

APPROVED

MINUTES OF THE 234TH MEETING OF THE COURT OF GOVERNORS HELD ON WEDNESDAY 28 NOVEMBER 2018 IN ROOM CH1.14 CAVENDISH HOUSE, UNIVERSITY OF WESTMINSTER, 101 NEW CAVENDISH STREET.

PRESENT:	Mrs D Yeo (Interim Chair) Mr J Begg (234.1 to 234.8) Ms C Bernard Dr P Bonfield Mr N Catterall Mr D Cheeseman (Deputy Chair) (234.1 to 234.12) Mr G Davies Dame K Dunnell Dame M Hogg Professor A Hughes	Ms V James (from 234.2) Mr G Morley Mr P Murphy (from 234.2) Ms L Naseem, UWSU Ms H Owen Ms L Phillips The Venerable Canon D Stanton Ms P Wales Mr S Wylie
IN ATTENDANCE:	Mr J Cappock (Company Secretary) Professor R Dannreuther Mrs E McMillan (Clerk)	Ms F Nieboer, KPMG (234.1 to 234.4) Mr I Wilmot (234.1 to 234.7)
APOLOGIES:	Mr C Barnes	Mr M Smith

234.1. ANNOUNCEMENTS

- 234.1.1. Di Yeo, appointed as Interim Chair by the Court of Governors between meetings, welcomed everyone to the meeting. On behalf of the Court, the Interim Chair welcomed Nicholas Catterall - co-opted (staff) governor and Senior Compliance and Development Manager in the University's Global Recruitment and Admissions department - and Lin Phillips and Simon Wylie - independent governors - to their first Court meeting.
- 234.1.2. Apologies were noted as listed above.
- 234.1.3. Members noted the following declarations of interest:
- Peter Bonfield, John Cappock, Roland Dannreuther and Alexandra Hughes - annual report from the Remuneration Committee (Minute 234.11). The individuals left the room during the discussion of the report.
 - Chris Bernard and Philip Murphy – membership of committees (Minute 234.15)
 - Dame Mary Hogg - standing declaration of interest with regards to the Quintin Hogg Trust and Quintin Hogg Memorial Fund
- 234.1.4. The Interim Chair informed the Court that in response to a query from independent governor Helen Owen she agreed with the Chair, Audit Committee that the Committee would consider whether the House of Commons Education Committee report (published 5 November 2018¹) has any impact on the Value for money – annual report 2017-18 and plan 2018-19 (Document COG 181128Y). The Interim Chair then confirmed that there were no requests to discuss the remaining starred items (refer to Minutes 234.15 to 234.25).

¹ Available in the Court of Governors Reading Room – prefix COG 181128

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234.1.5. The Interim Chair informed members that she intended to raise one item of business under agenda item 4 'Any other business' (refer to Minute 234.26).

234.1.6. **Chair's report:** The Interim Chair did not have any matters for report at this point in the agenda.

234.2. AUDIT COMMITTEE ANNUAL REPORT TO THE COURT

234.2.1. Audit Committee member, Dame Karen Dunnell, presented the annual report (Document COG 181128A) to the Court in the absence of the Interim Committee Chair, who was unable to attend the meeting due to being unwell. The report includes Annex 1 the Internal Audit annual report for the year ending 31 July 2018 and Annex 2 the Office for Students (OfS) annual assurance return.

234.2.2. A member queried whether a working party of the Committee is examining the deficit position of the (UoW) Regent Street Cinema Ltd. The Director of Finance confirmed that the Cinema has a Management Board who are looking into the issue, which is a result of the University's policy of assigning costs to the Cinema through recharges.

234.2.3. The University Secretary and Chief Operating Officer (USCOO) informed members that the executive team invited the internal auditors to review commercial income as there were known issues and it was outside the focus of the transformation programme. He reported that this area will come under the leadership of the Pro Vice-Chancellor (PVC) for Marketing and Enterprise (Professor Malcolm Kirkup).

234.2.4. Members noted that the executive challenged the internal auditors on the basis for the overall limited assurance opinion.

