

**APPROVED**

**MINUTES OF THE 223<sup>RD</sup> MEETING OF THE COURT OF GOVERNORS HELD ON WEDNESDAY 22 MARCH 2017 IN ROOM RS117, UNIVERSITY OF WESTMINSTER, 309 REGENT STREET.**

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PRESENT: Mr P Kyle (Chair) Mr T Hope  
Mr C Barnes Professor G Megson  
Mr D Batchelor Mr G Morley  
Mr J Begg Mr P Murphy  
Mrs R Bellamy-James Ms L Neil  
Mr D Cheeseman Professor G Petts  
Dr S Courtenage Ms F Thompson (UWSU)  
Dame K Dunnell Mr J Wates  
Mr A Ganguli Mrs D Yeo  
Mr S Hart  
Dame M Hogg (items 223.2 and 223.3)

IN ATTENDANCE: Mr T Asson (item 223.7) Professor A Hughes (items 223.2 to 223.6  
and 223.10.6 to 223.20)  
Ms C Bernard (Observer) Mrs E McMillan (Clerk)  
Professor R Dannreuther Mr M Webb  
Ms S Enright (Secretary)  
Ms K Hayes

APOLOGIES: Mr M Smith

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**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.

**223.2. ANNOUNCEMENTS**

- 223.2.1. On behalf of the Court of Governors, the Chair welcomed Ms Chris Bernard to her first meeting as a board apprentice to the Court.
- 223.2.2. Apologies were noted as listed above.
- 223.2.3. Mr John Begg, Mr David Cheeseman, Mr Stephen Hart and Ms Freya Thompson declared an interest in agenda item 2.7 Membership of the Court and Committees (refer to Minute 223.9). All members listed left the room during the relevant discussion and decisions.
- 223.2.4. The Chair confirmed that there were no requests to discuss starred items (Minutes 223.11 to 223.19).
- 223.2.5. The Chair informed members that the new Articles of Association have received informal approval from the Privy Council and that a resolution to approve the new Articles will be circulated in advance of the May meeting of the Court.

**223.3. VICE-CHANCELLOR'S REPORT**

- 223.3.1. Members received and noted a report from the Vice-Chancellor that included an update on progress of the Higher Education and Research Bill and explored volatility in the Higher Education sector (Document COG 170322A).
- 223.3.2. Members noted that the Lords have voted on further amendments:
- Amendment 19 removed the link between the Teaching Excellence Framework (TEF) and fees but confirmed support for fees to rise in line with inflation.
  - Amendment 72 argued that the TEF metrics are “not fit for purpose” and requires Government to instruct the Office for National Statistics to evaluate the validity of the metrics.
  - Amendment 150 prevents international students from being counted as long-term migrants.
- 223.3.3. The Vice-Chancellor briefed members on the Education Green Paper, highlighting the intention that all universities will be asked to sponsor academies or free schools. The University understands that the existing relationship with the Sir Simon Milton Westminster UTC would meet this requirement. The Vice-Chancellor informed members that the UTC has achieved target recruitment and has a waiting list.
- 223.3.4. The Vice-Chancellor briefed members on volatility in the sector focusing on deregulation of student numbers, financial constraints, academic convergence and the increasingly competitive market.
- 223.3.5. Members noted the impact at the University in 2016-17 to the post 2012 changes to HE and discussed current pressures on Home Undergraduate recruitment and financial vulnerability nationally, in London and specifically for the University of Westminster.
- 223.3.6. A member queried continuation rates and the Vice-Chancellor reported that the University is very successful at widening participation and there is a correlation between that cohort of students and continuation rates. The Vice-Chancellor reported also that a proportion of those students who do not continue at the University of Westminster transfer to prestigious London institutions having performed successfully in their studies at the University. Members considered that the University ought to make every effort to retain such students.
- 223.3.7. A member queried whether there is demand for more flexible access, for example through two year degrees. Members discussed the conflict between providing sufficient time for students to mature and develop skills to achieve their full academic potential and the attraction of a quicker, cheaper route to a degree for some students.
- 223.3.8. The Vice-Chancellor commented that the uncertainty and volatility in the sector has prompted greater openness and discussion of outcomes amongst Vice-Chancellors.
- 223.3.9. Court congratulated the staff and students mentioned in the report for their achievements.

