

M19/166-M19/257

Minutes

Present:	Dame Margaret Hodge (Chair)	Professor Paul Layzell
	Ms Ann Ewing (Vice Chair)	Mr Jeremy McIlroy
	Professor Sarah Ansari	Mr Gerry O'Hagan
	Mr Alistair Buchanan	Professor Elizabeth Schafer
	Professor Bob Fitzgerald	Mrs Chris Shoukry
	Mr John Gregory	Mr David Spence
	Mrs Tina Harris	Mr Nick Perryman
	Mrs Margaret Jack	Mr David Walker
	Mrs Hazel Jessop	Mr David Williams
	Mr Clem Jones	Ms Colette Wilson
	Ms Sarah King	Ms Willow Wong
Apologies:	Mrs Christine Goodyear	Ms Denise Keable
	Mr Peter Saraga	Mr Michael Farthing
Secretary:	Mrs Elaina Moss, Director of Governance and Legal Services and Secretary to Council	
In attendance:	Dr David Ashton, Deputy Principal (Operations)	
	Mr Stephen Avery, Chief Financial Officer	
	Professor Ken Badcock, Senior Vice Principal (Strategy, Partnerships and Resources)	
	Mr Dom Brown, SU VP Sport for, item 7	
	Dr Tom Flynn, SU Chief Executive Office, for item 7	
	Professor Katie Normington, Senior Vice Principal (Academic)	
	Mr Jack O'Neill, SU President elect 2019/2020	
	Mrs Pauline Martin, Executive Officer for Council, Minutes	
	Ms Jacqui Chard, Governance Assistant, Secondary Minutes	

1.	Apologies RECEIVED from Mrs Christine Goodyear, Ms Denise Keable, Mr Peter Saraga and Professor Michael Farthing.	M19/166
2.	Membership NOTED, with thanks, the members for whom it was their last meeting of Council: <ul style="list-style-type: none"> • Non-academic staff members of Council; Mrs Denise Keable and Mr John Gregory, both of whom were eligible for re-election. • Mr Clem Jones, RHSU President 2018/19 and Ms Willow Wong, Elected Student Representative 2018/19. • Mr David Spence, Independent member of Council, who was thanked for his service to College and Council over nine years including as Chair of Audit & Compliance Committee and the first Chair of the Council Academic Quality Assurance Committee. 	M19/167
3.	Declaration of interests None	M19/168
4.	Minutes of Previous Meeting AGREED the minutes of the meeting held on 2 May 2019 (M19/78 – M19/165).	M19/169
5.	Matters arising Actions from the previous meeting; <ul style="list-style-type: none"> • To monitor the impact of the removal of conditional unconditional offers and to report to Council at the end of May 2020 • Awaiting clarification from ISC of the outcome of review of the options in the investment strategy. ISC would write to Council and the Trustees of the FEF and HMT once confirmed. • Staff Survey 2018: an action plan is to be provided to the October 2019 meeting and Council is to receive an annual report of progress commencing May 2020. 	M19/170
6.	Un-starring of items Item 19 Estates Project Summary (CL/19/52) for discussion with item 12 the Financial Update. Item 26 JNCC meeting minutes (CL/19/57)	M19/171

