

APPROVED

MINUTES OF THE 229TH MEETING OF THE COURT OF GOVERNORS HELD ON WEDNESDAY 14 FEBRUARY 2018 IN ROOM CH1.14 CAVENDISH HOUSE, UNIVERSITY OF WESTMINSTER, 101 NEW CAVENDISH STREET.

PRESENT:	Mr S Hart (Chair) Mr C Barnes Mr J Begg Mr D Cheeseman Mr G Davies Dame K Dunnell Mr A Ganguli Dame M Hogg Mr T Hope Ms V James	Mr G Morley Mr P Murphy Ms L Neil Ms H Owen Mr M Smith The Venerable Canon D Stanton Ms F Thompson (UWSU) Ms C Valeur Ms P Wales Ms N Zaremba
IN ATTENDANCE:	Ms C Bernard (Observer) Mr J Cappock Professor R Dannreuther	Ms K Hayes Professor A Hughes Mrs E McMillan (Clerk)
APOLOGIES:	Professor G Megson Mr J Wates	Mrs D Yeo

Clerk's note: This meeting of the Court of Governors was preceded by a briefing from Eversheds Sutherlands law firm on the legal responsibilities of the Court of Governors in relation to health and safety.

229.1. ANNOUNCEMENTS

- 229.1.1. Apologies were noted as listed above.
- 229.1.2. Members noted that there is a standing declaration of interest from Dame Mary Hogg for any matters relating to the Quintin Hogg Trust or Quintin Hogg Memorial Fund.
- 229.1.3. The Chair agreed a request to discuss agenda item 2.6 Remuneration Committee terms of reference (refer to Minute 229.8). The Chair confirmed that there were no requests to discuss the remaining starred items (refer to Minutes 229.9.9 to 229.12).
- 229.1.4. The Chair confirmed that there were no requests to discuss matters under agenda item 5 'Any other business' (refer to Minute 229.13).

229.2. CHAIR'S REPORT

- 229.2.1. The Chair read to members a letter sent to Professor Geoff Petts from the London Higher Board of Trustees thanking Professor Petts for all his contributions to London Higher over many years.
- 229.2.2. The University of Westminster Students' Union (UWSU) President informed members that Graham Atkinson, currently Interim Change Director for UWSU, will take on the role of Interim Chief Executive Officer and that elections for sabbatical officers take place on 15 February 2018.

229.2.3. Members discussed whether or not to continue to include sector and other contextual information to governors in the 'For information' section of meeting agendas or whether to move to another medium, for example a periodic newsletter from the Clerk.

229.2.3.1. **ACTION Members** to email the Clerk with their views on the matter.

229.2.4. The Chair to the Court reminded members that they are strongly encouraged to use their University of Westminster email account for all business relating to the Court and its committees.

229.3. PREVENT DUTY BRIEFING

229.3.1. The Director, Communications, Recruitment and External Affairs (CREA) briefed members on University activity related to compliance with the Prevent Duty.

229.3.2. Members noted that the University's Prevent Duty Annual Report and Appendices, approved by the Court in November 2017, was submitted to HEFCE by the deadline of 1 December and to date no feedback has been received.

229.3.3. The Director, CREA summarised current issues across the sector in relation to the Prevent Duty and highlighted that there is significant press interest in higher education at the moment.

229.3.4. Members received assurance that the University maintains oversight of the Prevent Duty through the Referred Activities Committee (RAC) and that the University Executive Board (UEB) receives an update after all RAC meetings.

229.3.5. Members noted three areas of development relating to the Duty:

- updating research ethics policies;
- IT filtering (sector-wide issue); and
- off-site student events.

229.3.6. Members noted that the University and UWSU recently have consulted students regarding CCTV in interfaith rooms and that the feedback from the consultation will be considered by the Student Experience Committee.

229.4. APPOINTMENT OF THE VICE-CHANCELLOR AND PRESIDENT

229.4.1. The Chair asked staff members - with the exception of the Clerk to the Court and staff governors - to withdraw from the meeting for this item.

