monitor progress annually with the implementation of the Strategy.

In addition to promoting equality and diversity throughout the College Council also has responsibility to ensure its own diversity and Council continues to work on this aspect. One of the first steps has been to collect its own data and all independent members of Council are asked to complete the College Equality and Diversity monitoring form. The governing body must be made up of individuals that have the appropriate range of skills and expertise to carry out its work but in its recruitment, advertising and selection process Council considers equality and diversity and at 1 July 2015 the diversity of independent Council members, including the two co-opted committee members, was:

**Gender**            Female 7            Male 11

**Ethnic Group**

White	12
Asian or Asian British	1
Black, African, Caribbean or Black British	1
Other ethnic group (African/Asian)	1
Undeclared	3

**Disability**

Yes	1
No	14
Undeclared	3

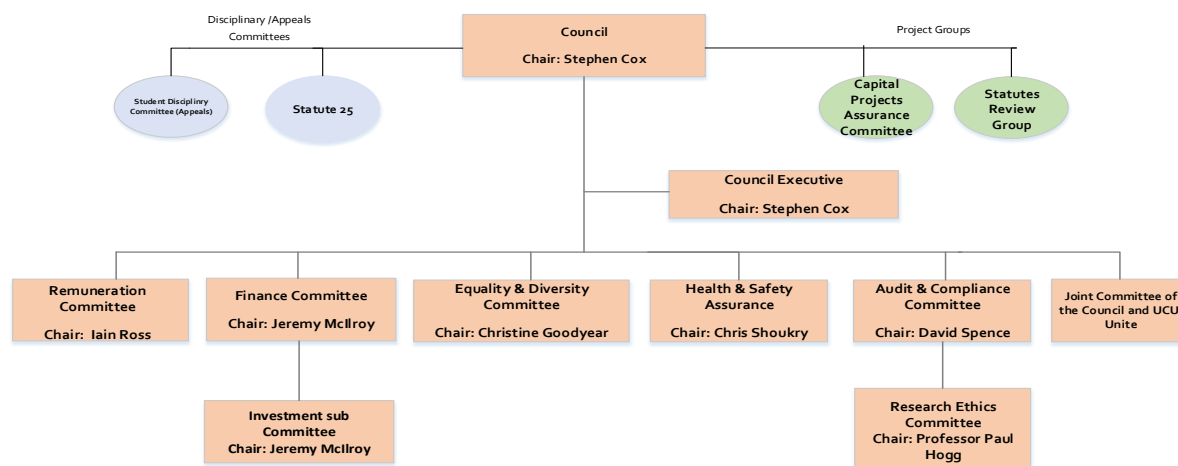
*For more information:*

<https://www.royalholloway.ac.uk/aboutus/governancematters/equalops/home.aspx>

## Council and its Committees

The Council committees shown below meet regularly through the year and report their work to Council through the minutes of meetings. Chairs may report directly to Council on substantial items of business addressed by their committee.

College Council Committee Structure 2015



### Council Committee Effectiveness Review

In spring 2015 Council started its three yearly review of its own committee effectiveness and its compliance with the CUC Code of Governance that was introduced in December 2014. A self-assessment of compliance with the new Code was conducted and identified that Council was broadly compliant with the seven elements of the Code but that there were further steps that could be taken to improve compliance and these are being incorporated into the ongoing effectiveness review.

### Council's work during 2014/15 fulfilling its primary functions

The primary functions of Council define the work that Council carries out each year.

#### Primary Function 1: Determining the strategy for the College

In November 2013 Council sent its first planning letter to the Principal to cover the academic year 2014/15. The letter highlighted the key areas of the strategic plan where it expected to see particular progress. These priorities were then included in the College management planning process and progress was monitored by reports to Council throughout the year.

In its second letter covering the academic year 2015/16 Council expected to see broad progress on all sections of the strategic plan and identified three key priorities, these were:

- sustained growth in student numbers

- delivery of the capital development plan
- preparation for REF 2020.

At the strategy day meeting in November 2015 Council will review the outcome of the strategic priorities it identified for 2014/15 that were included in the first planning letter.

