

APPROVED

MINUTES OF THE 222ND MEETING OF THE COURT OF GOVERNORS HELD ON WEDNESDAY 15 FEBRUARY 2017 IN ROOM CH1.14 CAVENDISH HOUSE, UNIVERSITY OF WESTMINSTER, 101 NEW CAVENDISH STREET.

PRESENT:	Mr P Kyle (Chair) Mr C Barnes Mr D Batchelor Mr J Begg (items 222.2 to 222.5) Mrs R Bellamy-James Mr D Cheeseman Dr S Courtenage Dame K Dunnell Mr S Hart	Mr T Hope Professor G Megson Mr G Morley Mr P Murphy Ms L Neil Professor G Petts Mr M Smith Mrs D Yeo
IN ATTENDANCE:	Professor R Dannreuther Ms S Enright (Secretary) Ms K Hayes Professor A Hughes	Mrs E McMillan (Clerk) Dr C Murray (item 222.3) Mr M Webb
APOLOGIES:	Mr A Ganguli Dame M Hogg	Ms F Thompson (UWSU) Mr J Wates

Clerk's note: This meeting of the Court of Governors was preceded by a private meeting of the independent members and independent co-opted members of the Court of Governors and the Vice-Chancellor. A confidential record of the meeting is kept separately to these minutes.

222.2. ANNOUNCEMENTS

- 222.2.1. Apologies were noted as listed above.
- 222.2.2. No interests were declared.
- 222.2.3. The Chair agreed to requests from members to discuss the Learning Futures programme report (Minute 222.6) and the Court and committee schedule 2017-19 (Minute 222.23.4). The Chair confirmed that there were no requests to discuss any other starred items.
- 222.2.4. On behalf of the Court, the Chair congratulated Deputy Chair of Court Mr Stephen Hart on the award of an MBE in the New Year Honours list 2017.
- 222.2.5. The Chair informed members of the sad news of the death of Professor Terence Burlin. Professor Burlin was a former Vice-Chancellor of the University, retiring in 1995, and was a member of staff for 33 years. The Chair of Court recognised his contribution to the University and expressed their condolences.
- 222.2.5.1. ACTION Vice-Chancellor** to contact former governors to inform them of the death of Professor Burlin.

222.2.6. The Chair informed members that the Registrar and Secretary is retiring and will be leaving the institution at the end of this academic year.

222.3. UNIVERSITY RISK REGISTER

222.3.1. Presented by the Director, Corporate Planning and Performance. Members received and considered the revised University risk register (Document COG 170215A), which is recommended by the Audit Committee.

222.3.2. A member considered that there are some risk events that the University should inform the Court about immediately and queried whether there are 'risk triggers' in place as part of the risk management system.

222.3.3. The Director confirmed in response to governor queries that the next iteration of the register will be more specific in language used to explain the nature of risks, risk appetite and mitigations, and that a separate risk mitigation schedule is being produced, which will include an assessment as to whether the risk level is changing.

222.3.4. The Director informed members that the Corporate Planning and Performance team are redesigning and enhancing the management information report to include forward looking lead indicators and developing dashboards around key indicators that include current performance and comparison with previous years and that present current information in a clear and concise way. Members noted that admissions data is available to all members of the management team on a daily basis.

222.3.4.1. ACTION Clerk to schedule a demonstration of a dashboard by the Director at a future meeting.

222.3.5. A member queried whether risk and risk management is a priority for Deans and other senior managers. The Director confirmed that conversations with senior colleagues are taking place around risk awareness and that documentation is being updated to prompt consideration of risk when taking decisions.

222.3.6. The Director thanked members of the Audit Committee for their comments on the new risk register. Members noted that governor comments about the risk register are being taken on board and responded to.

222.3.7. **AGREED** Revised University risk register to be adopted with immediate effect. The Audit Committee will receive an updated risk register and risk mitigation schedule three times per year and the Court will review the University risk register once a year.

222.4. VICE-CHANCELLOR'S REPORT

222.4.1. Members received and noted a report from the Vice-Chancellor that included an update on strategic discussions about the size and shape of the University and staff and student achievements since the last meeting (Document COG 170215B).

222.4.2. The Vice-Chancellor briefed members on progress of the Higher Education and Research Bill through the House of Lords and informed members that UCU, the University and College Union, support for the NUS campaign to boycott the National Student Survey (NSS).