Major Business

7. **Students' Union**
- 7.1 RECEIVED the Annual Report of the Students' Union Activities (CL/19/41) in compliance with the Education Act 1994 to demonstrate that funding is used correctly. The report provided an update on the work of the Students' Union during 2018/19 in the third year of operation under the current strategy. M19/172
- NOTED the amendments to projects and activities following the mid-period review particularly improvements to democracy and governance to get members directly involved in decisions that affect them. M19/173
- DISCUSSED the reasons why eight out of ten students chose not to join a group or society or didn't vote and how to encourage change. M19/174
- DISCUSSED the SU declaration of an environmental emergency and AGREED to include an item on the next Council agenda to review the actions being taken by the College and inclusion in the College Strategy 2020-30. M19/175
- 7.2 RECEIVED the amended Students' Union Constitution which followed the review of the SU democratic structures and adoption of the revised Constitution by students with the approval of the SU Board of Trustees. M19/176
- NOTED that changes to the Articles of the Constitution contain no major or substantive alterations to areas that are governed by the Code of Practice as laid down by Council. M19/177
- APPROVED the Students' Union Constitution. M19/178
- NOTED that a genuine working partnership between the Students' Union and College Executive had grown over a number of years which everyone was proud to be associated with and the team were thanked. M19/179
8. **Special Resolution**
- CONSIDERED a second special resolution to amend the definition of the College in the Statutes to support the application for University title (CL/19/43). The first resolution was passed at the meeting of Council on 2 May 2019. M19/180
- NOTED the current definition in Statute 1 Interpretation "*College*" means *Royal Holloway and Bedford New College* and the proposal, approved by Academic Board and the University of London, to expand that definition to read: "*College*" means *Royal Holloway and Bedford New College, a higher education institution which holds university status*. M19/181
- NOTED Council was asked in accordance with section 7 of the RHBNC Act 1985 to pass part 2 of the special resolution to amend the College statutes, subject to any alterations that the Privy Council may require, that the definition Statute 1 Interpretation be amended. M19/182

RESOLVED unanimously to amend the definition to read: M19/183

"College" means Royal Holloway and Bedford New College, a higher education provider which holds university status.

9. **Principal's Update**

9.1 RECEIVED a report from the Principal M19/184

NOTED the opening of the Royal Holloway China office with a dedicated member of staff, achieving a next step in the China Student Recruitment Strategy, part of the established International Student Recruitment Strategy. NOTED also, work was ongoing in developing the academic international strategy. Recent activities in this regard had included work to strengthen existing institutional links with the Shanghai International Studies University and the Communication University of China in Beijing. M19/185

NOTED the start of the 2020 undergraduate recruitment cycle and the successful first two Open Days of the season. M19/186

NOTED the rise in the Complete University Guide (CUG) league table from 28 to 23 but the decline in ranking in the Guardian league table for 2020 with a ranking of 42 compared to 38 last year. M19/187

NOTED the NSS results published 2 July 2019 with an overall student satisfaction at 88% up 1% from last year and placing College 17 up from 23 in the country and top in London. Only three Russell Group/ex 1994 group institutions were above us. A number of areas showed significant improvements in particular resulting from the work of the Students' Union, and the new library. Core teaching metrics had risen and we meet at least the median on every metric which will contribute to increased TEF scores. M19/188

REQUIRED a full report of the NSS results to be provided for the October meeting of Council. M19/189

NOTED the pensions update from Universities UK (UUK). The indicative support for Option 3 is entirely conditional upon employers having further details regarding, and have time to consider their position on, (i) any clarifications to the rules which the USS trustee believes are necessary in relation to the management of employer exits, (ii) the terms under which the USS trustee is seeking to ensure that it has *pari-passu* status with future employer borrowing, and (iii) further details regarding debt monitoring and what the USS trustee seeks in terms of involvement and reporting. USS trustee is expected to communicate its views to UUK and USS employers imminently. Council considered this latest update from UUK and that, as part of "Option 3" to address the 2018 valuation, it supported the requirement for enhanced deficit monitoring of HEI's and the proposed 2 year moratorium on institutional withdrawal from USS. M19/190

NOTED that the Principal had written to UUK noting disappointment that USS did not accept fully the recommendations from the JEP and encouraging the development of a longer-term view as to how the pension dispute could be resolved through the next round of work being undertaken by the JEP. M19/191