234.2.5. A member queried whether the findings of the review of IT risk and control (network cyber security) should be a concern for the Court and the University. The USCOO acknowledged the issue and confirmed that the recommendations have been accepted and are being resolved.

234.2.5.1. **ACTION Clerk** to publish internal audit review reports in the Court Reading Room on SharePoint.

234.2.6. Dame Karen Dunnell explained that the report is the opinion of the internal auditors; however, at the request of the Committee the internal auditor added a note to provide context to the overall opinion. The Vice-Chancellor commented that it is in line with the University's values to be responsible and to direct the internal auditors to examine areas where the University has concerns and that this practice is to be encouraged.

234.2.7. **APPROVED** Audit Committee annual report and annexes to be submitted to the OfS as required.

234.3. EXTERNAL AUDIT

Audit Highlights Memorandum and Management Letter 2017-18

234.3.1. External Auditor, Fleur Nieboer from KPMG, presented the memorandum and letter (Document COG 181128B), which had previously been considered by the Audit Committee and Finance and Property Committee.

234.3.2. Members heard that KPMG will issue an unqualified opinion of the financial statements of the University and its subsidiaries.

234.3.3. The External Auditor thanked the Director of Finance and his team for the professional way in which they produced the accounts and information for KPMG's audit work.

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- 234.3.4. The External Auditor presented an oral summary of the report and highlighted relevant opinions, recommendations and assurances.
- 234.3.5. The External Auditor informed members that the audit focused on those areas with the greatest audit risk (not necessarily greatest risk to the University), and that there were no concerns with regards to management override.
- 234.3.6. Members noted that the audit included a lot of work over properties and classification depending on use and that 29 Marylebone Road will remain as an asset in the books for the year ending 31 July 2018. Members heard that if the position on the building changes in the coming year it will be recorded in the financial statements for the period to 31 July 2019.
- 234.3.7. The External Auditor explained that the audit looked at the (UoW) Regent Street Cinema Ltd in detail and recommend that the University clarifies its strategic use and support of the Cinema.
- 234.3.8. The External Auditor noted that all responses in Appendix 1: Required communications are green, which is very positive assurance for the Court.
- 234.3.9. A member noted that the Prize and Scholarship Fund had not made many awards during the period. The Director of Finance assured the Court that the matter is to be addressed at the next Scholarship Allocation and Strategy meeting.
- Letter of Representation and Management Statement of Assurance (Document COG 181128C)**
- 234.3.10. The Director of Finance explained that the supporting matrix provides assurance to the Court that the letter is accurate.
- 234.3.11. The External Auditor confirmed to members that the letter is standard format with the exception of a representation relating to the balance sheet date classification of properties.
- 234.3.12. **AGREED** The letter of representation is accurate and should be signed by the Chair.
- 234.4. ANNUAL REPORT AND FINANCIAL STATEMENTS**
- 234.4.1. The Chair, Finance and Property Committee informed the Court that the Committee is impressed with how the audit was carried out and recommend the Annual report and financial statements (Document COG 181128D) to the Court. The Committee Chair thanked the Director of Finance and the External Auditor for their work on the audit.
- 234.4.2. The Committee Chair confirmed that the Committee is content with the classification of the 29 Marylebone Road and Latimer House properties.
- 234.4.3. The Director of Finance gave an oral summary of highlights of the financial statements, which covered operating surplus, cash position, pension liabilities, the liquidity position, and the balance sheet position.
- 234.4.4. In response to members' queries, the Director confirmed that interest payments will reduce as fixed term loans come to an end and that the receipt from disposal of a University property will be recorded in the financial period to 31 July 2019.
- 234.4.5. The USCOO expressed his thanks to the Director of Finance and his team, and to the Clerk for their contributions to the annual report and financial statements.
- 234.4.6. **APPROVED** Annual report and financial statements confirmed for submission to the Annual General Meeting.

Financial commentary

234.4.7. Members received the financial commentary (Document COG 181128D), which provides an update on material variances between the financial statements and the most recent forecast submitted to the OfS.

234.4.8. **APPROVED** Financial commentary confirmed for submission to the OfS.

