

Council

20/11 A meeting of the Council was held in Room 201, Carrington Building, on Monday 16 March 2020 at 2.15 pm.

The President
The Vice-Presidents (Mr R.E.R. Evans and Mrs K. Owen)
The Vice-Chancellor
The Deputy Vice-Chancellor
The Pro-Vice-Chancellor (Professor M. Fellowes)
The Pro-Vice-Chancellor (Professor E.M. McCrum)
The Pro-Vice-Chancellor (Professor D. Zaum)

Mr T. Beardmore-Gray
Professor J. Board

Miss M. Cleaver
Mr K. Corrigan
Mrs P. Egan
Professor C.L. Furneaux

Miss G. King
Mr J. Magee
Mr P. Milhofer
Mr S.C.C. Pryce
Mr N. Richards
Mr J. Taylor

In attendance:

The Chief Strategy Officer and University Secretary
The Chief Financial Officer
The Director of Legal Services (for Item 6 (Minutes 20/17-20/19) only)
The Director of Quality Support and Development

Apologies were received from Mrs H. Gordon, Professor Uma Kambhampati, Ms S. Maple, Dr C. Shaw, and Ms S.M. Woodman.

The President noted that the meeting had originally been scheduled to be held at the University Farm in Shinfield, but had been relocated due to the COVID-19 pandemic.

20/12 The minutes (20/01-20/10) of the meeting held on 23 January 2020 were confirmed and signed.

Items for note

20/13 Annual Financial Return to the Office for Students (Item 3)
The Council noted the University's Annual Financial Return submitted to the Office for Students in January 2020.

20/14 Documents sealed and to be sealed (Item 4.1)

The Council received a list of documents sealed and to be sealed.

Resolved:

"That the Council approve the action taken by the Officers and Members in affixing the University Seal to documents sealed since the last Ordinary Meeting of the Council and authorise the Seal of the University to be affixed to the documents to be sealed as now reported."

20/15 Disclosure of interests (Item 4.2)

The Council received and noted the Council Declarations of Interest Register 2019-20. The Chief Strategy Officer and University Secretary asked members to notify him of any updates.

Main items of business: strategic and governance matters for discussion

20/16 University Strategy (Item 5)

The Council received a paper on the draft new University Strategy, including proposed Key Performance Indicators.

The Vice-Chancellor explained that, since the Council meeting in November, the University Executive Board had further refined the draft University Strategy in the light of feedback from Council and other stakeholders, and had also developed a suite of Key Performance Indicators which would be used to track progress towards fulfilling the University's principles and aspirations.

The Vice-Chancellor noted that, having completed a challenging planning round in an increasingly adverse political and financial environment, the University Executive Board was required to undertake a number of transformative activities over the coming planning period to generate surpluses from 2021/22. He indicated that this transformation needed to be underpinned by a shift from a culture which recognised and rewarded 'best endeavours' to one which was sharply focussed on outcomes. He noted that the new salary adjustment process introduced last year for the University Executive Board had depended on delivery against key performance indicators, and he now planned to extend this principle to the leadership group. The setting of KPIs for Schools would need to be sensitive to their context, be informed by an understanding of the opportunities for, and constraints on, a School, and take account of their contribution to the institutional KPIs related to excellence, community, the engaged University, and sustainability more broadly, as well as financial performance. The Pro-Vice-Chancellor (Academic Planning and Resource) explained that he was currently working with Heads of School to identify appropriate School KPIs, and he confirmed that Heads of School generally supported and were engaging well with this work. The Vice-Chancellor believed that this approach encouraged Schools to own, and effectively address, the challenges which they faced, and that this approach could effect a wider shift which extended beyond the leadership to all staff in a School. A change in the culture, changes in process, and greater ownership of, and accountability for, Schools' objectives would support the delivery of both the financial improvement required in 2020/21 and the new University Strategy.

The Vice-Chancellor reminded the Council of the principal features of the new University Strategy, explained the supporting KPIs in detail, and indicated how progress would be monitored, which would involve tracking achievement across the full period of the strategy.

The Vice-Chancellor acknowledged that the University's thinking about the proposed KPIs in relation to the engaged university were the least mature and that the KPIs might be reconsidered in due course in the light of experience.