222.4.3. The Vice-Chancellor informed members that HEFCE's annual provider review preliminary assessment has prompted a request for a written response on student satisfaction outcomes for full time students.

222.4.4. A member queried the University's conversion rate from overseas applications to enrolments. Members heard that a large number of applicants do not qualify for an offer from the University and many applicants are dependent on scholarships, which are highly competitive. The Director, Communications, Recruitment and Marketing outlined for

members changes to the University's overseas partnership strategy and recruitment strategy, which are intended to provide an improved return on investment in this area.

- 222.4.5. Members noted that whilst an increase in overseas students has benefits, there are also inherent risks relating to government policy on visas, the administrative impact of additional monitoring requirements for compliance purposes and successfully managing the mix of students for an optimal student experience.
- 222.4.6. Members discussed the University's minimum entry tariff and noted that Overseas students are required to have a high standard of English to come to the UK and to achieve success in their studies. Members heard that the University Executive Board (UEB) is committed to maintaining standards of entry and is using other mechanisms, not previously employed, to optimise conversion from applications to enrolments.
- 222.4.7. Members heard that the Scholarships Committee, Chaired by governor Mr Matthew Smith, is reviewing publicity around scholarships and noted that effective use of scholarships as a marketing tool requires appropriate processes and systems that support forward planning.
- 222.4.8. Members noted that external factors have had a delayed impact on recruitment to the University of Westminster relative to comparator institutions. A member suggested that, should a similar pattern of recruitment be experienced by comparator institutions in future, the University ought to anticipate a delayed impact and ensure that appropriate contingencies are in place. The Vice-Chancellor advised that the integrated planning process will address this point.
- 222.4.9. **Redacted – confidential information**
- 222.4.10. Court congratulated the staff and students mentioned in the report for their achievements.

222.5. MANAGEMENT INFORMATION – OCTOBER TO DECEMBER 2016

- 222.5.1. Members received and noted the management information for October 2016 (including the Quarter 1 forecast), November 2016 and December 2016 (Document COG 170215C), which cover Period 3 to Period 5 of the financial year 2016-17. The October and November management information has been considered by the Finance and Property Committee. The December management information has been considered by UEB.
- 222.5.2. The Director, Finance and Operations presented a summary of the financial position as presented in the October 2016 management information report, which includes the Quarter 1 (Q1) forecast. Members heard that the University is forecast to fall significantly short on income - £10.1 million against budget -across all income streams. Additionally, staff forecast spend is not expected to meet the in-year budget saving targets, resulting in a forecast overspend of £4.6 million. The forecast surplus is £1 million against a budget surplus of £12.3 million.
- 222.5.3. A member queried the variance (budget vs Q1 forecast) for faculty contribution. Members heard that early indications are that the variance will improve for the Quarter 2 (Q2) forecast due to an increased focus on delivering financial performance; however, contribution is not expected to reach budget levels.
- 222.5.4. A member sought assurance that faculties are committed and able to deliver the financial performance required to achieve the forecast £1 million surplus. Members heard that faculties and Corporate Services departments have provided evidence or explanation of how costs will be reduced. Members noted that discussions will continue through the integrated planning process for resource allocation in 2017-18 and onwards.