229.4.2. Members received and noted an executive summary biography for the preferred candidate (Document COG 180214A).

229.4.3. The Chair to the Court, who is Chair, Nominations Committee and Chair of the interview panel, briefed members on the selection process.

229.4.4. Members heard that the recruitment agency submitted to the University a very good list of candidates at the longlisting stage and that from the longlist the panel agreed a shortlist of six candidates. Shortlisted candidates attended informal interviews meeting with stakeholders from the Court, the faculties and Professional Services and five of the six went on to the formal interview with the interview panel. The Chair reported that Nominations Committee considered the feedback and decision of the interview panel and agreed to recommend the panel's preferred candidate to the Court for appointment to the position of Vice-Chancellor and President.

229.4.5. The Chair outlined the process that would follow the decision of the Court, including internal and external announcements.

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- 229.4.6. Governors who had been involved in the process provided feedback on the candidate to the Court.
- 229.4.7. A member expressed disappointment that the two female candidates who had been shortlisted withdrew from the process at that stage and that only one of the individuals candidates met with during the informal interviews is female. The Court acknowledged that improvements could be made in the diversity of stakeholders who meet with candidates during the selection process.
- 229.4.8. The Chair informed members of the Remuneration Committee's decision regarding the salary for the post holder on appointment. Members discussed the process by which the salary had been agreed and noted that the Committee reviewed benchmarking information prior to taking the decision. Members noted that the Committee will agree performance measures for the post holder and that the agreed salary will not be reviewed until 2019.
- 229.4.8.1. **ACTION** Clerk to circulate to members the salary benchmarking report.
- 229.4.9. Members discussed the potential start date for the candidate.
- 229.4.10. The Chair called for a vote by a show of hands. Members voted unanimously in favour of the recommendation; 20 governors voted in favour, none against and no abstentions. Only members of the Court are eligible to vote.
- 229.4.11. **APPROVED** University to appoint the nominee as the Vice-Chancellor and President subject to acceptance of the offer of employment and provision of satisfactory references.
- 229.4.12. The Chair informed members that he received earlier today a letter of resignation from the Acting Vice-Chancellor and Provost, Professor Graham Megson. Members noted that Professor Megson will remain with the University until August 2018 and that UEB were informed at a meeting yesterday. Members noted that Professor Megson has made a valuable contribution to the institution, having stepped in to the Acting Vice-Chancellor role at a difficult time for the University.
- 229.4.13. The Chair reminded governors that all details regarding the appointment of the Vice-Chancellor and the resignation of the Acting Vice-Chancellor are strictly confidential to the membership of the Court.
- 229.5. REGISTRATION WITH THE OFFICE FOR STUDENTS**
- 229.5.1. Members received and considered the draft submission (Document COG 180214B), which has been reviewed by UEB, the Chair of Audit Committee, and Academic Council.
- 229.5.2. Members noted that the definitive guidance on registration is due for publication on 28 February 2018 and that there will be a transition period between registration from April 2018 and the start of the 2019-20 academic year.
- 229.5.3. The Office for Students (OfS) is mandated to deliver four objectives and the report submitted to Court makes an initial assessment of whether each of the 27 conditions are met currently using appropriate supporting evidence. Members noted that the assessment of the OfS may differ from that stated in the report. The Interim COO thanked colleagues for their engagement and input into the process.
- 229.5.4. Members noted that of the six conditions that must be complied with immediately one requires further work – Condition F: provision of a student protection plan in the event of course, subject, discipline or institutional exit from the market.
- 229.5.5. Members heard that there are five conditions owned by the Court – I, J1, J2, N and O – and that there are no issues with identification or availability of evidence for these conditions.

