

(M 10/001 – M 10/61)

Royal Holloway
University of London

COUNCIL

**Minutes of the Meeting of the Council
held on 3 February 2010 (postponed from 13 January 2010)**

Present:	Sir Andrew Burns Mr P Blagbrough Professor C Bradley Mr S Cooksey Professor M Fowler Mrs E Horwood Professor R Kemp Mr J Lerche	Mr A Martin Cllr H W V Meares Mr J Pidgeon Mr J R Potts Mr W F Rooke Ms B Shorter Dr E Sullivan Mr A Wiltshire
Apologies:	Mr A Alway Mr D M Beever Mr R Buswell Professor F Driver	Mr I G Ross Mrs G Stuart Mrs S Tyacke Mrs J Walker
With:	Ms K Kerr	College Secretary & Head of Governance
In attendance:	Professor A Tickell Professor G Ward Professor P Beesley Professor R Deem Mr S Bland Mr G Robinson Mr Martyn Evans	Vice-Principal (Research, Enterprise & Communications) Vice-Principal (Planning & Resources) Dean of the Faculty of Science Dean of the Faculty of History & Social Sciences Director of Facilities Management Director of Finance Head of Internal Audit
Observers:	Mr J Brannan Professor J Frank Mrs M Reilly	Observer (on behalf of GMB) Observer (on behalf of UCU) PA to College Secretary

1. MEMBERSHIP

- 1.1 The Council welcomed Professor Mary Fowler, who had been elected to membership by the academic teaching staff, succeeding Tony Stead, to serve until 30 September 2012. 10/01
- 1.2 The Council welcomed Dr Emmett Sullivan, who had been elected to membership by the non academic teaching staff, succeeding John Brannan, to serve until 30 September 2012. 10/02
- 1.3 The Council welcomed Councillor Stephen Cooksey, nominated representative of Surrey County Council to his first meeting. 10/03
- 1.4 The Council noted that Mr Morgan Hamilton-Griffin had resigned as the Students' Union Chair and welcomed his replacement, Mr Arran Wiltshire, who had recently been elected to serve as the Students' Union Chair until the end of the academic year. 10/04

2. CONFLICT OF INTEREST

The Chairman invited members to indicate if they had a conflict of interest with any of the agenda items. None of the members indicated a conflict. 10/05

3. MINUTES

The minutes of the previous meeting held on 16 October 2009 (M09/223 to M09/256) were confirmed and signed subject to the agreed amendment to the attendee list. 10/06

4. MATTERS ARISING FROM THE MINUTES

4.1. Chair's Action

Arising from minute M/09/228 the Council received a revised version of paper CL/10/01 detailing the powers to be delegated to Committee Chairpersons for use in exceptional circumstances. 10/07

The Council

AGREED

To incorporate the proposed wording into a revised version of the Committees Handbook.

4.2. Proposed Revenue & Capital Budget 2009/2010

Arising from M09/138 and M09/229, the Director of Finance confirmed that copies of Deloitte's publication on sustainable governance had been circulated to members of the Finance Committee and Principal's Briefing Group. 10/08

4.3. Committees Effectiveness Review

Arising from M09/231 the Council received an update from the College Secretary and Head of Governance on progress with the Committees Effectiveness Review. It was noted that the review was underway with Committee Chairs and that a report would be made to the Nominations and Honorary Awards Committee later in February. 10/09

5. UNSTARRING OF ITEMS

The following items were un-starred for discussion during the meeting: 10/10

Item 21 – Paper CL/10/20 Minutes of the Finance Committee meeting, held on 28 October 2009

Item 26 – Paper CL/09/25 Williamson, Butler and Tuke Loan Agreement

PART A: MAJOR ITEMS OF BUSINESS

6. ACTING PRINCIPAL'S REPORT

The Council received the Acting Principal's report (CL/10/02). The Acting Principal expressed his thanks to the staff and students of the College for keeping the College open during the extreme weather in January. 10/11

