

M18/87-M18/86

Minutes of the meeting of Council held on Wednesday 21 February 2018 following the FEF Trustee Meeting at 5pm in the Windsor Building Rooms 1-02/1-03

Present:	Mr Stephen Cox (Chair) Ms Emilie Ancelin Professor Sarah Ansari Ms Natasha Barrett Mr Gurpreet Dehal Ms Ann Ewing Dr Bob Fitzgerald Mrs Christine Goodyear Mr John Gregory	Ms Tina Harris Ms Denise Keable Ms Sarah King Professor Paul Layzell Mr Gerry O'Hagan Mr Nick Perryman Professor Liz Schafer Mr David Williams Ms Colette Wilson
Apologies:	Mrs Margaret Jack Mr Jeremy McIlroy	Ms Chris Shoukry Mr David Spence
In attendance:	Professor Katie Normington Ms Marie Ennis Ms Gill Hemus Mr Rob Thrower	Senior Vice-Principal Director of Communications and External Relations (part) Director of Human Resources (part) Head of Financial Performance Management
With:	Dr David Ashton Ms Anna Sendall Mrs Pauline Martin Mr Doug German Dr Giacomo Benedetto	Chief Operating Officer and Secretary to Council Director of Governance and Legal Services and Deputy Secretary Executive Officer for Council Executive Policy Assistant, Minutes UCU Observer

FORMAL BUSINESS

- NOTED apologies from David Spence who was unwell following an operation. The Chair of Council wished him a speedy recovery on behalf of Council. Gurpreet Dehal, who was attending his last meeting of Council, was thanked for his significant contribution to Council and he was wished every success in his new role at the Office for Students. M18/10
1. **MINUTES**
APPROVED the minutes of the meeting held on 23 November 2017 (M17/181-M17/252) (noting that Ms Sarah King was present) and of the Special Council meeting of 18 January 2018 (M18/01-18/09) M18/11
2. **MATTERS ARISING FROM THE MINUTES**
NOTED that with regard to minute 17/213 there was an error in the paper CL/17/71 and that an external valuation of the picture collection was carried out in 2016. M18/12
3. **REGISTER OF INTEREST**
Members were invited to indicate if they had a conflict of interest, not previously declared, with an item on this agenda. M18/13
- NOTED that all, or most, staff members of Council and staff in attendance were members of the USS pension scheme. M18/14

4. **UNSTARRING OF ITEMS**
NOTED the un-starring of paper CL/18/20 the annual report of student complaints. M18/15

