

COUNCIL
Tuesday 24 November 2015
CONFIRMED MINUTES

Present:

Sir Nicholas Montagu (Chairman)	Professor Paul Anderson	Professor Richard Ashcroft
Kath Barrow	Professor Simon Gaskell	Elizabeth Hall (Vice-Chair)
Professor Raymond Kuhn	Simon Linnett	Carolina Mantzalos
Cheryl Mason	Bushra Nasir	Patricia Newton
Luke Savage	Professor Morag Shiach	Professor Geraint Wiggins
David Willis		

In attendance:

Professor Edmund Burke	Emma Bull	Eleanor Crossan
Joanne Jones	Sian Marshall	Jonathan Morgan
Mike Shore-Nye		

Apologies:

Dr Veronique Bouchet	Dr Annette Doherty	Stella Hall
John Yard		

Part 1: Preliminary Items

2015.025 The Chairman:

- [a] Welcomed Professor Edmund Burke who was attending his first meeting of Council since his appointment as Vice-Principal (Science and Engineering).
- [b] Welcomed Emma Bull, who would be taking up the role of Interim Chief Operating Officer from 01 January 2016.
- [c] Said that the meeting was inquorate given that there was not a majority of external members present. The meeting would proceed but for items requiring a decision one internal member would withdraw from the decision making.

Minutes: 27 October 2015 (Paper QM2015/15)

2015.026 Council **confirmed** the confidential and non-confidential minutes of the meeting held on 27 October 2015.

Matters Arising (Paper QM2015/16)

2015.027 Council **noted** the matters arising from the meetings held on 19 May 2015 and 27

October 2015.

Chairman's Opening Remarks (Oral Report)

2015.028 The Chairman said that:

- [a] There would be an opportunity following the meeting to say goodbye to Elizabeth Hall and Mike Shore-Nye, who were attending their last meetings of Council. The Chairman thanked Elizabeth and Mike for their considerable contributions to Council and QMUL.
- [b] The University of Manchester would be holding The Gaskell Birthday Symposium – A Celebration of Mass Spectrometry on December 14th and 15th to celebrate Professor Simon Gaskell's achievements spanning 40 years in science.
- [c] He had attended the HEFCE annual meeting where the Prevent agenda was discussed. There was consensus amongst attendees that there was a risk that the requirements could place an excessive burden on institutions, which should be avoided where possible and could provide government with the opportunity for an unacceptable degree of intrusion.

President and Principal's Report (QM2015/17)

2015.029 Council **received** the President and Principal's report which had been circulated by email on 20th November 2015.

2015.030 The President and Principal said that:

- [a] The latest report on student recruitment indicated an overall decrease in applications by 5.1% at undergraduate level compared with the same time last year. This was compared to a 3.2% sector-wide decrease reported by UCAS and 2.8% for QMUL's competitor group. The undergraduate application cycle continued until January, when more information would be known but there was some indication from QMUL's linked secondary schools that many schools were behind in their support for undergraduate applicants. Experience over the last few years had also shown that the recruitment cycle was changing with applications submitted later and some applicants choosing to wait to apply through Clearing when universities could expect to recruit some of the best applicants. It was therefore too early in the cycle to draw any firm conclusions, but there could be a need for increased focus on conversion activity to ensure recruitment targets were met.
- [b] The Higher Education Green Paper proposed the replacement of HEFCE with an Office for Students, which would be funded by university subscriptions and would therefore transfer the costs of its functions from BIS to institutions. QMUL was currently estimating the potential cost for the institution and intended to submit a response to the formal consultation, which would close in January, and to contribute to the Russell Group and Universities UK responses.
- [c] The Green Paper included limited information on research pending the

release of the Nurse Review of UK research councils, which had now concluded. The Review anticipated the incorporation of both research funding streams (quality-related funding and grants for specific research projects) into one overarching body, Research UK. Whilst the dual-support system was supported by the Green Paper, the allocation of both funding streams through one body raised concerns about the system's future.

- [d] The Comprehensive Spending Review would be announced the following day and would provide only an indication about the level of cuts at departmental level. The distribution of any remaining BIS funding would not be known until the New Year.
- [e] It had come to the attention of HEFCE that QMUL had not been formally designated as eligible for HEFCE funding when the new register of providers was compiled. HEFCE had committed to resolving the issue by asking BIS to place a formal order before Parliament, and had provided assurance that neither past nor future grants would be affected by this oversight.
- [f] QMUL had around 100 students based in Paris at the time of the terrorist attacks. These students were based at the University of London Institute in Paris or on exchange programmes at other universities. No students were directly affected by the attacks and programme staff contacted students to offer support immediately. An effective emergency response was enacted but the timing of the attacks (on a Friday evening) highlighted the need for QMUL to ensure procedures could be appropriately implemented at the weekend.
- [g] The governors of Brookside Infants School had voted to apply to join the Drapers' Multi-Academy Trust. Council would be informed of the mechanism for incorporating the School within the Trust in due course given QMUL's co-sponsorship of the Drapers' Academy.