- 222.5.5. The Director, Finance and Operations summarised changes from the Q1 forecast reported in the November and December 2016 management information. Members noted that at the least the changes indicate that the position expressed in the Q1 forecast is being maintained.
- 222.5.6. Members noted that the University remains loan covenant compliant.
- 222.5.7. A member queried whether, if challenged to do so by the Court, the executive could further reduce the gap between the forecast and budget surplus. Members heard that the University could deliver the identified savings for 2016-17 without an adverse impact on the student experience or putting at risk future income. Members heard that a more significant cost reduction exercise to achieve short-term impact on the surplus without strategic consideration of the future size and shape of the University would be detrimental.
- 222.5.8. Members queried the impact of the reduced surplus on capital expenditure plans, noting the Court's expectation of annual 6% surplus to allow investment in sustainability and future developments. Members noted that a review of the capital expenditure is underway and will be reflected in the Q2 forecast. The University's financial position may impact on the timing of capital projects (estates and information services) and the University may need to choose between projects to ensure the best return on reduced investment.
- 222.5.9. A member noted that whilst cost savings are important, the University needs also to be prepared to invest for demographic changes from 2020-21 and to get the best return from recent investments.
- 222.5.10. Members heard that investment decisions being taken now need to focus on those areas that will impact positively on university rankings, student satisfaction and the Teaching Excellence Framework. Investment for the longer term will lead to a reduced surplus; although, the University should be in a position to make improvements in generating income from commercial activities.
- 222.5.11. Members discussed tensions between different strategies. For example, increasing student numbers in popular academic areas or reducing entry standards whilst bringing in additional tuition fee income could impact negatively on the student experience, student satisfaction and the University's performance in the TEF.
- 222.5.12. The Director, Finance and Operations outlined enhancements to the budgeting process to be implemented for 2017-18 budget:
- Inclusion of greater contingency around income
 - Connection to integrated planning process
 - Reinforce change in operating practices across the institution
 - Early interventions in August and September to reflect any changes arising from summer recruitment numbers
- 222.5.13. Members discussed the volatility within the sector and how this impacts on the University.
- 222.5.13.1. **ACTION Vice-Chancellor** to submit a paper on volatility across the sector for the next meeting of the Court.
- 222.5.14. A member identified an error in a role title stated on the cover sheet.
- 222.5.14.1. **ACTION Clerk** to correct the error in the documents on record.

222.6. LEARNING FUTURES PROGRAMME REPORT

- 222.6.1. Members received and considered a report on the completion of the project stage of Learning Futures and the lessons learnt (Document COG 170215S), which had previously been noted by Academic Council.
- 222.6.2. The Deputy Vice-Chancellor (Student Experience) presented an overview of the programme report and reported that the first group of final year students complete their studies in 2017-18. The programme will have a significant positive impact. Whilst some outcomes are being seen (for example, students as co-creators now has a strong profile in all faculties) due to the time lag in other outcomes – such as employability – the full impact will not immediately be evident. The Learning Futures Impact Group will undertake qualitative and quantitative analysis of the programme implementation.
- 222.6.3. Members heard that there are still enhancements that can be made to assessment and feedback, personal tutoring and curriculum innovation. The Deputy Vice-Chancellor is taking this forward supported by the Centre for Teaching Innovation.

222.7. FINANCIAL REGULATIONS REVIEW

- 222.7.1. Members received and considered a review of the University's Financial Regulations (Document COG 170215D), which has been considered by the Finance and Property Committee.
- 222.7.2. **APPROVED** Revised Financial regulations to be implemented from 1 March 2017.
- 222.7.1. **APPROVED** Head of Treasury to be added to the roles in Panel A on the bank mandate (Appendix B of the Financial Regulations) with effect from 16 February 2017.

222.8. WEST END LEASE RENEWALS

[Redacted – commercially sensitive information]

222.9. BUSINESS CASE – FABE METAL AND WOOD WORKSHOP REFURBISHMENT

- 222.9.1. Members received and considered the business case for refurbishment of the woodwork and metal workshops at P1 level in Marylebone for the Faculty of Architecture and the Built Environment (Document COG 170215F), which is recommended by the Finance and Property Committee.
- 222.9.2. Members noted that approximately half of the costs are attributable to health and safety requirements and the additional costs will provide a significantly improved student experience. Members sought and received assurance that the proposed expenditure is affordable and included in the Quarter 1 forecast.
- 222.9.3. **APPROVED** The Court authorised expenditure of up to £3.986 million (including VAT) on the workshop refurbishment.

222.10. ASSEMBLY OF GOVERNORS

- 222.10.1. Members received and considered a proposal from the Vice-Chancellor to abolish the Assembly of Governors due to lack of engagement (Document COG 170215G).
- 222.10.2. Members noted that the Vice-Chancellor will continue to identify ways of engaging and retaining interest of former governors and other supporters of the University in the work and future direction of the institution.
- 222.10.3. Members stated that they welcome opportunities to interact with each other outside of formal meetings.

222.10.4. **AGREED** The Assembly of Governors to be disestablished with immediate effect.

222.11. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

222.11.1. **AGREED** The minutes of the Court of Governors meeting held on 23 November 2016 (Document COG 170215H) were agreed as an accurate record.

222.11.2. **AGREED** The minutes of the joint meeting of the Court of Governors and Academic Council held on 23 November 2016 (Document COG 170215I) were agreed as an accurate record.

222.11.3. Members received and noted the summary of actions and matters arising from previous meetings (Document COG 170215J).