PART A: MAJOR ITEMS OF BUSINESS

5. **RECRUITMENT OF THE CHAIR OF COUNCIL**
- 5.1 RECEIVED a report regarding the recruitment of the next Chair of Council (CL/18/02) which included a formal report from Perrett Laver, the international executive search firm, whose appointment had been approved by Council at its meeting on 5 July 2017 (M17/149). M18/16
- NOTED the advertising programme conducted during September 2017 which included the Sunday Times, Womenonboards and NEDonboard and a review of RHUL alumni. The inclusion of individuals from Perrett Laver's database resulted in a list of 200+ individuals. Two meetings of the Search Group reviewed the list and shortlisting resulted in five candidates (three female and two male). One of these candidates then withdrew due to time commitment. Campus visits and meetings with the Vice-Chair, Principal, members of the academic staff and student body were arranged for four candidates. The Search Group identified three of the four candidates to be invited for interview (two females, one male) and at this point one of these (female) withdrew from the process. Perrett Laver conducted due diligence on the final candidates, advising the Search Group, and two candidates were formally interviewed by the Group on 17 January 2018. M18/17
- NOTED the minutes of the Special Council meeting on 18 January 2018 (minutes 18/01-18/09 18 January 2018) which was convened to discuss the outcome of the final selection in order to progress the process in a timely manner. The meeting discussed the recommended candidate's experience, the request for an honorarium and that College Statutes did not currently allow Independent members to be remunerated by the College. It had agreed to: M18/18
- accept the recommended candidate as a new Independent member of Council (deferring the appointment) and future Chair of Council,
 - the principle of offering payment,
 - seek to amend the College Statutes and
 - gain the permission of the Charity Commission to make the payment possible.
- RECEIVED a paper outlining the governance processes, in the Statutes (3.12) and Standing Orders (29 and 30), to be followed for the appointment of a new Chair of Council and the selected candidate's CV. It was NOTED that, following the Special Meeting on 18 January, a letter of invitation was sent inviting the selected candidate to join Council as an independent member with the understanding that they would stand for election as Chair at an ordinary meeting of Council no later than November 2018. A response was received on 5 February 2018 confirming the intention to accept the invitation. M18/19
- NOTED that the Vice Chair had discussed with the selected candidate the arrangements that would be required to make the changes to Statutes to allow the Chair of Council to receive remuneration commensurate with the workload of the Chair. The candidate agreed that their name should go forward and asked for thanks to be passed on to Council members. M18/20
- 5.2 RECEIVED the proposed amendments to the Statutes (CL/18/03) that would allow payment to be made to the Chair of Council. M18/21
- NOTED the stages in the process, consultation and of the required internal and external approval which included informal approval by Privy Council and two special resolutions by Council followed by a formal application to Privy Council. At this stage Privy Council would liaise with the Charity Commission, the Office for Students and relevant government departments. The indicative timetable anticipated formal approval by Privy Council by way of a sealed order in late July 2018. M18/22

	APPROVED the proposed amendments to the Statute subject to Privy Council and Charity Commission consent.	M18/23
6.1	UCU PENSION DISPUTE Council members had received, prior to the meeting, a note advising them of the current dispute and strike action and action short of a strike. The Chair of Council invited Professor Bob Fitzgerald, staff member of Council and Committee Secretary RHUL UCU, to make a statement to Council addressing the key issues.	M18/24
	He reported the UCU position that the main issue was Universities UK and the sector negativity towards defined benefits. The UCU questioned whether the University Superannuation Scheme (USS) was in a real crisis, the method of calculating long term risks to pension funds from a snapshot of current conditions, whether as funds growth returned to long term norms deficits would shrink and therefore whether a direct contribution (DC) settlement was actually needed. The UCU considered that employers did not want to preserve the guaranteed pension and were unwilling to say what combination of accrual rate, contribution rate and salary cap they would go to in order to preserve the guaranteed pension (i.e. Defined Benefit). The UCU considered that the cost to staff of the proposals were severe and wanted to return to negotiations on the principle of affordable pensions, of defined benefits and also noted that students and Student's Unions were supportive of the strike.	M18/25
	The Principal reported the College perspective reported by the Principal which together with 62 other HEI's was represented by Universities UK on a Joint Negotiating Committee (JNC) with UCU which was set up to address the challenges of the recent USS triennial valuation. The main focus was to find a way to ensure the best possible pension provision for staff that would be affordable to colleagues and employers, would be sustainable and acceptable to the Pensions Regulator. The JNC had agreed proposals, explained at this meeting, that were now open for consultation, and the valuation process was required, by the Pensions Regulator, to be concluded by 30 June 2018. The Principal advised Council that he would be writing to UUK and UCU to suggest further dialogue and exploration of alternative models and options that could provide a meaningful way forward with a view to reaching a settlement.	M18/26
	Both statements were tabled at the meeting and discussed.	M18/27
	NOTED that the Deans and a team of senior staff were working to develop a plan to enable the ongoing delivery of the curriculum to students during the dispute and to ensure that learning outcomes were protected.	M18/28
	CONSIDERED the issues and the difficulty of resolving the problem when defined benefit schemes were becoming widely unsustainable due to increasing longevity. Hybrid solutions had been considered but there was a reluctance to consider solutions that might increase costs. It was generally agreed that the dispute was damaging for the sector and a tolerable long term solution needed to be found.	M18/29
	NOTED that there had been some confusion about the meaning of "action short of a strike" and clarification had been provided on what constituted breach of contract. It was noted that formal language had been necessary for clarity but that College was seeking to be pragmatic.	M18/30
	NOTED that the Principal would be writing to the UCU and UUK.	M18/31
6.2	PRINCIPAL'S REPORT RECEIVED a report from the Principal (CL/18/04)	M18/32
	NOTED that a Steering Group had been set up to manage and minimise the number of void rooms in student residences. Some 400-500 rooms were available for returning students and	M18/33