In response to questions, the Vice-Chancellor explained that the KPI on financial sustainability (cashflow from operating activities as a percentage of income, excluding exceptional items) reflected the measure used by the Office for Students (OfS) to evaluate institutional sustainability. The Chief Financial Officer noted that the OfS did not consider the surplus generated by an institution in its monitoring process, and, while the surplus or other measures could be used as the KPI for financial sustainability, they would not readily allow comparison with the sector. A number of lay members suggested that three or so KPIs be used to monitor the University's financial sustainability on the grounds that the KPIs should have regard both to absolute financial performance as well as relative performance against the sector. At the suggestion of the President, Council agreed that the proposed KPI be retained for the purpose of tracking the progress of the Strategy, while the Strategy and Finance Committee would necessarily be considering a wider range of indicators and would advise Council if the selected KPI was not consistent with other indicators.

In response to further questions, the Vice-Chancellor accepted that graduate employment was becoming increasingly important as a factor driving recruitment and reputation, but the University Executive Board had decided to limit the KPIs to a manageable number. In response to a question from Miss Cleaver, he confirmed that the KPI for global engagement had already been met; while this might appear unambitious, increasing global competition meant that maintaining the University's current strong position would be a significant achievement. The Vice-Chancellor welcomed a suggestion from [redacted, section 40] that encapsulating each KPI in a succinct and memorable formulation would promote ownership of KPIs across the University and help to avoid misinterpretation.

In response to a question from Professor Furneaux, the Vice Chancellor and Pro-Vice-Chancellor (Education and Student Experience) acknowledged that the KPI in relation to the student experience, which was based on the National Student Survey, did not have regard to postgraduate students who constituted a large proportion of the student population. They noted that the Postgraduate Taught Experience Survey (PTES) had a very low participation rate and therefore was not a reliable measure of performance, and that the teaching practices and staff behaviours which were reflected in the NSS would generally also be evident in the postgraduate student experience.

The President and Vice-Chancellor expressed their appreciation of the contribution which Henley Business School (HBS) made across the areas indicated in the strategy, and explained that specific references to HBS in the paper had been intended to acknowledge its different financial model rather than to imply that issues referenced applied specifically to HBS.

The President warmly endorsed the new Strategy and thanked the Vice-Chancellor and all those who had contributed to its development.

Resolved:

'That the new University Strategy (including Key Performance Indicators), now submitted, be approved.'

20/17 Trusts (Item 6.1)

The Council received a paper providing legal advice on Managing Conflicts of Interest where the Council was acting in respect of Trusts where the University was the sole Trustee.

The Director of Legal Services advised Council that her advice and Council's discussion on this matter were confidential and legally privileged.

[Redacted, section 42].

20/18 RET (Item 6.2)

[Redacted, section 43].

20/19 NIRD (Item 6.3)

The Council received a Report on the proposed outcome of negotiations between the National Institute for Research in Dairying (NIRD) Trust Committee and the University Negotiating Committee in relation to the NIRD Trust, together with a summary of the series of questions in relation to the NIRD Trust to be considered and addressed at this meeting.

In the discussion of this matter, the Council was acting in its capacity as the Trustee of NIRD; in consequence, Mr Evans, as Chair of the University Negotiating Committee, recused himself from the discussion and withdrew from the meeting for this item.

Acting in its capacity as the Trustee of NIRD, the Council agreed unanimously that it was satisfied that the process carried out to investigate and negotiate the issues arising from the conflict of interest identified in 2018 and as set out in the Report to Council had been carried out properly and thoroughly by the NIRD Negotiating Committee, and that the outcomes set out in in the Report to Council represented an acceptable outcome for the NIRD Trust. [Redacted, section 43].

[Redacted, section 42].

[Redacted, section 43].

The Council then considered these matters in its capacity as the governing body of the University, at which point Mr Evans rejoined the meeting. The Council confirmed that it was satisfied that the University Negotiating Committee had acted properly and thoroughly in its negotiations with the NIRD Trust Committee, and that the outcomes set out in in the Report to Council, [redacted, section 43], represented an acceptable outcome for the University.

Resolved (by the Council acting as Trustee of the National Institute for Research in Dairying Trust):

'That the Trustee accepts the account of the historical issues relating to the NIRD Trust as set out by the University Negotiating Committee and the NIRD Trust Committee.'

'That the Trustee provisionally approves the settlement reached between the Committees in the Report to Council and directs the NIRD Trust Committee to enter into negotiations with the University Negotiating Committee as to the existence and terms of a "loan" to the University.'

Resolved:

'That the Council accept the account of the historical issues relating to the NIRD Trust as set out by the University Negotiating Committee and the NIRD Trust Committee.'

'That the Council provisionally approve the settlement reached between the Committees in the Report to Council and directs the NIRD Trust Committee to enter into negotiations with the University Negotiating Committee as to the existence and terms of a "loan" to the University.'