#### **Annual Strategy Day Meeting 2014**

Council held its annual strategy day meeting at Cumberland Lodge and received a presentation from Joanna Motion, Partner, More Partnership "Benchmarking RHUL Fundraising with Universities UK Strategic Fundraising". Groups made up of members of Council and the senior management team discussed how College could become more philanthropic.

Council received the annual report of key performance indicators, the strategic risk register and the priority actions agreed by Council in November 2013 along with an evaluation of the outcomes achieved by July 2014. Council approved the priority action for the implementation of Strategic goals during 2014/15.

Council received a presentation from the Student Union Sabbatical Officers on the detailed planning and development of the Student's Union Strategy 2015/18 and reviewed progress with four key priority areas of the Strategic Plan including a presentation on the current position, and future development opportunities, in graduate employability.

#### **Masterplan and Estates Major Projects**

During 2013 and 2014 Council monitored and reviewed the progress of the Masterplan for the development of the estate that was required in order to achieve the College Strategic Plan. Council monitored progress with the planning application and Runnymede Borough Council gave formal approval of outline planning permission in January 2015.

During the year Council also received reports regarding progress of the most significant capital projects in the Estates Development Plan:

- Library and Student Services Centre
- Bedford Square Refurbishment
- Boiler House
- New Student Residence
- Music and Media Building
- Science Building
- Picture Gallery
- Founder's Entrance.

The Council Capital Projects Assurance Committee received reports on those projects with an expected cost in excess of £10m.

Council received the Estates Programme Business Impact Risk Register, a companion document to the College Strategic Plan, Risk Register and Estates Development Plan, that showed the impact on College business in the event of a failure or problem with the Estates Development Plan. Council noted that the register was a document of Council that would be periodically reviewed by the Capital Projects Assurance Committee and overseen on a day to day basis by senior officers of the College Executive.

Council approved changes to the College Project Governance Framework in order to improve clarity around early stage funding for preparatory work for major projects.

Council received and approved the Stage 3 investment case, as required by the College Project Governance Framework, for the Student Residences project noting the costs, key business benefits and risks of the project that was expected to be completed by September 2016.

### **Equality and Diversity Strategy**

Council approved the Equality and Diversity Strategy recommended by the Equality and Diversity Committee. The strategy set out the College's approach to equality and diversity as an employer and as a provider of academic, educational and research experience and was the result of wide consultation. Council will continue to receive reports of progress with the 2014/17 action plan which included annual action plans with key milestones and performance indicators.

### **Human Resources: People and Culture Strategy**

Council reviewed progress with the People and Culture Strategy and the setting up of a number of new initiatives and frameworks around recruitment and retention, performance and talent management and service excellence. Council noted that the initiatives were laying the foundations to deliver the College's strategic ambitions and improve employee experience.

## **Primary Function 2: Ensuring the financial and academic probity and sustainability of the College**

### **Ensuring the financial probity and sustainability of the College**

In fulfilling this function Council is supported by its Finance Committee that carries out the detailed work to ensure the College complies with statutory requirements and that College finances allow it to remain viable and sustainable into the future. The Finance Committee conducts detailed scrutiny of the finances, approves expenses policy and considers the financial implications of any major expenditure. The Finance Committee is also responsible for the investment funds of the College and receives reports from the Investment Sub-Committee which oversees, directs and controls the College's endowments and fixed asset investments in accordance with the investment policy agreed by Council.

### **Funding for the capital programme and approval of borrowing**

At its meeting in July 2014 Council considered the financing requirements for the estates capital programme and the financial forecasts and approved the borrowing of up to £80.6m to fund the construction of the Library and Student Services building and student residences north of the A30 by means of a private placement.

At the November meeting Council received a presentation from Mills and Reeve about private placements, the legal issues and risks and agreed to the steps to appoint an arranger and to prepare the private placement documentation. Council requested an independent review of the financial forecasts and the affordability of the proposed borrowing and this was provided by KPMG at the March meeting.