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applications were currently exceeding expectations. It was anticipated that high levels of occupancy would be achieved next year.

NOTED that the Chief Financial Officer had been on sick leave for four weeks and was now signed off medically for a further six weeks. Senior Finance staff had covered the essential duties very well but with budget planning now starting an interim CFO was needed and in process of being appointed. HEFCE would be advised of the change of person in role and Stephen Avery was wished a speedy recovery. M18/34

NOTED uncertainty going forward resulting from the review of HE funding that was expected to take one year with another year for implementation. This would result in a Home/EU undergraduate fee cap for a further two years at least. M18/35

NOTED the appointment of Professor Sir Adrian Smith as Director of the Alan Turing Institute following which he has indicated that he would step down as Vice Chancellor of the University of London from summer 2018. M18/36

7. AUDIT & COMPLIANCE COMMITTEE

NOTED the report (CL/18/05) which included the update of progress with Procure to Pay and Data Protection and the Strategic Risk Register assessed against the mid-term strategy action plan. M18/37

CONSIDERED some observations from the Chair of the committee of issues that arose throughout the areas currently under discussion by the Audit & Compliance Committee and which had the potential to pose a risk to the College. M18/38

- That there were many big programmes in process at the moment which increased the possibilities of anomalies, omissions or failure to deliver.
- That the organisation had been slow to address some of the key areas which had been identified for improvement.
- There were instances of staff absence across a number of areas which necessitated people who may not necessarily possess the full extent of knowledge required to step up.
- Some areas of Professional Services were not sufficiently mature, having experienced a high number of staff changes.
- There was a need for College to be clear about prioritising changes in a timely manner, balanced with the ability to manage and absorb change.

REQUIRED Council to receive some assurance that in the near future these issues could be contained to address base line controls and to bring projects to a successful conclusion. M18/39

NOTED that Procure to Pay had lost momentum through staff absence but would now be prioritised by the interim CFO with the main focus on training and communication. M18/40

NOTED that the support for the Audit function would be reviewed. M18/41

REQUIRED a further report to Council M18/42

8. OFFICE FOR STUDENTS

RECEIVED a report on requirements for registration with the Office for Students (OfS) which must be completed in order to be able to continue to access public funding (CL/18/06). M18/43

NOTED the information for registration included a new requirement for a Student Protection Plan to set out the action that would be taken to minimise the impact on the students' continuation of study should the College discontinue the course, subject, discipline or exit the market completely. This would take the form of a broad understanding of co-operation with other institutions such as Reading University, which exists already, and with the University of Surrey which is currently being explored. M18/44