[Clerk's note: At this point the meeting was adjourned for the AGM and re-convened at its completion]

234.5. ANNUAL ASSURANCE OF ACADEMIC QUALITY AND STANDARDS

234.5.1. The Deputy Vice-Chancellor (DVC) (Education) gave an oral summary of highlights of the report (Document COG 181128E). Members had access to an evidence base comprising detailed reports on quality and standards received by Academic Council during 2017-18.

234.5.2. David Cheeseman, Deputy Chair to the Court, confirmed that he attended the meeting of Academic Council in October 2018 and participated in their discussion of the report. He explained that this is a transitional year so the report covers both the HEFCE assurance statements and the relevant OfS ongoing registration conditions. He reported that Academic Council members raised questions about plagiarism; however, they are not material. The Deputy Chair to the Court confirmed he is comfortable with the report as presented.

234.5.3. Members discussed reports in the press of degree grade inflation and of a new Department for Education database linking and tracking people's incomes at age 30. The DVC (Education) informed members that the External Examiner system provides assurance on standards in the sector.

234.5.4. A member queried whether there is a correlation between achievement of a first class degree and progression to undertaking research. The DVC (Education) accepted there may be a correlation; however, he does not have data to evidence this and students who achieve a first class degree progress to a variety of career options.

234.5.4.1. ACTION DVC (Education) to report to the Court the percentage of University of Westminster graduates achieving first class and 2:1 degree classifications.

234.5.5. **AGREED** Vice-Chancellor to sign the assurance statements in the annual accountability return and submit to the OfS.

234.6. VICE-CHANCELLOR'S REPORT

234.6.1. Members received and noted the Vice-Chancellor's report (Document COG 181128F).

234.6.2. The Vice-Chancellor (VC) gave an oral summary of the report covering:

- recent strategy roadshows and alignment of College and Professional Services plans with the refreshed strategy;
- progress in the priority area of wellbeing for students and staff;
- methods to identify and improve educational satisfaction;
- mentoring activities – including alumni mentors - to support the professional development of current students;
- staffing and funding in support of research;
- the revised Employability strategy; and
- global engagement and recent overseas visits.

234.6.3. Members discussed with the VC queries regarding student wellbeing, mentor training, and communication of employability opportunities to students.

- 234.6.4. The Interim Chair reminded members that the Court needs to govern the strategy and to look at its own governance to ensure the Court is doing so in the right way.

234.7. MANAGEMENT ACCOUNTS REPORT

- 234.7.1. The Director of Finance presented the management accounts to September 2018 (Document COG 181128G) and provided an oral update on the Quarter 1 (October 2018) results. The September 2018 report covers Period 2 of the financial year 2018-19 and has been considered by the Finance and Property Committee.
- 234.7.2. In response to a query from a member, the Director confirmed the budget for tuition fee income for 2018-19 and members heard that Heads of College are working with colleagues to attract and retain students to meet target numbers.
- 234.7.3. A member queried whether any courses will be closing and not recruiting students. The DVC (Education) confirmed that currently there are no new course closures.

234.8. RISK REGISTER REVIEW

- 234.8.1. The USCOO presented an update of the risks associated with the delivery of the University's strategic objectives (Document COG 181128H), which includes the current strategic risk register (Appendix 1). The report and risk register have been considered by the Audit Committee.
- 234.8.2. The USCOO informed members that the auditors supported the University's new approach to risk, which is based on more frequent reviews and accountability at executive level.
- 234.8.3. Members heard that the strategic and operational risk registers map to the University objectives as defined in the Westminster 2022 strategy and for continuity will remain in their current format for the remainder of the academic session. The objectives in the original strategy are not fundamentally different to areas of strategic importance in the refreshed strategy.
- 234.8.4. The USCOO highlighted changes to risks and drew members' attention to a cluster of higher residual risks. He provided a summary of action being taken to mitigate the highest risk themes.
- 234.8.5. Members queried whether the potential reduction of the cap on student tuition fees and/or any introduction of two-year degree programmes are likely to have a major impact on the University. Members heard that the executive are focused on delivering the University's strategy and will lobby or take mitigating action in the event that external factors impact negatively on achieving the University's strategic objectives.
- 234.8.6. In response to a member's query on the impact of Brexit there was affirmation of the University's commitment to the wellbeing of colleagues residing in the UK on EU passports and an effort to provide clear guidance for all through such a turbulent time.