- 229.5.6. The Chair, Audit Committee acknowledged the extensive work that had been completed to produce the draft submission and proposed that responsibility for conditions J1 and J2 – provision of information to the OfS and the designated data body – should be written in to the Audit Committee terms of reference.
- 229.5.6.1. **ACTION Clerk** to submit revised Audit Committee terms of reference for approval at the next meeting of the Court.
- 229.5.7. Members discussed the extent to which the OfS will inherit the history and context from HEFCE and continuity of personnel between HEFCE and the OfS.
- 229.5.8. A member noted that the judgement is based less on metrics than the approach taken by other education regulators, i.e. Ofsted. Members noted that all Higher Education institutions will be considering how to demonstrate that they meet the value for money objective, which has no specific conditions attached to it.
- 229.5.9. Members discussed the Annual Provider Review (APR) outcome and the Interim COO confirmed that the University will provide any additional information requested by the OfS through the registration process.

229.6. UNIVERSITY PERFORMANCE

Analysis of recruitment performance

- 229.6.1. Members received and considered analysis of the University's recruitment performance for entry in September 2017 and January 2018 (Document COG 180214C).
- 229.6.2. Members noted a summary of student number trends over the past three years and some of the mitigations taken to reverse trends in 2017-18.
- 229.6.3. Members heard that tuition fee income is expected to exceed the £148 million budgeted for 2017-18 (by approximately £7 million) and that tuition fee income is expected to grow again in 2018-19, largely due to expansion in foundation courses. However, longer term tuition fee income targets remain challenging and UEB are considering recruitment tactics to mitigate the risk.
- 229.6.4. In response to a query about the University's unique selling point, the Director, Communications, Recruitment and External Affairs explained that the University's international nature and diversity and the London location are key distinguishing factors. Members noted however that the level of connections with employers in London – and showing evidence of that to potential students - requires further work.
- 229.6.5. A member queried whether the tuition fee income targets are realistic in the context of falling UCAS applications across the sector. Members heard that there is a lot of conversion activity taking place and that the University's recruitment performance in the last year indicates that where the University can impact recruitment it does so successfully. Increasing pay costs will present a challenge from 2019-20 and the work being undertaken to refresh the portfolio and to review entry tariffs will address that. Members received assurance that the lessons of the past have been learnt and that the targets are both prudent and achievable.

Management accounts December 2017

- 229.6.6. Members received and noted management accounts for December 2017 (Document COG 180214D). The report covers Period 5 of the financial year 2017-18 and has been considered by UEB.

- 229.6.7. The Director of Finance informed members that at this point in the year the University is reporting a surplus that is ahead of forecast. Members noted that the favourable variance is largely due to timing differences in recognising income and expenditure and 'double billing' in tuition fees within one faculty.
- 229.6.8. Members noted that, having reviewed the financial position at their meeting in January, the Finance and Property Committee endorsed the expenditure on information services projects for 2017-18 (refer to Minute 229.9.8).
- 229.6.9. The Director of Finance informed members that the University is reviewing current policies to establish whether it is possible to tighten rules around self-funded tuition fee debt and that the debtor position is now a standing item on the agenda for Finance and Property Committee meetings.
- 229.6.10. Members heard that Finance and Property Committee discussed the release of £4 million from contingency and received assurance that enough is known about the tuition fee income position for UEB to be confident that it is not required. The Chair, Finance and Property Committee noted that the contingency was included not only against tuition fee income but also for unforeseen costs.

Transformation programme

- 229.6.11. Members received and noted the transformation programme progress report and risk register for February 2018 (Document COG 180214E).
- 229.6.12. Members heard that the focus has been on financial sustainability, with the Professional Services restructure progressing; the HR1 has been submitted and the 45 day consultation process commenced on 1 February 2018.
- 229.6.13. Members noted progress in a number of transformation projects including the portfolio review, estates strategy, and the virtual Student Hub. UEB and Academic Council have considered the academic business case for centralisation of teaching in the West End.
- 229.6.14. Members heard that staff morale remains a significant issue; however publication of the proposed Professional Services structure and consultation meetings with Directors have gone some way to removing the uncertainty felt by staff.
- 229.6.15. The Interim COO reiterated that the University's recent recruitment performance does not address the challenge presented by increasing pay costs from 2019-20 and that all elements of the transformation programme need to be delivered to achieve longer term financial sustainability.
- 229.6.16. A member queried how Court maintains oversight of the restructuring and receives assurance that business critical areas are not under-resourced, particularly at the lower grades and student-facing roles. The member requested additional information on the breakdown of staff reductions across each Directorate.
- 229.6.16.1. ACTION Interim COO** to circulate, via the Clerk, a comparison of the number of staff at each grade by Directorate (prior to staff departures through the Employee Release Scheme) and in the new structure.
- 229.6.17. The Interim COO briefed members on the process to develop the new structure. The Interim COO provided an example of where UEB agreed additional resource to support an area where it was considered that staff reductions would put the institution in an unacceptable position of risk.
- 229.6.17.1. ACTION Interim COO** to circulate, via the Clerk, the paper with proposals for the Professional Services structure as considered and approved by UEB.