	NOTED that under the new arrangements Council must designate explicitly a senior officer as the "Accountable Officer" who shall act as the principal contact for the OfS.	M18/45
	NOTED that the indicative timetable provided a provisional deadline for submission of applications for registration with the OfS of 30 April 2018.	M18/46
	AGREED for the Principal to be named as the Accountable Officer.	M18/47
	AGREED to delegate responsibility for the sign off of the registration documents by Council Executive at its meeting on 25 April 2018 and for a copy of the registration document to be provided to Council in due course.	M18/48
9.	STUDENT RECRUITMENT	
	RECEIVED a report on student applications for 2018/19 (CL/18/07) following the closure, on 15 January 2018, of applications for entry in 2018/19. The focus would now turn to conversion activities to persuade applicants to place RHUL as their first choice, the outcome of which would be known in June.	M18/49
	NOTED that the number of applications was higher compared with 2017/18, with the exception of PGT Home/EU applications (down 17.5%). This was in line with the experience of other institutions and considered to be due to concerns about student debt.	M18/50
	NOTED the comparison of undergraduate applications with RHUL competitors and the sector (UCAS data at 11 February 2018). Previous underinvestment in overseas undergraduate recruitment would take another year to improve performance in the number of applications but there was some confidence that UG recruitment targets would be met this year.	M18/51
	DISCUSSED the difference between advertised grades and the final grades the College was prepared to accept in order to meet targets and the impact.	M18/52
	NOTED that from the Data Pack shared with Council at the meeting it was evident that between 2013-2017 some institutions had achieved an increase in tariff as well as growing student numbers and that in order to achieve this an institution would need a clear message about what it was and what it stood for.	M18/53
	REQUIRED a report to Council addressing the reasons why some departments were not meeting their targets in student recruitment and to continue to consider the message.	M18/54
10.	FINANCE	
10.1	NOTED the current year financial report (CL/18/08) which included the 2017/18 December Management accounts, 2017/18 financial forecast and cash flow projections to July 2022.	M18/55
	NOTED the operating surplus at December 2017 of £1.6m, £2.6m higher than the year to date budget deficit of £1.0m. NOTED that tuition fees would be £3.1m below budget due to the under-recruitment of overseas postgraduate taught students and the reduced residential income which will be below budget by £2.2m as a result of 458 void rooms.	M18/56
	NOTED the forecast operating surplus as at December 2017 is £3.2m, £4.9m lower than budget with £1.1m variance relating to an adverse movement in pension provision which was not an operational issue.	M18/57
	NOTED the College cash balance at the end of December 2017 and the forecast for the end of the financial year which was £15.0-£25.0m as a result of the shortfall in budget surplus and updates to the capital plan.	M18/58

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	NOTED the cash flow position to July 2022 and the underlying assumptions, and that these financial reports had been reviewed in detail by the Finance Committee.	M18/59
10.2	RECEIVED a report on the Financial Strategy (CL/18/09) approved by Council in July 2017 which recommended that College put in place a bank facility and enter into a residences transaction.	M18/60
	NOTED that on the basis of current cash flow projections, the CFO and Chair of Finance Committee had agreed that there currently was no need for a bank facility and therefore the associated set up costs and annual charges could be avoided. The cash position would be kept under review.	M18/61
10.3	RECEIVED an update on the Residences Transaction (CL/18/10) which would leverage value from the George Eliot Halls of Residence and raise circa £60m towards funding the investment strategy.	M18/62
	NOTED the invitation to participate in dialogue (ITPD) which would inform those bidders who had progressed from the initial selection round of the commercial agreed position on a range of issues that would be key to the commercial arrangements between the College and the residential partner. Development of the ITPD took into consideration the balance required between optimising the financial receipt whilst ensuring the continuing quality of the College's pastoral care arrangements and management of rental increases to ensure continuation of an attractive and affordable residential accommodation offer.	M18/63
	NOTED the positions taken on the commercial issues in the ITPD and APPROVED the invitation to participate in dialogue.	M18/64
10.4	RECEIVED the College's proposed response to the requirements imposed by the Criminal Finances Act 2017 (CL/18/11)	M18/65
	NOTED the draft risk assessment and additional risks identified, including student fees and donations, would be kept under review and updated as required. NOTED also the "Tackling Tax Evasion" statement " that would be published on the website in due course	M18/66
	APPROVED the planned response.	M18/67
11.	ESTATES PROJECTS	
11.1	RECEIVED the investment case for the conversion of the Bedford Building into academic accommodation and the reconfiguration of the McCrae Building for more efficient academic operations creating additional central teaching space and addressing condition survey maintenance priorities (CL/18/12)	M18/68
	NOTED that Sarah Ansari stepped down as the sponsor's representative in September 2017.	M18/69
	NOTED that this project was reviewed by the Capital Projects Assurance Committee and Finance Committee.	M18/70
	NOTED the risk of failure to deliver the project due to the availability of staff resources, particularly with regard to IT, was still considered to be a challenge but recruitment had now successfully filled 15 of the 18 staff vacancies and the risk was therefore diminished.	M18/71
	APPROVED the investment case and the recommendation by Finance Committee of a "not to exceed" budget allowance of £12,040,304 with the final figure to be reported to Finance Committee post tender. The release into stage 4 subject to the receipt of an acceptable tender return and the planned completion date of 20 September 2019 and earlier completion of the Bedford Building in March 2019.	M18/72