	NOTED that the other 63 HEI member institutions of the USS will, like Royal Holloway, show a significant deficit in their financial statements this year, as the pensions charge will be recorded against staff costs. This adverse change would be reversed in the 19/20 financial statements if the 2018 valuation is completed as expected.	M19/192
9.2	NOTED the report of the key recommendations of the Augar Review (CL/19/45) which posed a strategic risk to the sector of a loss of core funding and a potential, if enacted as currently reported, loss to the College of undergraduate home tuition fee income of £8m and teaching capital grant of c£5650k p.a.	M19/193
	NOTED the winners and losers from the recommendations as noted in a UUK report commissioned from London Economics.	M19/194
	CONSIDERED the potential implications for the College and the need to consider action to mitigate the potential impact of:	M19/195
	<ul style="list-style-type: none"> • Student fee reduction • Reduced contribution from HM Treasury • An appetite for differentiation in fees between subjects. 	
	DISCUSSED the potential impact on student experience and satisfaction that could result if the proposed actions to be taken in the event of loss of income were enacted. And NOTED that one option was to increase the number of international fee paying students recruited to cover an income loss.	M19/196
	REQUIRED that progress with journey towards targeted savings was to be reported to Council in October and the Augar Review to be considered as part of the College Strategy 2030.	M19/197
10.	College Strategy	
	CONSIDERED the process for developing the Council Strategy 2030 with Council signing off the strategic vision and the mission for the College.	M19/198
	DISCUSSED the timetable:	M19/199
	<ul style="list-style-type: none"> • September to November: Awareness raising on Key Sector Issues. Framing the Future topics for Staff and a Council half day briefing before the Council meeting on 9 October. • June to November: Formulating the options for the Draft Vision. Council Executive supporting the preparation for the Council Strategy Day on November 21/22. • January – April: Consultation on the Draft Vision and Strategic Priorities with staff, students and partners. • May – July: Drafting and Sign off. Sign off at the July 2020 meeting of Council. 	
	NOTED the topics for discussion at the Framing the Future sessions which would involve 2-4 external speakers and be held either as a live event or shared as a podcast. Council members would be invited.	M19/200
	CONSIDERED the illustration of the development of our history and Statement of Purpose in the 1985 Act into a draft vision (the statement of potential) which would form the framework for discussing the long term strategy.	M19/201

	NOTED that the Council Strategy day would focus on deciding the ambition for the College over the strategy period and the development of the budget would follow.	M19/202
	NOTED the importance of seeking input from young people, as future students of the College, and to include the employer perspective.	M19/203
	AGREED to clarify the timetable beyond the Council Strategy Day, for the next meeting.	M19/204
11.	Access and Participation Plan	
	RECEIVED the Access and Participation Plan (APP) which was the College's submission to the Regulator, the Office for Students, and a condition of registration.	M19/205
	NOTED that this was the first time the Access and Participation Plan had been shared with Council and the first time under the OfS regime that it had had to be presented in the present format. The Access and Participation Plan sets out for the OfS how the College will strive to improve equality of opportunity for underrepresented groups to access, succeed in and progress from higher education.	M19/206
	NOTED the APP should not be considered a statement of the College's strategic intent for the next five years around access and participation. This strategic intent had yet to be determined, and would be a matter that Council would consider as part of the new Strategic Plan.	M19/207
	NOTED in the APP the assessment of current performance, the measures that will be put in place to achieve targets, and how targets will be monitored and evaluated, and financial commitments to achieve targets between 2020/21 and 2024/25.	M19/208
	DISCUSSED the level of financial support available as bursaries to undergraduate students joining the College as detailed on page 15 of the Access and Participation plan and whether this is a large enough investment to make a substantial difference to these students. Noted that research suggested that the size of a bursary did not affect take-up, progression and succeeding in accessing high quality employment was more important.	M19/209
	DISCUSSED how to raise attainment and identifying what worked. Attainment gaps had been identified at department level including, in some cases, as far down as particular modules. Gaps were being addressed and careers data was encouraging.	M19/210
	NOTED that in the local area there were very few Quintile 1 students (those living in the least privileged postcode areas) but that there was still room for improvement.	M19/211
	DISCUSSED that investment in access, financial support and research and evaluation in the Access and Participation Plan did not show significant increases over the period 2020/21 – 2024/25. NOTED that the major investment was in 2019/20 where it increased by £450k and that it would take time to realise the results of that investment.	M19/212
	REQUIRED to include Access and Participation in the development of the College Strategy 2030 and consider the targets for later years in view of the current uncertainty in the HE sector.	M19/213