[h] *Minute 2015.030[h] is confidential.*

Actions:

President and Principal, Council Secretariat: [g]

QMSU President's Report including the QMSU Annual Report 2014–15 (Paper QM2015/18)

2015.031 Council **received** the QMSU President's Report which had been circulated by email on 20th November 2015.

2015.032 The President said that:

- [a] An evaluation of progress against QMSU's Strategic Plan after one year had highlighted a significant increase (62%) in the number of students involved in the Union's student groups with over 7,400 students engaged with student societies. QMSU had also seen a 9% increase in the number of students participating in the Get Active programme.
- [b] A highlight of the QMSU Impact Report for 2014–15 was QMSU's work with Residential Services to increase the number of students registered to vote.

Further campaigns would continue ahead of the London mayoral elections in Spring 2016.

- [c] Students had been campaigning for longer Library opening hours, particularly weekend opening hours at Mile End Library. A QMSU PAR bid for 24 hour opening during 2014–15 was unsuccessful due to the level of investment required to support staff and security costs. QMSU intended to submit a bid during the 2015–16 round for extended weekend opening hours.
- [d] QMSU would be hosting a visit from QMUL students based in China in January in order to develop links with students on Joint Programmes.

Part 2: Performance Review

Annual Stocktake (Paper QM2015/19)

2015.033 Council **received** the annual stocktake. The following points were noted in discussion:

- [a] The Chairman said that it was Council's role to approve the mission and strategic vision of the institution and to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators. Consideration of the stocktake report on an annual basis was the key mechanism through which Council could hold the President and Principal and the Senior Executive to account.
- [b] The President and Principal said that in setting the strategic objectives it was intended that the targets would be both challenging and ambitious, and as a result not all would be met. While targets would remain the same for the life of the Strategy, it would be necessary to review whether some were still feasible or desirable. In the New Year, the Senior Executive intended to review performance against the previous Strategic Plan and it was anticipated that the target for the number of PhD students would have been missed.
- [c] For each indicator of progress (IoP) a linear trajectory was mapped based on current progress. The trajectory line was not a guarantee of future performance, but was provided to give an indication of the direction of travel. In some cases there were no projections where the target was a year-on-year increase or decrease or where existing data were not sufficient to generate an extrapolation.
- [d] The stocktake would be used as a mechanism for assessing those areas of QMUL where additional investment would be required to further support and progress the objectives set. It would be used to inform the Planning and Accountability Review (PAR) and Council would receive a report in due course on expenditure agreed through PAR and the link to the Strategy.
- [e] IoP 1.2a measured the number of students that did not complete their degree programme; a year-on-year reduction recorded against this IoP was positive but further improvements were required. The metric was based on more robust criteria than the data provided by HESA, which considered

continuation beyond December 1st during year 1 and progression from year 1 to year 2, and was therefore not comparable to sector data; the QMUL metric included students that failed to enrol. The Engagement, Retention and Success Working Group has been reviewing this data broken down by faculty, ethnicity and application route to identify, monitor and address any trends. Members **agreed** that a presentation on this area of work should be provided to a future meeting of Council.

- [f] QMUL was below the Russell Group median for IoP 1.2b in relation to the HESA employment performance indicator but QMUL's performance had improved each year since 2011–12. This was indicative of the large number of students who were the first in their family to go to university. There was potential for data on employability and retention to be included in the Teaching Excellence Framework (TEF) as a measure of widening participation success. There was some concern that the securing of graduate level jobs was not a clear indicator of institutional performance; it did not measure whether students achieved their full potential in the job market.
- [g] A much larger proportion of appointed staff received promotion within four years in Humanities and Social Sciences (HSS) and Science and Engineering (S&E) than in the School of Medicine and Dentistry (SMD) (IoP 1.3b). This was in part due to the practice in SMD of appointing academic staff to Senior Lecturer position, which was appropriate for their role as clinical staff, and had the effect of depressing the numbers.
- [h] It was noted that the trend line for IoP 2.1b in relation to the grant success rate for major funding bodies appeared improbable as the 30% target was a stretching one.
- [i] It would be a considerable challenge for QMUL to increase the number of students educated to PhD level in line with the target (IoP 2.2), given that the main barrier was the availability of funding. QMUL was in the process of developing a scheme with Pakistan similar to the successful China Scholarship Council scheme. For home students, QMUL was seeking to generate philanthropic income as there were limited funding sources available; the Medical College of St Bartholomew's Hospital Trust had indicated that it wished to support PhD students' activity
- [j] The objective to increase expenditure on research equipment as a proportion of research income to 10% by 2018–19 (IoP 2.1c) was aimed at improving the research infrastructure, which in some areas was not of sufficiently high quality. This objective reflected the removal of capital grants that historically were used to support the research infrastructure.
- [k] There was some concern that the current proportion of teaching rooms at an agreed standard (63%) appeared to be low, and it was suggested that QMSE ought to prioritise improvements through PAR. It was noted that there was currently an underspend against the teaching room refurbishment project given that access to teaching rooms was not always possible during term time. This area of work would be prioritised at Christmas and during the summer period.