229.6.18. In response to a question from a governor, a member of the executive confirmed that all UEB members are committed to and are championing the change. UEB will focus at their away days in March on staff engagement and addressing staff morale.

229.6.19. A member commented that the University's position in Central London and the opportunity to engage with employers whilst studying is a benefit for the University's transformation and culture and should give staff and students confidence.

University key performance indicators

229.6.20. Members received and considered the revised University key performance indicators (KPIs) (Document COG 180214F), which will allow UEB and the Court to measure the success of the new strategy.

229.6.21. Members noted that there are two targets for each KPI – the first will be reviewed each year and updated accordingly and the second – the 'stretch' targets represent the significant step-change that the University would need to make to improve league table position and the rating in the Teaching Excellence Framework. The monthly management information pack will report on performance against the targets and allow the Court to monitor regularly performance against the new strategy.

229.6.22. A member queried whether the stretch target for operating surplus is considered realistic and received an explanation of the activities in place to achieve it.

229.6.23. Another member queried whether the stretch target for research grants and contract income and increased involvement of staff in research is realistic in the context of academic staff reductions, and how this is balanced with improvements in the student experience and teaching excellence. Members noted that this is a wider debate that the University will need to continue under the leadership of the new Vice-Chancellor.

229.7. STAFF ENGAGEMENT SURVEY OUTCOMES

229.7.1. Members received and considered a follow up report from UEB on the staff engagement survey outcomes (Document COG 180214G).

229.7.2. Members noted a summary of action taken in response to the survey at faculty/department level and across the University.

229.7.3. Members heard that the uncertainty around staff reductions contributed to the poor staff engagement results and that as more information is made available on the restructuring there is an opportunity for the University to focus on issues relating to vital change in the culture of the organisation.

229.7.4. Members heard that there is a close correlation between the staff experience and student experience and that the UEB away days will focus on a culture plan, recognising that there needs to be ownership of the University's values throughout the institution.

229.7.5. A member queried how much more junior staff could and had worked on the development of the strategy. Members discussed the staff engagement in defining the new values and the need for transparency and consultation at every level if staff are to take ownership of the values.

229.7.6. Members discussed plans to explore new and innovative ways to measure and improve staff engagement.

229.8. REMUNERATION COMMITTEE TERMS OF REFERENCE

229.8.1. Members considered a proposal for updates to the Committee's terms of reference and membership (Document COG 180214H), which is recommended by the Committee.