12.	Finance	
12.1	RECEIVED an oral report from the Chair of Finance Committee addressing the College financial update report (CL/19/48) which was discussed along with the unstarred Estates Project Summary (CL/19/52)	M19/214
	2018/19 Financial Forecast	
	NOTED the current year (2018/19) financial performance year to date (April 2019) and forecast to year end as reported to Finance Committee at its meeting on 13 June 2019.	M19/215
	NOTED the forecast operating surplus at April 2019 was £3.8m higher than budget at £2.5m (1.3% of income), £2.0m of the variance resulted from deferral of the student residence transaction for the George Eliot halls of residence.	M19/216
	NOTED two material one-off costs which would lead to a large headline operating deficit.	M19/217
	<ul style="list-style-type: none"> • The USS movement in pension provision consequent on the 2017 valuation as noted at the May Council meeting (M19/09- M19/113). • The accounting consequences of breaking the swap arrangements following the refinancing of long term debt which resulted in a net reduction of £1.3m in total comprehensive income for the year. 	
	NOTED the impact of the 2017 USS pension valuation with the pension provision held on the balance sheet and increased pension liability from £16m to £37m. This would be reported as increased staff costs and account for £31m of the operating deficit for 2018/19. A further change based on the 2018 USS pension valuation (currently in process) was expected to lead to a part reversal of this deficit in next year's account.	M19/218
	NOTED the £60m funds raised by the private placement. The purpose of the placement was to refinance existing debts at lower rates and, over a longer term, defer capital repayments. The repayment of legacy loans (c£33m) and settlement of swap break costs (c£8m) left £19m transferred to reserves.	M19/219
	NOTED the full year forecast deficit before gains and losses for 2018/19 at 30 April 2019 was expected to be £39.6m, £37.2m worse than the January 2019 forecast and £35.8m worse than budget of which £31m was due to the increased pension liability provision.	M19/220

2019/20 Budget and Five Year Financial Plan

RECEIVED the summary budget and five year financial plan including the revenue, capital and cash flow schedules and statement of key assumptions and risk. The budget had been considered by Finance Committee and was recommended to Council for approval. The 2019/20 budget proposed: M19/221

- Operating surplus before provisions, gains and losses of £3.8m (2.0% of income) compared to the 2018/19 forecast surplus of £2.5m (1.3% of income).
- Income of £192.4m, an increase of £6.2m (3.3%)
- Expenditure increasing by £4.9m (2.6%) to £188.6 m
- Surplus improved by £1.4m.

NOTED the key assumptions underpinning the budget and in particular: M19/222

- Increase in student numbers of 370 FTEs (3.6%) from 10,232 in 2018/19 to 10,602 in 2019/20
- Professional Services achieve a contribution improvement of £2.5m.

DISCUSSED the budget risks and opportunities with the main risk to the budget on tuition income if student intake targets were not achieved. It was NOTED that current applications and offers made for HEU and non-HEU undergraduates were higher than last year. PGT applications were also up on last year, as were offers made, but with confirmed acceptances by students down. Urgent action would be taken to reduce expenditure should there be a material shortfall in student numbers. M19/223

NOTED delivery of the £12m surplus improvement plan was critical to retain capacity to continue the capital investment programme and was expected to be fully implemented by 2021/22. M19/224

REQUIRED Council to receive regular updates on the progress of the surplus improvement plan M19/225

2019/20 Capital Expenditure Budget

NOTED the proposal for capital expenditure of £28.7m including £11.8m planned for major projects which would be subject to approval through the College and Council governance procedures and would include Capital Projects Assurance Committee, Finance Committee and Council. The cost and affordability of each project, including the target to maintain liquidity of 50 days, would be scrutinised in the approval process. M19/226

REQUIRED a meeting prior to the October meeting of Council, to allow further discussion about the finances and to include: M19/227

- revenue and capital expenditure
- benchmarking of budgets with competitors
- ratios such as interest cover
- College financial trends over time
- the position with regard to loan covenants
- risk planning and exposure in order to understand the current level of risk and in 2-5 years' time
- Information on headroom and understanding of scenario planning.