Items of report

20/20 Oral update from RUSU on meeting their priorities (Item 7.1)

The Council received an oral update from Miss Cleaver and Miss King on RUSU's progress in meeting their objectives.

Miss Cleaver and Miss King reported that the RUSU Elections had been held at the end of February and next year's officers had been elected; the current officers would complete their terms of office on 26 June 2020.

Miss Cleaver and Miss King referred Council to the officers' reports which were included in the Report of the Student Experience Committee, and provided some updates from early February onwards.

Miss Cleaver and Miss King spoke of a range of initiatives, including:

- work to review, restructure and rebrand Joint Common Rooms (JCRs), which would seek to strengthen the JCRs' role in student welfare and shift their focus away from clubbing and alcohol-related activities
- work to promote diversity and inclusion, including the annual cultural show celebrating cultures represented among the student body, a campaign to combat transphobia, and collaboration with the University in a series of 'BAME Matters' lectures
- work to promote student wellbeing, including a directory signposting wellbeing support offered by RUSU, the University and services in the community, and to organise a mental health day to raise awareness and open up conversations around mental health
- progress on the campaign to increase LGBTQ+ participation in sports clubs, and on the organisation of award competitions for sports, societies and other activities; unfortunately the annual Varsity competition with Oxford Brookes University had had to be cancelled due to the COVID-19 pandemic
- collaboration with the University on the revision of the academic misconduct policy and on the provision of central study space to supplement the Library.

Miss Cleaver was pleased to report that Mr Ryan Bird, the new RUSU Chief Executive Officer, had now taken up his post and was in the process of identifying his initial priorities in the role. [Redacted, section 40].

Miss Cleaver and Miss King thanked the Council for having welcomed them so warmly to membership of Council, and for Council's enthusiastic and constructive support for RUSU throughout the year; they believed the positive relationship between Council and RUSU distinguished Reading from many other universities. They were concerned that the relationship between Council and RUSU should be strengthened further, and, to this end, invited Council members to email them with comments on what they valued in the RUSU officers' contribution and how the RUSU officers could better inform Council's discussion. The President thanked them for their contribution and noted how effective they had been in bringing the student perspective to life in discussions.

20/21 Report of the Student Experience Committee (Item 7.2)

The Council received the Report of the meeting of the Student Experience Committee held on 3 February 2020.

Mrs Owen, as Chair of the Committee, reminded the Council of its responsibilities, under the Education Act 1994, for approving amendments to RUSU's Constitution and for receiving RUSU's financial statements. The draft amendment corrected a reference to a Code of Conduct and thereby made provision for the removal of a trustee in the event of misconduct. The Council noted RUSU's financial statements and the independent auditors' opinion on the trustees' report.

Mrs Owen thanked the outgoing RUSU officers' for their contribution to the Committee and praised their work in sometimes difficult circumstances pending the appointment of a new Chief Executive Officer.

Resolved:

'That:

1. the draft amendment to the RUSU Constitution Article 25.5, now submitted, be approved;
2. the Report of the meeting of the Student Experience Committee held on 3 February 2020, now submitted, be approved.'

20/22 Report of the Vice-Chancellor (Item 8)

The Council received the Report of the Vice-Chancellor, dated March 2020.

The Vice-Chancellor and members of the University Executive Board provided further comment on the following matters:

- (a) The Deputy Vice-Chancellor reported that a Major Incident Team (MIT) had been in place since the threat of a global COVID-19 pandemic became apparent. She advised that a small number of individuals were currently in self-isolation, and provided brief details of two cases which had raised concern and in relation to which the University had taken or was taking appropriate action. In relation to the broader situation, the MIT had originally taken the position, which was consistent with the government's advice, to continue with face-to-face teaching; however, in the light of

changing circumstances, including growing anxiety among students and their desire to return home, the MIT had now agreed to recommend to the University Executive Board that the University move to online teaching only. The University would remain open and would continue to teach through its Virtual Learning Environment and other technologies. Plans were being developed to replace conventional exams, wherever possible, with online assessment. Schools and Functions were reviewing and implementing their business continuity plans, and focussing their effort on sustaining core activities. The meeting of Court and the forthcoming Open Days had been cancelled.