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- 229.8.2. The student governor queried whether the Committee had considered adding a student to the membership. The Committee Chair confirmed that the Committee had considered the suggestion previously but did not consider it appropriate.
- 229.8.2.1. **ACTION Chair, Remuneration Committee** to give consideration to the addition of a student to the Committee membership in preparation for a discussion on the matter at the next meeting.
- 229.8.3. **APPROVED** Terms of reference to be amended, with immediate effect, to include the following changes:
- Vice-Chancellor to be removed from the membership and invited to present to the Committee as and when required
 - the Committee will receive information as appropriate on the level of remuneration of all staff on senior management contracts (previously specified as Pro Vice-Chancellor and Deans and academic staff on Heads of Department contracts)
- 229.9. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING**
- 229.9.1. **AGREED** The minutes of the Court of Governors meeting held on 22 November 2017 (Document COG 180214I) were agreed as an accurate record.
- 229.9.2. Members received and noted the summary of actions and matters arising from previous meetings (Document COG 180214J).
- 229.9.3. **Annual review of the University risk register (Minutes 228.9.1 to 228.9.4)** Members noted that Audit Committee will review the new risk register at their next meeting and the Court exceptionally will receive the new risk register for information at the meeting in June 2018. The next annual review of the risk register by the Court is scheduled for October 2018.
- 229.9.4. **Membership of the Court of Governors (Minute 228.24.6)** Members noted that newly appointed governor David Stanton has joined the membership of the Finance and Property Committee.
- 229.9.5. **Court of Governors away day 2017 (Action 226.2.1.1 and Action 2 from the away day)** Members noted that the Clerk requested feedback on the away day and to date has received seven responses. The presentation slides are available to governors via the Court SharePoint site.
- 229.9.6. **Transformation projects risk register (Action 226.3.15.1)** Members noted that the Transformation project risk register now includes information on the 'Risk Owners' and a 'Residual Risk' column has been added in response to the Court's suggestion (refer to Document COG 180214E).
- 229.9.7. **Management information July 2017 (Action 226.4.8.1)** Members noted that the Interim Director, Planning and Performance has advised that errors were made when retrieving data for these reports, which were compiled at the time of staff changes. The Interim Director has confirmed that data retrieval and reporting will be more streamlined with the introduction of the new management information pack.
- 229.9.8. **AGREED** Having received a report on the impact of student numbers on the funding of the capital expenditure budget, members confirm the University capital expenditure budget for 2017-18 (Document COG 180214J Appendix 1), which is recommended by the Finance and Property Committee.
- 229.9.9. **RATIFIED** Members confirmed the decision taken by the Chair to the Court between meetings to approve a correction to Minute 227.6.1, Court of Governors 9 November 2017, which provides a list of amendments to the Financial Regulations. The list was amended to include the Financial Reporting Adviser as an approved addition to Panel A of the bank

mandate. The correction was necessary to ensure the minutes reflect fully the decision of the Court.

229.9.10. **RATIFIED** Members confirmed the decision taken by Chair's action between meetings to approve a correction to Standing Order 2: Appointment, suspension and dismissal of staff. With regards to the power to dismiss staff (Paragraph 12.4), the text "*occupied on an interim basis*" was corrected to "*occupied by an agency worker or a consultant*". The correction was necessary to ensure the standing order aligns with the decision of the Court in November 2015.

229.9.11. Members received and noted the draft minutes of the Annual General Meeting held on 22 November 2017 (Document COG 180214K).

229.10. MINUTES FROM PRECEDING COMMITTEE MEETINGS

229.10.1. Members received and noted a report on the business conducted at meetings of the committees of the Court since the last meeting (Document COG 180214L).

229.10.2. In addition to the summary of business, members received the following minutes (Document COG 180214M):

- i. Academic Council 6 December 2017
- ii. Remuneration Committee 13 December 2017
- iii. Finance and Property Committee 25 January 2018

229.10.3. Members noted that where matters considered by committees require discussion or decision by the Court they have been included on the agenda for this or a future meeting.

229.11. PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWING) POLICY AND PROCEDURE

229.11.1. **RATIFIED** Members received and noted the updated policy and procedure (Document COG 180214N), which reflects new University structures and the nominated independent governor. The updates were approved by Chair's action between meetings.

229.12. DATES OF FUTURE MEETINGS

Court of Governors meetings

229.12.1. **Wednesday 21 March 2018** 3.00pm
Wednesday 6 June 2018 3.30pm
Wednesday 18 July 2018 3.30pm

All meetings take place in Room CH1.14 Cavendish House, 101 New Cavendish Street

229.12.2. Members noted that the meeting on 21 March 2018 will commence at 3.00pm with a briefing on the outcomes of the regulatory framework consultation and a demonstration of the University's key data indicators dashboard.

Court and committees schedule 2018-19

229.12.3. Members received and noted the schedule of meetings for the next academic year (Document COG 180214O).

229.13. ANY OTHER BUSINESS

229.13.1. Members did not raise any other matters for discussion.