REQUIRED to consider revising the language of financial papers for non-finance members. M19/228

	APPROVED the 2019/20 budget, including capital expenditure on approved major projects and ongoing routine expenditure including general maintenance and refurbishments; residence and catering; academic equipment; and IT projects. NOTED however that in approving the budget Council was not implicitly approving proposed major projects, to which no commitment has yet been made.	M19/229
	REQUIRED that Council was to be provided with a paper explaining the position with regards to loans.	M19/230
	APPROVED the 5 year financial plan.	M19/231
12.2	Cost of Change Programme	
	NOTED the current year (2018/19) cost of change programme (CL/19/59)	M19/232
13.	The Gender Pay Gap	
	RECEIVED a report of the 2019 Gender Pay Gap (CL/19/49) as at 31 March 2018	M19/233
	DEFERRED discussion to the next meeting of Council.	M19/234
14.	The Change Programme	
14.1	RECEIVED a report of Council oversight of the Change Programme (CL/19/50).	M19/235
14.2	DEFERRED discussion to the next meeting of Council.	M19/236
15.	Council Effectiveness Review	
	DISCUSSED the proposal for the conduct of the Effectiveness Review (CL/19/51) including the proposed cost and whether it would be possible to conduct the review internally.	M19/237
	CONSIDERED the critical importance of good governance and the need to continually strive to improve effectiveness and the benefits of an independent external review which would also provide a sector wide perspective.	M19/238
	AGREED that the Chair and Vice Chair of Council would meet with the proposed provider to assess their suitability and that the Secretary to Council would review the proposal to consider what might be done differently with a view to reducing the cost.	M19/239
	REQUIRED to report to Council at the next meeting	M19/240

Starred items for Report and Formal Approval

16.*	Reportable Events None	M19/241
17.*	Report of Decisions Taken by the Chair of the Governing body None	M19/242
18.*	Report Of Decisions Taken by Circulation None	M19/243
19.*	Executive Team Expenses NOTED under the Freedom of Information Act 2000 Code of Practice 46 2018 the College is required to proactively publish information about Senior Managers' expense claims and they are available here: https://www.royalholloway.ac.uk/about-us/more/governance-and-strategy/information-compliance/executive-team-expenses/	M19/244
20.*	The Estates Programme NOTED and unstarred, for discussion under item 12, the update on major projects.	M19/245
21.*	Committee Terms of Reference APPROVED the terms of reference for the following Council committees: <ul style="list-style-type: none">• Council Academic Quality Assurance Committee• Health, Safety and Well-being Assurance Committee• Remuneration Committee• Principal's Pay Committee	M19/246
22.*	Office of the Independent Adjudicator NOTED the explanatory view and annual statement from the Office of the Independent Adjudicator.	M19/247
23.*	Honorary Fellows NOTED the Honorary Fellowships awarded on 23 May 2019 to: <ul style="list-style-type: none">• Lady Kitty Chisholm• Mr Michael Heslop• Mr Gabriel Pretus• Dr Graham Twigg	M19/248
24.*	Professional Indemnity Insurance Renewal NOTED the Personal Indemnity Insurance Renewal and that members are REQUIRED to advise Governance and Legal Services via Secretariat@rhul.ac.uk if there are any matters to note, or, to provide a nil return.	M19/249
25.*	Academic Board	