**223.4. UNIVERSITY PERFORMANCE**

**Management accounts January 2017 and Quarter 2 forecast**

- 223.4.1. Members received and noted the management accounts for January 2017 including the Quarter 2 forecast of £2.1 million surplus (Document COG 170322B). The report covers Period 6 of the financial year 2016-17 and has been considered by the University Executive Board (UEB).
- 223.4.2. The Chair, Finance and Property Committee informed members that the Committee received a verbal report on the outcomes at the recent meeting; however Committee members did not have sight of the report at that meeting. He reported that the management information report

will be circulated to members of UEB and the Court concurrently on a monthly basis whilst the management accounts report will continue to be considered by UEB prior to submission to the Committee or governors.

- 223.4.3. The Director, Finance and Operations presented the headlines from the management accounts. The Director reported positive variance in research income, tuition fee income (from January enrolments), pay costs and non-pay costs, and an adverse variance in depreciation costs due to delayed capital expenditure.
- 223.4.4. A member queried the investment income forecast, which compares unfavourably with the outturn figure for the previous financial year. The Director explained that this is a result of reduced deposit rates on cash balances.
- 223.4.5. A member noted the change in the format of the 'staff performance report' and queried the reason behind the new format as he considered that it was a less useful summary. The Director noted that the intention was to present University level information in an accessible format. The member challenged overspend against the monthly budget for Finance and Operations and non-departmental staff reported in the December 2016 management accounts (considered at the previous meeting of the Court). The Director noted that he did not have the detailed breakdown from the previous period but expected that it would be as a result of reclassification. The Director invited the member to contact him to explore the query further outside of the meeting should he wish to.
- 223.4.6. A member queried the forecast period in terms of monitoring compliance with covenants and noted that as the five year forecast is prepared each year the Finance team undertake checks as to whether the University would remain compliant over that period. The Director explained that any plans or proposals brought to the Court include information as to whether or not the University is loan covenant compliant at that point.

#### **Current financial liabilities**

- 223.4.7. Members received a summary of the current financial liabilities (Document COG 170322C).
- 223.4.8. The Director, Finance and Operations informed members that the Finance team have made minor amendments to the figures since the paper was considered by the Finance and Property Committee. These changes were made to ensure consistency with the management accounts report presented to this meeting.
- 223.4.9. Members noted the information in the summary and confirmed that it provided the information requested.

#### **Management information February 2017**

- 223.4.10. Members received and noted the management information report for February 2017 (Document COG 170322D), which provides members with a report on progress against Westminster 2020 objectives.
- 223.4.11. Members reaffirmed the aspiration for the University to be in the top half of the league tables and would expect the University to retain this as a medium term objective. A member referred to the work underway on student engagement programmes and that improving the student experience is high on the Court's agenda. Members stated the need for a strong and clear vision to deliver on that agenda.
- 223.4.12. The Director, Finance and Operations highlighted those elements of the University's performance that are either above target (marked with a 'green flag') or below target (marked with a 'red flag').
- 223.4.13. Members sought and received clarification on the student journey from application to offer to acceptance to enrolment and what action the University is taking to optimise each stage.

Members also sought and received clarification on changes in performance for enterprise bids and the staff-student ratio and on the expression of the staff engagement target as a single number.

**223.4.13.1. ACTION Director, Corporate Planning and Performance** to include in the notes a statement on what the optimal position is (not just the University's target).

223.4.14. Members discussed the process and timing for reviewing and revising targets and noted that the 2017 review of the 2020 strategy is due. Members noted that revision of the targets is a strategic discussion that should take place imminently.

223.4.15. The Director informed members that the HR Committee will review the lead indicators for staff engagement when they meet in early April. A member proposed that engagement with the Professional Performance and Development Review (PPDR) process should be added to the staff engagement lead indicators.

**223.4.15.1. ACTION Director, Corporate Planning and Performance** to consider how to include PPDR engagement within this element of the report.

223.4.16. A member queried the increase in staff sickness and it was noted that increased sickness absence often is linked to stress.

**223.4.16.1. ACTION: Chair, HR Committee** to explore the issue further at the HR Committee meeting in April.

223.4.17. Members discussed performance against the University's objective for student recruitment and the Director responded to a query about what the column headers referred to.

**223.4.17.1. ACTION: Director, Corporate Planning and Performance** to present the dates in the column headers in a clearer format and to resolve inconsistencies between the total targets and the breakdown by student group.

223.4.18. Members discussed the research, enterprise and commercial lead indicators and discussed space utilisation, improvements in bid writing and the gap between academic enterprise activity and 2020 targets. Members noted that although performance against league table measures have improved we don't yet know how other institutions are performing against the same measures.