The Voluntary Severance Scheme, offered as part of the Planning for Change programme, had generated a lot of responses. These would be reviewed during the following week. A letter had been received from Sir Alan Langlands, Chief Executive of HEFCE, on 1 February 2010. This detailed the grant reductions for the sector for the 2010/11 financial year. The reductions were broadly in line with those expected. Two positive points were a change to the classification of Geography and Psychology as 50% STEM subjects, and a change in the ratio for the distribution of the research grant to increase the proportion allocated to 4* research. It was expected that both of these changes would benefit Royal Holloway. The final details would be received in the grant letter in March. 10/12

The Council's attention was drawn to the new requirements for Carbon Management, the arrangements for managing the new Points Based Immigration System, and the National Student Survey for 2010, which was receiving much appreciated support from the Students' Union. 10/13

A QAA Institutional Audit would be taking place in May 2011. A Working Group chaired by the Director of Special Projects and a Steering Group chaired by the Acting Principal had been established to manage the preparations. 10/14

The College was considering its ongoing involvement in the University of London in Paris (ULIP). A joint initiative with Queen Mary's and the University of London, proposals had been received for a more binding Memorandum of Agreement. Following further review the matter would be brought back to Council. 10/15

Discussions on the Kuala Lumpur Education City had been renewed just before Christmas when the College was contacted again by the organisers of the project. Much work had taken place in Malaysia over the previous year and it once again appeared likely that the Education City would go ahead. A new investor had joined and the project had received ministerial backing. Reading University were signed up to the project and Epsom College had agreed to build a school there. The latter would be available to the families of expatriates teaching in the Education City. Most importantly the Universiti Sains Malaysia, a prestigious APEX university, had agreed to relocate some of its departments to KLEC. Royal Holloway was not committed to joining the project in any respect but discussions would continue around the College's possible involvement and any proposals would be brought to Council. 10/16

It was noted that the Carbon Management requirements would include an absolute reduction of 34% against the 1990 baseline, or a 51% reduction on current rates. This would inevitably have an impact on many of the College's activities. Further details would be provided for Council at a later meeting and it was hoped that some Council members would become involved. 10/17

7. FINANCIAL MATTERS

7.1. The Council received the Annual Accounts and Financial Statements for the College (CL/10/03) and for Royal Holloway Enterprise Ltd (CL/10/04), which were approved on behalf of the Council by the Executive Committee on 17 November 2009. 10/18

The accounts had been scrutinised by the Finance and Audit and Compliance Committees prior to their approval. The final position reflected that which had been reported to Council during the year. The Accounts received an unqualified report from the External Auditors. Thanks were expressed to the Director and Assistant Director of Finance. 10/19

7.2. The Council received an update on the financial outturn for 2009-10 (CL/10/05). 10/20

The College was in a good position in comparison to the budget. A shortfall in overseas student numbers had been identified as a serious risk when the budget was set and the contingency had been increased to £1.75 million to reflect this. New programmes in the School of Management and concerted overseas recruitment activity, 10/21

had resulted in a higher than budgeted number of overseas students. In addition, Home and EU recruitment had been strong. The contingency was therefore not needed and the fee income budget had been exceeded. Other positive variances included most of the £0.5 million provision which had been included for the costs of merger. Council noted that the total projected surplus was £3.2 million better than budget.

7.3. The Council received the financial forecasts and commentary submitted to HEFCE on 1 December 2009 (CL/10/06). 10/22

The forecasts included a 6.5% saving on the Main Account over a three-year period. A target of 10% savings had been set, but, given the early stage of the savings programme when the forecast was submitted, the additional saving had been included in the sensitivity analysis. The Institute of Fiscal Studies was indicating expected cuts of 15 - 20% for the public sector and the College would need to redouble its efforts to achieve 10%. 10/23

. It was noted that the pension cost risks remained extremely high and additional contributions to USS might be required from both staff and employers. 10/24

It was noted that there was no formal requirement to report variance between the forecast and expected surplus to HEFCE during the year but that an informal update was usually provided whenever HEFCE visited. 10/25

8. PROFESSORIAL BANDING

The Council received a report on progress with the banding of professorial staff (CL/10/07). 10/26