234.9. UPDATE ON DEVELOPMENT OF THE ESTATE STRATEGY 2018-23

- 234.9.1. The USCOO presented an update on progress in developing the new strategy (Document COG 181128I), which has been considered by the Finance and Property Committee.
- 234.9.2. Members heard that completion of the strategy is delayed to Spring 2019; however, a lot of preparatory work is taking place.
- 234.9.3. Independent governors Chester Barnes, Philip Murphy and Phil Wales will join the Estate Advisory Group (EAG) for a workshop in January 2019 to decide the future size and shape of the University and which parts of the estate are – or are not – required to support that.

Members heard that the 'digital by design' work to deliver the refreshed strategy may also provide opportunities to consolidate our estate.

234.9.4. The Vice-Chancellor stated that this is an opportunity to ensure the University's physical assets are high quality and deliver an excellent experience for students and colleagues.

234.9.5. A governor member of the EAG informed members that the University has conducted an audit of our accommodation, which will feed in to the strategic work of the space planners.

234.9.6. A member queried whether there are plans to consolidate library space. The USCOO explained that this is one option under consideration.

234.9.7. A member noted that the update does not include any key performance indicators for the strategy and members heard that this will be considered at the upcoming workshops.

234.9.8. The USCOO briefed members on consultation and confirmed that the executive will continue to engage with colleagues and to offer opportunities to discuss the proposed strategy.

234.10. REGISTRATION WITH THE OFFICE FOR STUDENTS

234.10.1. The USCOO presented a summary of the outcome of the University's registration with the OfS (Document COG 181128J), which included the letter of notification and annexes sent by the OfS to the Chair to the Court.

234.10.2. Members were pleased to note that no specific ongoing conditions of registration have been imposed at this time.

234.10.3. Members noted the OfS expectation that the next Court effectiveness review is to be carried out by someone who is independent of the University and the governing body.

234.10.4. Members noted the issues that the OfS wished to draw to the attention of the University, none of which require the University to take additional action at this time.

234.11. REMUNERATION COMMITTEE ANNUAL REPORT TO THE COURT

234.11.1. The Chair, Remuneration Committee presented the annual report to the Court (Document COG 181128M).

234.11.2. The Committee Chair highlighted changes to the individuals within the remit of the Committee and changes to the membership during the period.

234.11.3. The Committee Chair reported that the Committee worked more closely with the HR Committee during the past year due to the potential impact of decisions taken at Remuneration Committee on other staff, particularly the group of individuals who are not 'holders of senior posts' but are above the 51 point salary scale.

234.12. SAFETY, HEALTH AND WELLBEING ANNUAL REPORT 2017-18

234.12.1. The USCOO presented the annual report (Document COG 181128K), which has been considered by the HR Committee.

234.12.2. Members noted the key areas of concern in the work of the Safety, Health and Wellbeing Committee over the last year.

234.12.3. The USCOO reported on staffing capacity in this area and confirmed that the University is not reducing the staffing resource at this time.