At the March meeting Council also received professional advice from Mills and Reeve on the note purchase agreement, insurance and pricing estimates for the private placement and, on the basis of the advice received, Council considered the private placement documentation and the delegated arrangements for carrying it out and agreed to go ahead. The £80.6m placement was subsequently agreed with a US insurance company, Pricoa, and the final form of the Note Purchase Agreement was approved and signed on 13 May 2015 under the delegated arrangements agreed by Council. Funds were received on 16 July 2015.

In the course of the year Council established two special project oversight groups:

- **The Debt Fundraising Oversight group (DFOG)** to monitor the process of debt fundraising of £80.6m through a private placement. The debt fundraising was agreed by Council at its meeting on 2 July 2014 in order to fund investment in new facilities. The Oversight Group met on a regular basis until the conclusion of the agreement. The Group advised Council of progress and of the long term implications of the arrangements, considering issues as they arose and escalating where necessary. The final meeting of the Group was held on 19 March 2015.
- **The Capital Projects Assurance Committee (CPAC)** to satisfy itself on behalf of the Council that the College was managing major projects effectively and that each stage of the College Project Governance Framework process had been properly completed. Major projects were defined as those with a total costs exceeding £10m, or where the project is of strategic significance with a material impact on the future (e.g. the Masterplan) or that posed a high level of risk in delivery, including potential reputational impact. The first meeting of the committee was held on 2 February 2015 and two further meetings were held during the academic year.

### **Assurance**

Council received the Annual Report from Audit and Compliance Committee confirming that, at its meeting on 4 November 2014, the Audit and Compliance Committee agreed that it had received appropriate assurance and evidence that the College had complied with the HEFCE financial memorandum and the Charity Commission requirements. The Annual Report from Audit and Compliance Committee was submitted to HEFCE alongside the Designated Officer's annual assurance return (Annex E) and the signed audited financial statements, results and updated 2013-14 forecast data.

Council subsequently received HEFCE's annual assessment of institutional risk and noted that the College was "not at higher risk" (this is a standard HEFCE statement indicating approval).

Council received a report of progress with the 2014/15 Audit Plan and noted the audit process providing an appropriate level of challenge to College procedures.

### **Financial Matters**

Council agreed the Annual Accounts including letter of representation to the Auditors for approval and signature by the Chair of Council and the Principal.

The Chair of Council and the Principal signed the HEFCE letter including approval of the financial forecast and commentary reporting the previous year's results and current year's forecast.

Council approved the estimated forecast for the year 2014/15, the revenue and capital budgets 2015/16 and the five year financial forecasts and commentary for submission to HEFCE.

Council received the operational plan identifying key items in the budget.

Council agreed amendments, recommended by the Finance Committee, to the Treasury Management Policy to approve higher placement and term limits in order to provide sufficient additional capacity for funds received via the Private Placement of £80.6m before they were expended

### **Trustees Responsibilities**

The College has charitable status and Council members are charitable trustees with obligations under charity law. Members are expected to discharge their duties of compliance, prudence and care and to accept ultimate responsibility for the affairs of the College and for ensuring it delivers its charitable objectives for the public benefit

In addition to their responsibilities as Trustees of the College members of Council have responsibility for two other trusts; The Founder's Endowment Fund and the Hilda Martindale Trust.

### **Founder's Endowment Fund**

The Founder's Endowment Fund came into being as a result of the sale of three of the original 77 paintings gifted to the College by Thomas Holloway.

On legal advice in 1998, the Council agreed to sit as a separately defined Board of Trustees, meeting twice a year and operating broadly under the College Statutes and Regulations. At its first meeting, the Board agreed:-

- *That the assets of the Fund be managed by the Finance Committee of the Council and its Investment Sub-Committee in accordance with instructions given from time to time by the Trustees,*
- *That a statement on the investment performance of the Fund be made to each meeting of the Trustees by the Finance Committee*
- *That the Trustees will receive and approve the Fund's accounts, normally at their December meeting.*

The Trustees met twice during 2014/15. At its November meeting the Trustees received the annual report of the Fund and agreed revised investment targets and the recommendation to tender for a new investment manager delegating the appointment following the tender process to the tender panel.

The meeting in May 2015 received an update on progress with the tender process and revised investment targets and noted that Rathbone Brothers plc were retained as one of the two investment managers.