222.11.4. **Management information (Action 220.6.3.1):** Members were reminded of the invitation to provide feedback via the Clerk to the Court on the desired content and format of future management information reports.

222.11.5. **Pensions briefing (Action 220.6.7.1):** Mr David Spreckley, Director at KPMG will meet with the Finance and Property Committee on 9 March 2017. The Chair, Finance and Property Committee will inform the Chair to the Court whether in his view it would be beneficial for the full Court to receive a briefing after this meeting has taken place.

222.11.6. **Academic governance working group (Action 221.1.7.1):** The working group will meet on Thursday 6 April with presentation of the outcomes to the Court of Governors on 24 May and Academic Council on 21 June.

Membership

- Peter Kyle (Chair, Court of Governors)
- Geoff Petts (Chair, Academic Council)
- John Begg (Member, Academic Council and Court of Governors)
- Stephen Hart (Independent governor, Chair of Court's nominee)
- David Burt (Clerk, Academic Council)
- Elaine McMillan (Clerk, Court of Governors and Secretary, Academic Council)
- Emma Standen – technical adviser (Associate Director Academic Quality and Standards)

222.11.7. **PID (Whistleblowing) Policy (Actions 221.9.2.1 and 221.9.3.1):** The Clerk provided the Union representatives with a record of the decision and feedback on their comments in December 2016. Mrs Rita Bellamy-James, Deputy Chair of Court, accepted the role of nominated independent governor under the policy.

222.11.8. **Committee minutes (Action 221.15.2.1):** The Clerk circulated the Academic Council and Remuneration Committee minutes (Document COG 161123Pii and Pviii) by email on 21 December 2016 with the draft minutes of the November meeting.

222.11.9. **Assurance evidence base (Joint meeting Action 2.2.1):** Members were reminded of the invitation to propose information they would like to see in the evidence base in future years.

222.12. USGAAP 2015-16 FINANCIAL STATEMENTS CONVERSION

222.12.1. Members received the draft USGAAP financial statements 2015-16 (Document COG 170215K), which is recommended by the Audit Committee.

222.12.2. Members noted the reasons for restating the 2016 Group Statutory Accounts from UKGAAP (FRS102) to USGAAP and the main changes between UKGAAP and USGAAP reporting for the Group.

222.12.3. Members noted that the Finance and Property Committee met on 26 January 2017 and agreed to recommend the USGAAP financial statements 2015-16 to Mr Trevor Hope, Chair Finance and Property Committee and Governor, and Professor Geoff Petts, Vice-Chancellor and Governor, for approval on behalf of the Court of Governors. Mr Trevor Hope and Professor Geoff Petts approved the draft USGAAP financial statements 2015-16 on 26 and 27 January 2017.

222.12.4. **RATIFIED** The Court supported the Chair's action to sign a resolution to delegate approval to the two governors named above.

222.12.5. The Director, Finance and Operations updated members on submission of the final USGAAP accounts 2015-16 to the US Department of Education. The University's External Auditors, KPMG, are expected to sign off the accounts by 17 February 2017.

222.12.6. Members noted that there has been no issue with control or management of disbursements of US loans. Responsibilities for reporting receipt of US loans for disbursement to students have changed however to ensure that in future the University can identify in a timely manner whether or not a submission is required.

222.13. MODERN SLAVERY STATEMENT FOR THE YEAR ENDING 31 JULY 2016

222.13.1. Members received and noted the publication on the University website of the modern slavery statement for the year ending 31 July 2016 (Document COG 170215L), which is agreed by UEB.

222.14. MEMBERSHIP OF COURT AND COMMITTEES

222.14.1. Members received and considered recommendations from the Nominations Committee for appointments (Document COG 170215M).

222.14.2. **APPROVED** Mr D Cheeseman is appointed as Chair of the Remuneration Committee with effect from 16 February 2017.

222.14.3. **APPROVED** Dame K Dunnell is appointed as Deputy Chair of the Remuneration Committee with effect from 16 February 2017.

222.14.4. **RATIFIED** The Court supported the Chair's action to approve a change in the membership of Academic Council. The new Director, Libraries and Curriculum Support will replace the Director, Information Services as a member of Academic Council.

222.15. MINUTES FROM PRECEDING COMMITTEE MEETINGS

222.15.1. Members received and noted a report on the business conducted at meetings of the committees of the Court since the last meeting (Document COG 170215N).