- 234.12.4. A member sought reassurance on sickness absence, as the report states that current data is not available. The USCOO confirmed that this is an issue related to staff capacity and that the executive is aware of the need to improve the recording and reporting of sickness absence. The Chair, HR Committee noted that the Committee shares the member's concern about reporting of sickness absence.
- 234.12.5. Members discussed fire safety arrangements for student residential accommodation and raised concerns about a property that is extensively clad in Aluminium Composite Material (ACM). The property is not owned by the University; however, some of our students are residents. Our Health and Safety team received information from the property owners, which stated that the London Fire Brigade are satisfied with the fire safety regime.
- 234.12.6. A member queried whether the University has made students aware and others asserted that awareness-raising is not sufficient. The Vice-Chancellor confirmed that the University will press the owner for further information on the timing of any required improvement measures and that the University will consider any consequential action that may need to be taken.
- 234.12.7. A member queried at what point the management of the Legionella issue becomes eradication. The USCOO informed members the University has been working with specialist contractors to undertake a detailed survey of the relevant building. A plan to address the issue is in place and budgeted for and it is expected that the majority of the work will be completed by Easter 2019.
- 234.13. EQUALITY, DIVERSION AND INCLUSION ANNUAL REPORT 2017-18**
- 234.13.1. The USCOO presented the annual report (Document COG 181128L), which includes the Equal pay audit 2018 and has been considered by the HR Committee.
- 234.13.2. The USCOO acknowledged that the University's senior team does not resemble our student body and are conscious that there is more to be done to improve equality and diversity.
- 234.13.3. The USCOO informed members that the PVC for People and Culture and the Director of Human Resources and Organisation Development are developing plans to address a lack of diversity in the recruitment pool for staff vacancies.
- 234.13.4. The USCOO explained that the University removed support for some equality, diversity and inclusion (EDI) initiatives to prioritise funding for staff pay costs. He acknowledged that resourcing EDI activities remains a challenge; however, colleagues are working to identify solutions.
- 234.13.5. A new member queried whether the independent members of the Court undertake the online training modules – such as equality and diversity - that are compulsory for all University staff. The Clerk confirmed that currently independent governors do not access these modules.
- 234.13.6. A member commented that some of the data presented is unclear and difficult to understand and asserted that the Court would be in a better position to challenge the executive on this area of work if the data presented to the Court was more meaningful and if the narrative linked more directly to and aligned with the data tables provided.
- 234.13.7. The DVC (Education) informed members that the University of Westminster Students' Union's BME Officer set up a BME attainment gap discussion panel, which asserted the importance of having BME staff who are role models for our students, particularly at senior levels.
- 234.13.8. A member suggested that the HR Committee and the Equality, Diversity and Inclusion Working Group could establish a joint group that considers staff and student EDI issues collectively.

234.13.8.1. **ACTION HR Committee** to consider the suggestion at their next meeting.

234.14. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING

234.14.1. **AGREED** The minutes of the Court of Governors meeting held on 3 October 2018 (Document COG 181128N) were agreed as an accurate record.

234.14.2. Members received and noted the summary of actions and matters arising from previous meetings (Document COG 181128O).

234.14.3. **Transformation programme closure report (Action 233.5.3.1):** Members noted that David Cheeseman, Deputy Chair to the Court, sent a thank you letter in October.

234.14.4. **Code of practice on freedom of speech (Action 233.8.2.1):** Members noted that the DVC (Education) and the President of the Students' Union discussed the matter with key stakeholders and agreed the issue of gender segregation is more appropriately an equality issue, and is covered by the Single Equality Policy and the Religion and faith policy.

234.14.5. **University capital expenditure budget 2018-19 (Action 233.9.2.1):** The USCOO confirmed that the decision on the counselling project was due to systems work related to regulatory compliance taking priority. Members noted that the Information Systems and Support capital programme will be reviewed at the end of Quarter 2 and, if there is additional capacity, deferred items will be reconsidered and brought into the work schedule.

234.14.6. **Student disciplinary regulations (Action 232.6.3.1)**
APPROVED Revised Student disciplinary regulations (Document COG 181128P) to be implemented with immediate effect. Members noted that Academic Council amended the regulations to address the issue raised by the governor at the last meeting.

234.14.7. Members discussed potential means of increasing communication of the Student Code of Conduct to ensure students are regularly reminded of the Code.

234.15. MEMBERSHIP OF THE COURT AND COMMITTEES

234.15.1. Members received a summary of decisions taken by Chair's action between meetings (Document COG 181128Q). As the decisions were not debated at the meeting, the relevant individuals who declared an interest at the outset of the meeting (refer to Minute 234.1.3) did not leave the room.

234.15.2. **RATIFIED** Christiana Bernard, independent governor, to be appointed as a member of the Nominations Committee with effect from 1 November 2018.

234.15.3. **RATIFIED** Philip Murphy, independent governor, former Committee member and member of the Estate Advisory Group, to be appointed as a member of the Finance and Property Committee with effect from 14 November 2018.