### **Hilda Martindale Trust**

The Hilda Martindale Trust was established by Hilda Martindale to provide financial support to British women and makes awards annually to women who require training in order to pursue a career in an area in which women are underrepresented. The Trust is currently administered by the Secretariat.

Council received a report of the annual meeting of Trustees and approved the appointment of a new trustee with effect from 1 January 2015.



Further information about the Hilda Martindale Trust is available:

<https://www.royalholloway.ac.uk/aboutus/governancematters/thehildamartindaletrust.aspx>

## Ensuring the academic probity and sustainability of the College

Whilst Council is ultimately responsible for the College affairs it is required to consult Academic Board for an opinion on academic matters and consider the expressed opinion in making decisions regarding matters that have academic implications. Every year Council consults Academic board in relation to the nominations for conferral of honorary degrees of the University of London and Academic Board was consulted, and the opinions were considered, in drafting the revisions to the College Statutes.

At each Council meeting throughout the academic year Council received an update from the Principal that addressed developments in the higher education sector that impact the direction and operation of the College. The report also addressed developments in academic areas of the College.

Academic matters raised through the Principal's report during the year included the opening of the School of Law, the award from the Leverhulme Trust of a scholarship scheme that funded 15 doctoral students over 5 years in a new Magna Carta Doctoral Centre for Individual Freedom and the College taking over the Institute of Musical research (IMR) brand from the University of London, School of Advanced Studies.

The Principal provided regular updates throughout the year of the research awards in excess of £100k made by UK and international funding bodies to departments and academics across the College.

### **Report on the publication of REF 2014 and initial assessment of future impact**

Council noted that the College was within the top 25 per cent of universities in UK for research rated "world leading" (4\*) or "internationally excellent" (3\*) and that 81 per cent of research was within these categories. This was an increase of more than 20 per cent from the last time the exercise was conducted in 2008. In addition 30 per cent of research was rated in the top category of 4\*, an increase of more than 50 percent since 2008.

Council received an explanation of the REF process and its importance and noted that from 2015/16 the results would determine the distribution of around £2bn research funding to the 154 UK universities that took part.

### **Academic Matters**

At its meeting in May 2015 Council approved the current Academic Structure as proposed in the draft standing orders, paragraph 67, presented at the meeting of Council.

### **Annual report from Academic Board**

Council received the yearly report that provided an overview of the role of the Board and a summary of business for the academic year 2013/14. Council noted the role of the Quality Assurance Agency (QAA) in monitoring and advising on standards and quality in higher education in the UK and the outcomes and action points of six periodic department reviews carried out by the College during the year that were considered by Academic Board at its meetings during the year.

## **Primary Function 3: Ensuring the policies and processes that can achieve the desired outcomes are in place and are properly executed**

Council's responsibility for this function is to ensure the policies and processes are in place to support the achievement of the College strategic plan.

The Audit and Compliance Committee is Council's main committee with responsibility for addressing the detail of ensuring that College operates in a manner which is effective, efficient and provides value for money. The Committee has responsibility for oversight of the audit plan that checks College compliance and the risk register that monitors the external threats to the achievement of the strategy.

The Audit and Compliance Committee made an annual report to Council at its meeting in November 2014 that it had received appropriate assurance and evidence that the College had complied with the HEFCE financial memorandum and the charity commission requirements.

In addition to this report Council addressed the following matters relating to this function:

### **Statutes**

During the year Council received updates from the Statutes Review Board and drafts of the revised Statutes for consideration. At the July 2015 meeting, after final consultation with the Academic Board, Council agreed by resolution to submit the Statutes to the University of London and Privy Council for formal approval.

### **Counter terrorism and the Prevent Security Bill**

Council received a report outlining the requirements of the Prevent Duty, including the additional requirements for universities due to the concentration of young people. Council noted the actions taken and the links already established with the local community and with Surrey Police and the College nominated Prevent co-ordinator.

### **Annual report of the Health and Safety Committee**

Council noted the first annual report of the work of the Health & Safety Assurance Committee that had a remit to satisfy itself that the College was carrying out its legal responsibilities in respect of health and safety.