222.15.2. In addition to the summary of business, members received the following minutes (Document COG 170215O):

- i. Academic Council 7 December 2016
- ii. Finance and Property Committee 26 January 2017

222.16. TEACHING EXCELLENCE FRAMEWORK

222.16.1. Members received and noted the University's submission to the HEFCE for the Teaching Excellence Framework pilot (Document COG 170215P), which has also been submitted to Academic Council.

222.16.2. Members received a record of answers given by HEFCE to questions that have been raised by higher education providers about TEF Year Two (Document COG 170215Q).

222.17. CAPITAL AND MAJOR PROJECTS UPDATE

222.17.1. Members received and noted a summary of progress on capital projects to date and the schedule of major project business case submissions (Document COG 170215R), which had previously been considered by the Finance and Property Committee.

222.17.2. Members noted that a review of planned capital expenditure is underway in the light of the recent financial forecast.

222.18. FINANCIAL HEALTH OF THE HE SECTOR: 2015-16 TO 2018-19 FORECASTS

222.18.1. Members noted a report from HEFCE providing an overview of the forecast financial health of the HEFCE-funded higher education sector in England.

222.19. HE CODE OF GOVERNANCE – ILLUSTRATIVE PRACTICE NOTES

222.19.1. Members noted the publication of new illustrative practice notes on the Counter-terrorism and Prevent agenda (IPN2) and Academic Governance (IPN3).

222.20. GOVERNING BODIES, EQUALITY AND DIVERSITY

222.20.1. Members received and noted a new handbook for governors of English HEIs and the accompanying toolkit developed by the Equality Challenge Unit (Document COG 170215T).

222.21. HIGHER EDUCATION AND RESEARCH BILL FACTSHEETS

222.21.1. Members noted the publication of three new factsheets from the Department for Education explaining how different aspects of the Bill will work.

222.22. SCHEDULE OF BUSINESS 2016-17

222.22.1. Members received and noted the updated schedule of business for the current academic year (Document COG 170215U).

222.23. DATES OF FUTURE MEETINGS

222.23.1. Court of Governors meetings 2016-17

Wednesday 22 March 2017 3.30pm in Room RS117 (main boardroom), 309 Regent Street
(revised location)

Wednesday 24 May 2017 3.30pm in CH1.14 Cavendish House

Wednesday 19 July 2017 3.30pm in CH1.14 Cavendish House

222.23.2. Graduation ceremonies 2017

Saturday 25 March 2017 (Westminster Business School and Faculty of Social Sciences and Humanities)

The ceremony above takes place in Marylebone Parish Church and the Marylebone campus

Monday 10 July 2017 (Westminster School of Media, Arts and Design and Faculty of Science and Technology)

Tuesday 11 July 2017 (Westminster Business School and Faculty of Architecture and the Built Environment)

Wednesday 12 July 2017 (Faculty of Social Sciences and Humanities)

Monday 20 and Monday 27 November 2017

All ceremonies in July and November 2017 take place at the Royal Festival Hall

222.23.2.1. **ACTION Clerk** to remind governors of the ceremonies they have committed to attend.

222.23.3. **Court of Governors meetings 2017-2018**

Wednesday 20 September 2017 12noon to 8pm (**Court away day**)

Wednesday 4 October 2017 3.30pm

Wednesday 22 November 2017 3.30pm

Wednesday 21 March 2018 3.30pm

Wednesday 6 June 2018 3.30pm

Wednesday 18 July 2018 3.30pm

Location to be confirmed for all meetings in 2017-18

222.23.4. Members received and noted a schedule of Court and committee meetings for the academic year 2017-18 and a provisional schedule for the academic year 2018-19 (Document COG 170215V).

222.23.4.1. **ACTION Clerk** to review the schedule to ensure that meetings of the Finance and Property Committee are in line with the integrated planning process and financial reporting schedule.

222.24. ANY OTHER BUSINESS

Westminster Talks

222.24.1. The Vice-Chancellor informed members that the Westminster Talks programme has been particularly successful this year and it was noted that attendance at Westminster Talks events could provide an opportunity for governors to get together informally.

University mace

222.24.2. The Vice-Chancellor informed governors that the Westminster International University in Tashkent has gifted the University a mace to commemorate the renewal of the partnership between the two institutions.