The aim of the banding process was to provide clear steps for progression once a member of staff had reached the professorial grade. This would help address the concerns raised during the Equal Pay Audit completed by Hay and should allow for anomalies to be rectified. Similar arrangements had been introduced by other universities but banding was not part of a national agreement and would be a local arrangement. Meetings were taking place with the UCU and it was hoped that the arrangements could be finalised and implemented by July 2010. 10/27

Council was concerned about the potential the new arrangements would have for increasing the overall pay bill. The final proposals would have to be affordable for the College whilst also addressing the apparent gap in pay. Any additional costs would have to be balanced by savings elsewhere. It was essential that the new scheme controlled grade creep and did not create a means for the long term escalation of costs. 10/28

It was noted that introducing quotas to manage the percentage of staff in each band would be likely to have a detrimental affect on academic careers and the retention of good staff at Royal Holloway. 10/29

Thanks were expressed to Professor Ward and his colleagues for the proposals. 10/30

9. STRATEGIC PLANNING

9.1 Student Numbers

The Council received a report on the final position for student admissions in 2009/10, based on the count taken on 1 December 2009 (CL/10/08). It was noted that the report showed an excellent result. 10/31

9.2 Student Recruitment

The Council received an update on student recruitment for 2010/11 admissions (CL/10/09). It was noted that the number of applications was excellent and that the College would be managing the admissions carefully to ensure that it did not exceed its target. HEFCE had heavily fined institutions that exceeded the 2008/9 target and it was expected that similar arrangements would apply in 2009/10. 10/32

10. DEVELOPMENT

- 10.1 The Council received paper CL/10/10 on Alumni and Development for noting. 10/33

A report had been commissioned from Iain Moore Associates and was summarised in the paper. The College's Development operations had been under-performing in comparison with others in the sector for a long period. However, there were also positives in the report including the commitment of the current Development team, Senior Management and the Council. Although critical to making progress, because of the importance of the relationship between the Principal and the Director of Development, a new Director would not be appointed until after the appointment of the new Principal.

- 10.2 The Council received and noted a paper on Royal Holloway in the media (CL/10/11). The active press office had achieved an impressive range of coverage which compared very favourably with that of other similar institutions. Press reports would be provided for Council more regularly in future. 10/34

11. RESEARCH STRATEGY

- The Council received and noted the College's new Research Strategy (CL/10/12), which had been approved by the Academic Board. 10/35

12. AUDIT AND COMPLIANCE COMMITTEE'S ANNUAL REPORT

- The Council received the Annual Report for 2008/09 from the Audit and Compliance Committee (CL/10/13). The Report was required as assurance for both HEFCE and Council 10/36

2008/09 was the first year in which the Committee was required to give assurance on the College's data management processes. These had been subject to an audit by the Internal Auditor and had received a positive report. The assurance related to the processes the College followed to ensure the data was accurate rather than the accuracy of the data itself. Although the two reports completed to date had been good, there was a need for continuing vigilance in this area. 10/37

- The response to a recommendation made by the External Auditors in relation to in-year balance sheet reporting, would be considered by the Finance Committee. 10/38

The Committee had been concerned by outstanding actions relating to fundamental recommendations, which had been identified during Internal Audits. Progress had been made since the appointment of the Acting Principal. 10/39

13. GOVERNANCE

13.1 Statute 25 Committees

The Council received a proposal for changes to the membership of the Statute 25 Committee (Standing) (CL/10/14). 10/40

The paper proposed: 10/41

- That an additional two lay members of Council be appointed as potential members for each of the different Statute 25 panels
- That a list of potential chairs of Statute 25 panels be established from previous members of Council and others with the appropriate skills and experience
- That the Nominations and Honorary Awards Committee should approve the membership of any particular panel by circulation, as and when required

The Council

AGREED

that the proposed changes should be included in the Committees Handbook.

13.2 Terms of Reference for the Audit and Compliance Committee

The Council received revised terms of reference for the Audit and Compliance Committee for approval (CL/10/15). 10/42

The revisions were designed to bring the terms of reference in line with the guidance provided by the CUC.

The Council

APPROVED

the new terms of reference document for inclusion in the Committees Handbook.