The Council endorsed the University's actions to protect students' health and to ensure the continuation of teaching and assessment, where feasible. In response to questions, the Deputy Vice-Chancellor referred to potential consequences for home and international recruitment given the possible suspension of A levels and other countries' school-leaving examinations, the current suspension of IELTS testing, the impact of the pandemic on the global economy, and continuing concerns after the peak of the pandemic about public health measures and personal health. The University was engaging with international partners to discuss the situation, and it was expected that relevant government departments would engage constructively with the sector to mitigate problems as far as possible. The Office for Students had now varied their original advice in relation to reporting COVID-19 cases. The Vice-Chancellor indicated that, while aspects of the implementation of the new University Strategy would need to be revisited in the light of the current emergency and its financial, economic and other consequences, the fundamentals of the Strategy were robust and remained valid.

The Vice-Chancellor explained that the University Executive Board had made arrangements to ensure its resilience, including holding meetings remotely to avoid infection and formalising provision for deputies, in case of illness. The University Executive Board had divided into two groups, with one primarily focussed on COVID-19-related business and the other on normal business, with regular meetings between the two groups to keep them informed of the full range of business.

- (b) The Vice-Chancellor reported that, in view of the COVID-19 pandemic, the University and College Union had decided not to re-ballot members on the continuation of industrial action beyond 29 April 2020, and had called off picketing with immediate effect.
- (c) The Chief Strategy Officer and University Secretary reported that the work to establish a new change management process across the University was making good progress. He explained that: a consolidated list of current and proposed change projects had been created; a single process for approval of change projects had been introduced (based on the Treasury change process model, but radically adapted to the University's context); the process incorporated impact assessment and clear reporting of outcomes; and tools and training were being provided and further developed for both those who were leading change and those who were adopting change. He emphasised that the change management process was being introduced as a pilot and would be adapted in the light of experience.
- (d) The Chief Financial Officer reported that the University was in negotiation with Blackhall Studios, an American film company, to build a [redacted,

section 43] complex at Thames Valley Science Park. The proposal would create up to 3,000 jobs in the local area, and would provide opportunities for collaboration between Blackhall Studios and the University. [Redacted, section 43]

- (e) The Chief Financial Officer reported that the University's appeal in respect of planning permission for the proposed development of land at Cutbush Lane South A had been successful.

Resolved:

"That the Report of the Vice-Chancellor, now submitted, be approved."

20/23 Report of the Senate (Item 9)

The Council received the Report of the meeting of the Senate held on 4 March 2020.

Resolved:

'That the Report of the meeting of the Senate held on 4 March 2020, now submitted, be approved.'

20/24 Report of the meeting of the Strategy and Finance Committee (Item 10)

The Council received a Report of the meeting of the Strategy and Finance Committee held on 2 March 2020 relating to items for report.

The Council noted the University's Transparent Approach to Costing (TRAC) return to the Office for Students. The President explained that the return offered rich data which, notwithstanding its limitations, provided a useful perspective on the University's financial model. He noted that the University recovered less than 60% of its research costs which meant that research could only be sustained on the basis of substantial surpluses from other areas of University activity. In response to questions, the Vice-Chancellor indicated that the usefulness of the methodology had been compromised by the introduction of FRS 102, which required that potentially large exceptional items be included in annual accounts, and he explained that the volatility in some of the data was due to the inclusion of exceptional items and/or substantial changes in student numbers.

The Council noted a paper on the University's subject areas in the fourth quartile of the Times league table, and looked forward in due course to an update on the wider work in relation to teaching, learning and the student experience which were expected to improve the University's league table position.

The Council noted the Financial Reports for Quarter 2 and that the forecast was in line with the previous projection and the budget, subject to the achievement of the budgeted £3m improvement. The Chief Financial Officer advised caution, however, given the likely impacts of the COVID-19 emergency on the economy in general and the University's activity in particular. She indicated that both cashflow and investment in capital projects were tightly constrained. In response to questions, the Chief Financial Officer explained that, in due course, receipts from the sale of Cutbush Lane South A would substantially assist the University's cashflow position, but that, in the short term, the University's income from commercial activities had declined sharply due to the COVID-19 emergency and the University could incur major liabilities in the event of large scale voids in halls of residence. The President

asked the Chief Financial Officer to alert the Strategy and Finance Committee to any significant changes in the University's financial position.

The Council noted the Report of the Planning and Change Board on the 2019/20 round of the Sustainable Planning System. The Pro-Vice-Chancellor (Academic Planning and Resource) advised that the planning round had been challenging and that a [redacted, section 43] had been achieved on the basis of a [redacted, section 43] The Council commended the actions initially taken to improve the position for 2020/21, the further improvement measures agreed for 2020/21, and the longer term improvements identified in the Report.