11.2 NOTED the recommendation for the Residences Maintenance, part of a rolling programme of planned preventative maintenance to maintain existing residential stock, and Catering investment for 2018/19 to bring these areas to a high standard (CL/18/13). The investment case was reviewed and agreed at the Finance Committee meeting of 8 February 2018. M18/73

APPROVED residences maintenance and catering investment for 2018/19 of £5,301,811.00. M18/74

12. **SCIENCE BUILDING**
RECEIVED the recommendation for naming the Science Building (CL/18/25 tabled) following consultation with staff and students and APPROVED the building to be named after Dr Beatrice (Tilly) Shilling OBE (1909-1990), British aeronautical engineer and motor racer. M18/75

PART B: ITEMS FOR REPORT AND FORMAL APPROVAL

13.* **ANNOUNCEMENTS**
None M18/76

14.* **REPORT OF DECISIONS TAKEN BY THE CHAIRMAN**
None M18/77

15.* **REPORT OF DECISIONS TAKEN BY CIRCULATION**
NOTED the approval by circulation of recommendations for the award of Honorary Fellowships of the College for 2018 (CL/18/01) M18/78

16.* **POLICIES**
AGREED the revised Donation Acceptance Policy (CL/18/14) M18/79

17.* **COUNCIL ACADEMIC QUALITY ASSURANCE COMMITTEE**
NOTED the update on the next steps for the Council Academic Quality Assurance Committee (CL/18/15) M18/80

18.* **EQUALITY & DIVERSITY**
18.1 RECEIVED the annual report of the Equality & Diversity Committee (CL/18/16) M18/81

18.2 RECEIVED a report monitoring the implementation of the Equality & Diversity Strategy Action plan (CL/18/17) M18/82

19.* **HEFCE**
19.1 NOTED the signed copy of the HEFCE report sent to HEFCE on 1 December 2017 (CL/18/18) M18/83

19.2 NOTED HEFCE's Annual Assessment of Institutional Risk 2017 (CL/18/19) M18/84

20.* **ANNUAL REPORTS**
20.1 RECEIVED and unstarred for discussion the annual report of student complaints (CL/18/20) M18/85

DISCUSSED the increased number of complaints and length of time to issue the initial outcome which was due to a reduction in staff resource during the first half of 2017 and a period of review and consultation as part of the restructuring of Professional Services led by the Chief Operating Officer and Secretary to Council. The review resulted in the creation of the Directorate for Governance and Legal Services and the creation of a new Director post. Investigations of complaint cases were outsourced to a former member of staff and were now up to date, response rates had been significantly improved. A review of the management of student M18/86

Council

academic appeals and complaints was ongoing with a view to consolidating responsibility for student case work into a single team.