14. CONSULTATION ON THE HEFCE FINANCIAL MEMORANDUM

The Council received paper CL/10/16 on the proposed changes to the Financial Memorandum for discussion. 10/43

It was noted that many of the changes were a response to the problems at London Metropolitan University. The outcome was a proposal that significantly increased the responsibilities of university governing bodies and gave additional powers to HEFCE, particularly in relation to the 10/44

appointment of the heads of institutions.

The Finance and Audit and Compliance Committee Chairs, and the Senior Management team had reviewed the consultation document and the College would be completing a response before the deadline in March. 10/45

PART B: ITEMS FOR REPORT AND FORMAL APPROVAL

15. REPORT OF DECISIONS TAKEN BY THE CHAIRMAN

The Council noted that no action had been taken by the Chairman since the last meeting. 10/46

16. REPORT OF DECISIONS TAKEN BY CIRCULATION

The Council noted that no action had been taken by circulation since the last meeting. 10/47

17. ACADEMIC BOARD

The Council received the minutes of the meeting of the Academic Board, held on 9 December 2009. 10/48

18. AUDIT AND COMPLIANCE COMMITTEE

The Council received the minutes of the meeting of the Audit and Compliance Committee, held on 6 November 2009. 10/49

19. ESTATES COMMITTEE

The Council noted that the minutes of the meeting of the Estates Committee, held on 9 October 2009 would be available at the meeting on 31 March 2010. 10/50

20. FINANCE COMMITTEE

The Council received the minutes of the meeting of the Finance Committee, held on 28 October 2009. 10/51

It was noted that the Finance Committee had unlimited delegated authority for treasury management under the terms of reference agreed by Council. The unlimited delegated power was queried. 10/52

Following discussion, it was 10/53

AGREED that the Finance Committee should review the current arrangements for the approval of the treasury management policy and report to Council.

21. HUMAN RESOURCES AND EQUAL OPPORTUNITIES COMMITTEE

The Council noted that the minutes of the meeting of the Human Resources and Equal Opportunities Committee, held on 17 November 2009, would be available at the meeting on 31 March 2010. 10/54

22. NOMINATIONS AND HONORARY AWARDS COMMITTEE

The Council received the minutes of the Nominations and Honorary Awards Committee, held on 17 November 2009. 10/55

23. REMUNERATION COMMITTEE

The Council received a report from the meeting of the Remuneration Committee, held on 20 October 2009. 10/56

24. STRATEGIC POLICY COMMITTEE

To receive the minutes of the meeting of the Strategic Policy Committee, held on 9 December 2009. 10/57

25. WILLIAMSON, BUTLER AND TUKE LOAN AGREEMENT

The Council received details of an extension to the period for drawdown. It was agreed that this should be handled as a resolution and was proposed by Mr Paul Blagbrough and seconded by Mr Bill Rooke. The resolution was passed by the Council. 10/58

The formally worded resolution as required by the Bank is as follows:

After due consideration of all the circumstances and on being satisfied that it is for the benefit of the College and in the interests of the College for the purpose of carrying on its business to enter into a supplemental agreement between the College and The Royal Bank of Scotland Plc acting as agent for National Westminster Bank Plc (the "Supplemental Agreement") in the form now produced in the respect of the loan of £22,000,000 made available to the College by National Westminster Bank Plc (the "Bank") in terms of the Agreement dated 14 September 2006.

It was resolved that in addition to and without amending, prejudicing or revoking any Bank Mandate/College Excerpt Minute or other instruction/s provided or to be provided by the College to the Bank, Director of Finance (Graeme Robinson) be authorised to sign on behalf of the College the Supplemental Agreement.

26. COUNCIL EXECUTIVE

The Council received notes from the meeting of the Council Executive Committee, held on 17 November 2009. 10/59

27. SEALING OF DOCUMENTS

The Council noted that no documents had been sealed since the last meeting. 10/60

28. DATE AND TIME OF NEXT MEETING

5.00pm on Wednesday, 31 March 2010 10/61

Katie Kerr
College Secretary and Head of Governance
22 March 2010