Resolved:

"That the Report of the meeting of the Strategy and Finance Committee held on 2 March 2020 relating to items for report, now submitted, be received."

20/25 Report of the Audit Committee (Item 11)

The Council received the Report of the meeting of the Audit Committee held on 13 February 2020.

Resolved:

'That the Report of the meeting of the Audit Committee held on 13 February 2020, now submitted, be approved.'

20/26 Report of the RET Trust and Investments Committee (Item 12)

The Council received the Report of the meeting of the RET Trust and Investments Committee held on 24 February 2020.

Mr Pryce, as Chair of the Committee, explained that the Committee, in the course of its recent work, had identified a number of issues in relation to its terms of reference. The draft revised terms of reference clarified that the Committee was exercising an oversight function.

The Council was pleased to note that planning permission had been granted for development at Cutbush Lane South A and that discussions were under way with Blackhall Studios in relation to development at the Thames Valley Science Park.

The Council noted that the Committee's report on the closure of the RET had been considered under the agenda item relating to the RET.

In response to questions, Mr Pryce advised that the Committee would be monitoring closely the University's investment position in the context of market volatility and would have due regard to issues around liquidity.

Resolved:

'That:

1. draft revised Terms of Reference for the Investments Committee, now submitted, be approved;

2. the Report of the meeting of the RET Trust and Investments Committee held on 24 February 2020, now submitted, be approved.'

20/27 Report of the Appointments and Governance Committee (Item 13)

The Council received the Report of the meeting of the Appointments and Governance Committee held on 28 January 2020.

The President reported that the Committee had invited to its recent meeting [redacted, section 40] and had explored with her how to increase diversity on Council and its committees. The Committee had found the discussion extremely valuable, and possible actions were being pursued. The President undertook to report on progress to a future meeting.

The President explained that, following the decision not to appoint to the post of Pro-Vice-Chancellor (International and Student Experience), the Committee had agreed to create a full-time post as Pro-Vice-Chancellor (International), which had been advertised internally and externally. Interviews would be held towards the end of April. It had also agreed that the role of Pro-Vice-Chancellor (Education) be extended to include responsibility for student experience and the title be amended to Pro-Vice-Chancellor (Education and Student Experience). The Pro-Vice-Chancellors (Education) had agreed to these changes, and, in consequence, their roles would increase from 0.6 to 0.8 FTE.

The President noted that, in the light of Mr Evans's resignation from Council with effect from the end of July 2020, the membership of committees had been reviewed and a number of appointments were proposed. In the light of the discussion with [redacted, section 40] consideration was being given to the recruitment process for two vacancies in Council's membership under Class 2, and how best to promote diversity.

Resolved:

'That:

1. [Redacted, section 40] be appointed to the Audit Committee for the period to 31 July 2022;
2. [Redacted, section 40], the professional and administrative staff member of Council, be invited to become a member of the Appointments and Governance Committee, and that the constitution of the Committee be changed as a consequence from a Dean to an internal member of the Council, not being a member of the University Executive Board;
3. Mrs Penny Egan and [redacted, section 40] be appointed to the Honorary Degrees Committee for the period until 31 July 2021 and 31 July 2022 respectively;
4. Ms Helen Gordon and Mr Tom Beardmore-Gray be reappointed to the Council in Class 2 for a further period to 31 July 2023;
5. the Report of the meeting of the Appointments and Governance Committee, held on 28 January 2020, now received, be approved.'

20/28 Report of the Remuneration Committee (Item 14)

The Council received the Report of the meeting of the Remuneration Committee held on 28 January 2020.

Mr Evans, as Chair of the Committee, advised Council that it was expected that the Universities Superannuation Scheme would imminently be obliged to report itself to the Pensions Regulator due to a steep decline in the value of its investments as a result of the stock market crash, and its consequent breach of its self-sufficiency ratios.

He noted a small improvement in the University's mean gender pay gap from 20.51% in 2018 to 18.33% in 2019. The Committee and Council recognised the importance of achieving further improvements.

Resolved:

"That the Report of the meeting of the Remuneration Committee held on 28 January 2020, now submitted, be approved."

20/29 Departures from Council

The President noted that Miss Cleaver and Miss King would complete their terms of office before the next meeting of the Council. He thanked them for their valuable contributions to the Council and thanked the team of RUSU officers for their hard work in support of RUSU and the University community. Miss Cleaver and Miss King thanked the Council for its support in improving the student experience.

20/30 Date of the final meeting of the Council in the Session 2019-20

The final meeting of the Council in the current Session would be held on Monday 6 July 2020 at 2.15 pm.