	NOTED the minutes of the meeting 20 March 2019.	M19/250
26.*	JNCC Meetings	
	RECEIVED the minutes of GMB & UNITE Joint Negotiation and Consultation Committee 23 October 2018.	M19/251
	RECEIVED and unstarred the minutes of UCU Joint Negotiation And Consultation Committee 23 October 2018.	M19/252
	DISCUSSED regarding the Performance Development review form and guidelines that objectives were set in dialogue between the manager and the member of staff and in the context of the College and department objectives.	M19/253
27.*	RECEIVED the following Minutes	M19/254
	Audit & Compliance Committee 4 February 2019 (not yet available)	
	Academic Quality Assurance Committee 5 February 2019	
	Equality & Diversity 27 March 2019	
	Council Executive 4 April 2019	
	Remuneration Committee 4 April 2019	
	Health, Safety and Well Being Assurance Committee 5 June 2019 (not yet available)	
	Finance Committee 13 June 2019	
	Academic Quality Assurance Committee 19 June 2019 (not yet available)	
	Council Executive 20 June 2019 (not yet available)	
	Audit & Compliance Committee 28 June 2019 (not yet available)	
	NOTED the following Committees have not met since the last Meeting Of Council	M19/255
	Capital Projects Assurance Committee (Last met 30 October 2018)	
	Equality & Diversity (Last met 27 March 2019)	
	Remuneration Committee (Last met 4 April 2019)	
28.*	Sealing Of Documents	
	3 June 2019: Deed of appointment (Design) landscape and highway design for Spine Road, Moore to International between RHBNC and SLR Consulting Ltd (x2)	M19/256
	27 June 2019: Contract documents for Royal Holloway reconfiguration to create school offices between Rider Levett Bucknall UK Limited and RHUL (x2)	
	27 June 2019: Contract documents for Royal Holloway McCrea Building between Rider Levett Bucknall UK Limited and RHUL (x2)	

Other Matters

29.* **Other Business**

Wednesday 9 October 2019 Shilling Lecture Theatre
Induction for new members 1.45pm followed by Council at 5.15pm (tbc in view of the minutes of this meeting)

Friday 22 November 2019 at Cumberland Lodge (Strategy Day meetings 21/22 November) Council and FEF Trustees Meeting

Thursday 20 February 2020 5.15pm Shilling Lecture Theatre

Thursday 07 May 2020 5.15pm Shilling Lecture Theatre
Council and FEF Trustees Meeting

Thursday 02 July 2020 5.15pm Shilling Lecture Theatre



Dame Margaret Hodge DBE MP
Chair of Council

Date 9 October 2019

Actions

Substantive Actions			To be addressed
M19/170	Student Recruitment - Conditional Unconditional offers – monitor the impact of change in practice and report to Council. <i>Update: will be addressed as an agenda item 7 May 2020</i>	DA	May 2020
M19/175	Environmental sustainability – to receive a summary of College activities and include in the College Strategy. <i>Update: will be addressed as an agenda item 9 October 2019</i>	DA/KB	October 2019 Item 10.3
M19/228 and 231	Finance – schedule a briefing, for a detailed discussion about finances prior to the October meeting of Council, and Council to receive a paper explaining the position with regard to loans. <i>Update: will be addressed as an agenda item 9 October 2019</i>	Fin	October 2019 Item 8
Business Management Actions			
M19/197 and M19/226	To provide progress reports of the journey towards targeted savings <i>Update: will be addressed as an agenda item 9 October 2019</i>	KB/AR	October 2019 Item 8
M19/189	NSS results - A full report to be provided <i>Update: will be addressed at the Council briefing on league tables</i>	DA	October 2019 Briefing
M19/205 and M19/197	College Strategy - consultation timetable to be clarified and the Augar Review to be considered as part of the College Strategy 2030. <i>Update: Ongoing development working towards the Council Strategy day meeting</i>	KB	November 2019
M19/214	College Strategy - to include Access and Participation in the development of the College Strategy 2030 and consider the targets for later years in view of the current uncertainty in the HE sector. <i>Update: Ongoing development working towards the Council Strategy day meeting</i>	KB/DA	November 2019
M19/123 and M19/170	ISC to review the options in the investment strategy and write to Council and the Trustees of the FEF and HMT. <i>Update: will be addressed as an agenda item 9 October 2019</i>	Chair Finance	October 2019 Item 8.4
M19/135 and M19/170	Staff Survey – action plan followed by an annual progress report in May 2020 <i>Update: will be addressed as an agenda item 9 October 2019</i>	DA	October 2019 Item 12.1
M19/06	To receive a report of College compliance with GDPR on completion of the gap analysis <i>Update: Audit & Compliance Committee received the report at its meeting 16 September 2019</i>	EM	ACC September 2019

Action from current meeting