223.4.19. A staff governor commented that he often receives queries from fellow staff about property acquisitions. The Director, Finance and Operations reminded members that business cases are presented for each acquisition, with a priority on ensuring the University is in a good position to deliver the 2020 strategy.

223.4.20. Members considered that the new report was extremely helpful, particularly in providing trend information for UEB and the Court, and look forward to receiving it on a monthly basis.

## **223.5. DRAFT UNIVERSITY BUDGET 2017-18**

223.5.1. Members received and considered an update on the University budget process (Document COG 170322E), which has been considered by the Finance and Property Committee. Members noted that the update is prepared in advance of the next round of planning meetings therefore figures are subject to change.

223.5.2. The Director, Finance and Operations presented a summary of the financial position for three years including 2017-18 and noted that the preliminary income figures - based on recruitment targets from the first stage of the planning process and initial roll forward assumptions on other income - resulted in a deficit budget, which is not a sustainable position.

223.5.3. Members noted that as a result of lower income the need to reduce costs to achieve a surplus is clear and the size of challenge is significant. The Director informed members that to support this challenge a new budget process is being developed that incorporates learning from the current year's performance, and in response to the University's market position, and the new integrated planning process.

223.5.4. Members discussed potential cost savings, including reductions in pay and non-pay costs, and noting that the figures presented are an illustration not a plan. The second stage planning process is underway and the outcomes will be considered at the UEB planning days on 27 and 28 March. A consultation process is likely and informal conversations with the unions are taking place.

223.5.5. In response to a member's query, the Director confirmed that the planning process looks beyond one year ahead. The Court will consider the five year forecast at the May meeting and will consider the forecast within the broader discussion on student numbers.

## **223.6. 2018-19 FEES PROPOSALS**

223.6.1. Members received and considered detailed recommendations on the tuition fees framework for 2018-19 (Document COG 170322F), which are recommended by the Finance and Property Committee.

223.6.2. A member queried the differentiation between foundation students who move to a linked undergraduate degree course and those who move to a course to which the foundation year is not linked. The Director, Communications, Recruitment and External Affairs, who is Chair of the Fee Strategy Group, confirmed the position and assured the member that all students will be aware of the relevant fee prior to signing up to a course.

223.6.3. **APPROVED** Fees framework to be implemented from April 2017.

## **223.7. BUSINESS CASE - WEST END LEASE**

**[Redacted – commercially sensitive information]**

## **223.8. STUDENTS' UNION MATTERS – ELECTION UPDATE**

223.8.1. The President, University of Westminster Students' Union informed members that:

- she and two of the current Vice-Presidents were re-elected for a further year;
- the Union has elected a postgraduate sabbatical officer for first time since the 1990s; and
- a current Women's Liberation Officer has been elected as a Vice-President, which shows progression from officer to sabbatical roles.

## **223.9. MEMBERSHIP OF COURT AND COMMITTEES**

223.9.1. On behalf of the Court, the Chair thanked Simon Courtenage for his contribution to the Court during his tenure as a governor.

223.9.2. Members received and considered recommendations from the Nominations Committee for appointments (Document COG 170322H).

223.9.3. **APPROVED** Mr S Hart is re-appointed as Deputy Chair to the Court for a second term of office of one year from 8 July 2017 to 7 July 2018.

223.9.4. **APPROVED** Mr D Cheeseman is re-appointed as an independent member of the Court for a second term of office from 25 November 2017 to 24 November 2020.

## APPROVED

- 223.9.5. **APPROVED** Mr J Begg is re-appointed as a staff member of the Court for a second term of office from 6 June 2017 to 5 June 2020.
- 223.9.6. **APPROVED** Ms F Thompson is re-appointed as the student member of the Court for a second and final term of office from 1 July 2017 to 30 June 2018.
- 223.9.7. **APPROVED** Mr G Davies is appointed as a staff member of the Court for a first term of office from 21 May 2017 to 20 May 2020.
- 223.9.8. **APPROVED** Appointment of an independent co-opted governor with effect from 1 April 2017, subject to confirmation from the nominee of resignation from a post with another institution considered by the Nominations Committee to be a conflict of interest.
- 223.9.9. **APPROVED** Mr M Smith is appointed as Deputy Chair to Audit Committee with effect from 1 April 2017.
- 223.9.10. **APPROVED** Delegation of authority to the Chair, Nominations Committee for the appointment of a new independent member to HR Committee should the nominee accept the invitation to join the Committee.