### **Report of Student Complaints for the calendar year**

Council noted the report and how the procedure was being used, the concerns and the action being taken to address them.

### **Report of student disciplinary for the calendar year**

Council received the book of precedents including summary details of the cases heard in 2014 and agreed recommendation for procedural improvement.

### **Student Regulations**

Council approved the Student Regulations for 2015/16 that registering and enrolling students were required to agree to abide by and Student Complaint regulations for 2015/16 which were recommended to Council for approval by the PRC following consultation with SURHUL Advice and Welfare Centre.

### **Annual report from the Students' Union**

Council received the annual report of the activities of the students' Union and noted the steps taken to engage students in its democratic processes. A review of democratic structures and procedures included consultation with staff and students and led to the introduction of a new Council system for the Students' Union and changes to the voting procedures. The introduction of online voting increased the number of students participating in votes. Council also noted that a constitutional review had started working with the National Union of Students.

### **Policies**

Council received and approved the following policies during 2014/15:

- The Donation Acceptance Policy
- The Gift Disbursement Policy

### **Register of Interests 2015**

Council received the 2015 Register of Council member's interests.

### **Sealing**

Council received notification of the sealing of documents as required by Statute 31 and Regulation 18.

### **Annual update of Committees handbook**

Council received the updated Committees handbook which contains copies of all the terms of reference of college committees which are updated annually.

Available at <https://www.royalholloway.ac.uk/iquad/collegetpolicies/home.aspx>

## **Primary Function 4: Safeguarding the good name of the College**

Much of the work of Council, by its nature, included a focus on safeguarding the good name of the College and ensuring its sustainability. In addition to receiving and discussing the annual published national league tables, reports of the national student survey and the outcome of the Research Excellence Framework 2014 Council considered a number of reports and continued to approve honorary awards.

### **Student Experience**

One of the key areas identified by Council in the planning letter for 2014/15 was to see the College working in partnership with the Students' Union to develop a range of social and extra-curricular opportunities that met students demand and enabled students to explore life outside their academic programmes as fully as possible.

Council received a report of the work of the Students' Union and Professional Services during 2014/15 to deliver an outstanding student experience by introducing a large increase in extra and co-curricular opportunities and encouraging increased student participation. Council noted the collaborative work and the focus on those students who may have been previously underrepresented within the traditional non-academic offer.

### **Annual report from the Health Centre**

Council received the annual report from the Health Centre which emphasised the extent of the services provided to students of the College as a result of the specialised clinics established.

### **Honorary Awards**

Council noted the award of Honorary Fellowships of the College in May 2015. Honorary Fellowships are awarded to those who have achieved eminence and those who have made an outstanding contribution to the life and work of the College or to the causes of education generally.

This year, the ceremony was a celebration of science and College conferred titles on five Honorary Fellows:

Professor Philip Beesley, Professor Peter Bramley, Mr Leon Ellison, Professor Mary Fowler and Professor Bernie Vining

Conferral of Honorary Degrees of the University of London took place at graduation in July 2015 and were awarded to four leading figures from the world of science and literature:

Dr Anne-Marie Slaughter, Dr Catherine Souch, Cathie Martin MBE and Lyn Gardner

The honorary degrees recognise the outstanding contributions made by these individuals to their field, or those who have given exceptional service to the university.

At the July meeting Council received nominations for honorary awards to be conferred in 2016 and agreed to confer Honorary Degrees of the University of London and Honorary Fellows of the College.

This concludes the first annual report from Council.

*Information about Council, agendas and minutes of meetings are available:*

<https://www.royalholloway.ac.uk/aboutus/governancematters/home.aspx>

*Minutes of published Council committees are available:*

<https://www.royalholloway.ac.uk/restricted/contensis/committees/home.aspx>

*Council and Committee meeting dates are in the College Calendar:*

<https://www.royalholloway.ac.uk/aboutus/governancematters/collegemeetings/home.aspx>

If you have any comments please send them by email to [Secretariat@rhul.ac.uk](mailto:Secretariat@rhul.ac.uk) or contact Pauline Martin, Executive Officer for Council on x3899 or 01784 443899