234.15.4. **RATIFIED** Matthew Smith, independent governor and Deputy Chair of Audit Committee, to be appointed as Interim Chair of the Audit Committee. Nominations Committee will consider a permanent appointment when they meet in February 2019.

234.16. EXTENSION OF DELEGATION OF AUTHORITY TO SUSPEND AND DISMISS STAFF

234.16.1. **APPROVED** The Vice-Chancellor's delegation of the power to suspend and/or dismiss staff is amended to include all staff within Professional Services at grade level two or above with effect from 1 December 2018, on the recommendation of UEB (Document COG 181128R).

234.16.2. Members noted that the Director, Human Resources and Organisation Development, and the two Deputy Human Resources Directors are excluded due to potential conflicts of interest.

234.17. TREASURY MANAGEMENT – REPORT, STRATEGY AND POLICY REVIEW

234.17.1. Members received the annual Treasury management report, the proposed Treasury management plan and strategy for 2018-19, and the updated Treasury management policy for 2018-19 (Document COG 181128S), which are recommended by the Finance and Property Committee.

234.17.2. **APPROVED** Treasury management plan and strategy to be implemented for 2018-19.

234.17.3. **APPROVED** Updated Treasury management policy to be implemented with immediate effect.

234.18. PREVENT DUTY ANNUAL MONITORING RETURN

234.18.1. **APPROVED** Annual monitoring return (Document COG 181128T), which is recommended by UEB, to be signed by the Interim Chair and submitted to the OfS.

234.19. ACADEMIC COUNCIL TERMS OF REFERENCE

234.19.1. **APPROVED** Terms of reference and membership (Document COG 181128U) to be amended to state that the Head of School representative will be elected by the Heads of School and Assistant Heads of School, as recommended by Academic Council.

234.20. FINANCIAL REGULATIONS

234.20.1. **APPROVED** Updated Financial regulations (Document COG 181128V) to be implemented with effect from 1 December 2018 on the recommendation of the Finance and Property Committee.

234.21. SICKNESS ABSENCE AND ILL HEALTH POLICY

234.21.1. **APPROVED** Members reconfirmed the existing policy and procedures (Document COG 181128W), which are recommended by the HR Committee.

234.22. HUMAN TRAFFICKING AND MODERN SLAVERY STATEMENT TO 31 JULY 2018

234.22.1. Members received the modern slavery statement for the year ending 31 July 2018 (Document COG 181128X), which has been agreed by UEB and will be published on the University website

234.23. VALUE FOR MONEY ANNUAL REPORT 2017-18 AND PLAN 2018-19

234.23.1. Members received the annual report and plan (Document COG 181128X), which have been agreed by the Audit Committee (refer also to Minute 234.14).

234.24. SUB-COMMITTEE ACTIVITY REPORT

234.24.1. Members received a report on the business conducted at meetings of the committees of the Court since the last meeting (Document COG 181128Y):

- Academic Council – 17 October 2018
- HR Committee – 6 November 2018
- Audit Committee – 15 November 2018
- Finance and Property Committee – 15 November 2018
- Joint meeting Audit Committee and Finance and Property Committee - 15 November 2018

234.25. DATES OF FUTURE MEETINGS

- 234.25.1. **Court of Governors**
20 March 2019 3.30pm
5 June 2019 3.30pm
17 July 2019 3.30pm

Meetings may be preceded by briefings from 3.00pm.

- 234.25.2. **Graduation ceremonies**
8, 9 and 10 July 2019
11 and 25 November 2019

Ceremonies take place at the Royal Festival Hall.

234.26. ANY OTHER BUSINESS

- 234.26.1. Simon Wylie, independent governor, left the room for the discussion as he had an interest in the matter under discussion.
- 234.26.2. The Interim Chair reminded members that she is currently a member of both the Regent Street Cinema Management Board and the Advisory Board. The Interim Chair proposed that Simon replaces her as the Court's representative on the Regent Street Cinema Management Board, noting that he has professional skills that would be beneficial to the Board.
- 234.26.3. **APPROVED** Simon Wylie to be nominated as the Court's representative on the Regent Street Cinema Management Board.
- 234.26.4. Simon re-entered the room and confirmed his willingness to take on the role.