## 223.10. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

- 223.10.1. **AGREED** The minutes of the Court of Governors meeting held on 15 February 2017 (Document COG 170322I) were agreed as an accurate record.
- 223.10.2. **AGREED** The confidential minutes of the Court of Governors meeting held on 15 February 2017 (Document COG 170322J) were agreed as an accurate record.
- 223.10.3. Members received and noted the summary of actions and matters arising from previous meetings (Document COG 170322K).
- 223.10.4. **RATIFIED** The Court supported the Chair's action to approve University of Westminster Students' Union Memorandum and Articles of Association and bye-laws (Appendix 2), amended to address minor typographical errors identified following approval by the Court in October 2016.
- 223.10.5. **Pensions briefing (Action 220.6.7.1 and 221.8.51):** Members received a briefing paper on pension liabilities (provided by KPMG to Finance and Property Committee members in advance of their presentation to the Committee on 9 March 2017) and a report from the Director, Finance and Operations on the discussion at that meeting (Appendix 1).

The Chair, Finance and Property Committee informed members that the Committee continues to work on whether it would be beneficial to commission an external consultant to provide further information on the level of risk and potential actions. Members heard that the Committee will meet with a University that has taken action in response to pension liabilities to discuss with them the process they followed and the lessons learned.

## 223.11. HONORARY AWARD NOMINEES

- 223.11.1. Members considered nominees for receipt of honorary awards, as recommended by the Nominations Committee (Document COG 170322L).
- 223.11.2. **APPROVED** The following nominees will be invited to receive an honorary award from the University:
- Sir Richard Arnold QC (The Hon Mr Justice Arnold QC)
  - Lord Karan Faridoon Bilimoria
  - Nigel Edwards

- Dame Elizabeth Forgan
- Lord Norman Foster
- Dame Heather Rabbatts CBE
- Mark Ronson
- William (Bill) Robert Templeton

223.11.3. Members noted that the majority of nominees are male. Members of the Nominations Committee assured members that gender balance is an aspiration.

**223.11.3.1.** **ACTION: Executive Assistant and Office Manager** to include a statement in the call for nominations to encourage diversity, including gender.

**223.12. MINUTES FROM PRECEDING COMMITTEE MEETINGS**

223.12.1. Members received and noted a report on the business conducted at meetings of the committees of the Court since the last meeting (Document COG 170322M).

223.12.2. In addition to the summary of business, members received the following minutes (Document COG 170322N):

- i. Academic Council 8 February 2017
- ii. Nominations Committee 1 March 2017
- iii. Finance and Property Committee 9 March 2017

**223.13. UWSU FINANCIAL STATEMENTS 2015-16**

223.13.1. Members received and noted the University of Westminster Students' Union financial statements 2015-16 (Document COG 170322O).

**223.14. CAPITAL AND MAJOR PROJECTS UPDATE**

223.14.1. Members received and noted a summary of progress on capital projects to date and the schedule of major project business case submissions (Document COG 170322P), which had previously been considered by the Finance and Property Committee.

**223.15. STUDENT DISCIPLINARY CASEWORK REPORT 2015-16**

223.15.1. Members received and noted a report on student suspensions and exclusions for the last academic year (Document COG 170322Q).

**223.16. DEVELOPMENT AND ALUMNI RELATIONS OFFICE STRATEGY 2016-20**

223.16.1. Members received and noted the departmental strategy (Document COG 170322R), as approved by the University Executive Board.

**223.17. FUNDING FOR HIGHER EDUCATION IN ENGLAND FOR 2017-18**

223.17.1. Members noted the confirmed funding allocations to the Higher Education Funding Council for England (HEFCE) for financial year 2017-18<sup>1</sup>.

**223.18. SCHEDULE OF BUSINESS 2016-17**

223.18.1. Members received and noted the updated schedule of business for the current academic year (Document COG 170322S).

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<sup>1</sup> <http://www.hefce.ac.uk/news/newsarchive/2017/Name.112915.en.html>

**APPROVED**

**223.19. DATES OF FUTURE MEETINGS**

**223.19.1. Court of Governors meetings 2016-17**

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

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

**223.19.2. 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

**223.19.3. 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

**223.20. ANY OTHER BUSINESS**

223.20.1. Members did not raise any issues to be considered under this agenda item.