- 20.2 NOTED the annual report of major misconduct disciplinary hearings(CL/18/21) M18/87
- 21.* **ESTATES PROJECTS**
NOTED an update on estates projects (CL/18/22) M18/88
- 22.* **ACADEMIC BOARD**
NOTED minutes of Academic Board meeting 11 October (CL/18/23) M18/89
- 23.* **RECEIVED THE FOLLOWING MINUTES (CL/18/24)** M18/90
Health & Safety Assurance Committee 2 October 2017 (minutes not yet available)
Equality & Diversity Committee 19 October 2017 (minutes not yet available)
Council Executive Committee 25 October 2017
Remuneration Committee 25 October 2017
Capital Projects Assurance Committee 26 October 2017
Investment Sub-Committee 26 October 2017
Finance Committee 26 October 2017
Council Academic Quality Assurance Committee 30 October 2017
Audit & Compliance Committee 13 November
Council Executive Committee 18 January 2018
Audit & Compliance Committee 5 February 2018 (minutes not yet available)
Finance Committee 8 February 2018 (minutes not yet available)
Capital Projects Assurance Committee 8 February 2018 (minutes not yet available)
24. **NOTED THE FOLLOWING COMMITTEES HAVE NOT MET SINCE THE LAST MEETING OF COUNCIL** M18/91
Council Academic Quality Assurance Committee
Equality & Diversity Committee
Health & Safety Assurance Committee
Remuneration Committee
- 25.* **SEALING OF DOCUMENTS** M18/92
7 December 2017: Electronic Engineering Building and PCE Warranty
7 December 2017: Contract for Runnymede NPQ & 3KLM between RHBNC and John Rowan Partners
7 December 2017: Contract for mechanical and electrical backlog works between RHBNC and John Rowan & Partners
7 December 2017: Contract for works at Gowar & Wedderburn, Kingswood 1 & 2 and Runnymede 2 between RHBNC and John Rowan & Partners
15 January 2018: Appointment as approval Inspector in relation to the re-purposing of Bedford and McRae buildings
15 January 2018: Appointment for Principal Designer Services in relation to the re-purposing of Bedford and McRae buildings
15 January 2018: Appointment for civil and structural services in relation to the re-purposing of Bedford and McRae buildings
8 February 2018: Deed of Warranty relating to the new electronic engineering building at Royal Holloway's campus, Egham, Surrey between RHBNC and Elan Lifts Limited
8 February 2018: Deed of Warranty relating to the new electronic engineering building at Royal Holloway's campus, Egham, Surrey between RHBNC and Scala Vetro Limited
8 February 2018: Minor Works Building Contract with contractor's design 2016 relating to Toilet Rollout 2016-17

26. OTHER BUSINESS

M18/93

27. DATE OF THE NEXT MEETING

Wednesday 9 May 2018 5pm (to be rescheduled in view of the Special resolution)

M18/94

Wednesday 4 July 2018 5pm.

Wednesday 4 July 2-3pm in the Moore Annex Lecture Theatre (MX034)

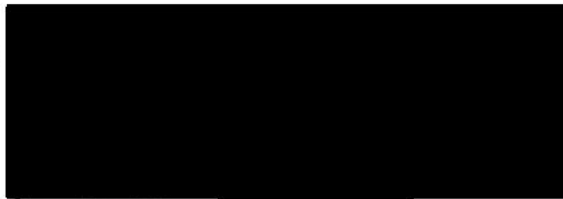
With the help of Vice Chair of Council, Ann Ewing, we have been extremely fortunate to engage Professor Binna Kandola to provide a briefing to Council members and Senior College staff about Unconscious Bias.

This is expected to be a very lively and interesting briefing – more about Binna Kandola's expertise below:

Diversity, assessment and development specialist Professor Binna Kandola is a Business Psychologist, Senior Partner and co-founder of Pearn Kandola, where in the last thirty years, he has worked on a wide variety of projects for public and private sector clients both in the UK and overseas.

As well as leading the practice, Binna is particularly interested in the study of gender bias and unconscious bias in organisations. He is the author of two new and critically acclaimed books on these subjects - 'The Invention of Difference: The story of gender bias at work' and 'The Value of Difference: Eliminating bias in organisations', and the co-author of several other management books, one of which 'Managing the Mosaic' won a Special Commendation at the 1994 Management Book of the Year Awards. A regular contributor to the HR and business press he is a sought after and highly regarded conference speaker.

Signed:



Mr Stephen Cox CVO
Chair of Council



Date

25 April 2018.