- [l] QMUL intended to achieve the National Coordinating Centre for Public Engagement Chartermark (IoP 5.1); the Chartermark had not yet been fully developed owing to some uncertainty regarding the funding and status of the organisation that awarded it.
- [m] It was noted that the underlying surplus target for 2014–15 was not achieved (IoP 6.1a) and both Audit and Risk Committee and Finance and Investment Committee would consider this in greater detail to ensure QMUL was in a strong financial position. The narrative described the operating surplus as 4.9%, but the underlying financial performance was below this. Some concern was voiced about the green traffic light and the positive upward trajectory for this IoP even though it had been acknowledged that the achievement of a 7% surplus target would be extremely challenging. It was also noted that the target was potentially unrealistic in the current external context and that QMSE may need to consider this in light of other investment priorities.
- [n] It was suggested that a consistent view on the surplus was required in order to reflect the target in a realistic way. This would allow Council members to hold QMSE to account effectively in monitoring progress against the objectives. It was noted that the report to Council on the PAR outcomes would include a judgement on the likelihood of achieving the objectives and would provide greater clarity to members on the trajectory of individual objectives.
- [o] The trajectory in relation to the condition of the estate (IoP 6.1i-iii) appeared to suggest a significant deterioration. However, there had been changes to the definition of condition and its method of application that some but not all institutions had adopted. This was reflected in QMUL's Russell Group ranking and the trajectory. The Estates Masterplan was being developed in order to ensure a coherent strategy for addressing long term maintenance and space issues, which had not always been prioritised in the past.
- [p] Members **agreed** that the format and content of the Stocktake was appropriate and that it enabled consideration and monitoring of progress against the Strategy. The summary of traffic light indicators was noted to be particularly useful.

Actions:

Council Secretariat: [e]

Strategic risk management: annual report (Paper QM2015/20)

2015.034 Council **received** the strategic risk management annual report. The following points were noted in discussion:

- [a] QMUL's risk management framework had been significantly developed during the last two years thanks to considerable work by staff in the Strategic Planning Office in conjunction with the Audit and Risk Committee. The Internal Auditors had recently reviewed risk management and concluded that effective mechanisms were well embedded and could be considered some of the best in the sector.

- [b] The Committee reported to Council after each meeting on its review of the Strategic Risk Register and changes in risk exposure. In 2016–17 the Committee would move to reviewing risk three times per year in order to enable timelier reporting from the Strategic Risk Management Group (SRMG). The SRMG had to make a judgement on the assessment of risk exposure in the short and long term and the Committee had asked the SRMG to review the length of term over which risk is evaluated to ensure that the risk scores reflect both the annual cycle and the longer term position.

Office of the Independent Adjudicator Annual Letter 2014 (Paper QM2015/21)

2015.035 Council **received** the Office of the Independent Adjudicator Annual Letter for 2014. The following points were noted in discussion:

- [a] The report provided an overview of complaints considered and closed by the Office of the Independent Adjudicator (OIA) during the 2014 calendar year. Many of the cases described related to appeals and complaints handled by QMUL during the 2012–13 academic year. It was disappointing that both the number of cases referred to the OIA and the proportion of complaints found to be justified or partly justified were higher than the mean for institutions of a similar size.
- [b] Since 2012–13, QMUL had mapped its procedures against the OIA Good Practice Framework and made a number of improvements. The main change was the re-introduction of a third, final internal review stage by either the Vice-Principal (Student Experience, Teaching and Learning) or the Academic Registrar and Council Secretary. The third stage review had previously been removed from the process due to the length of time taken to respond to students' appeals and complaints.
- [c] Other improvements made included analysis of decisions made against QMUL, particularly where students experienced mental health issues, and training for caseworkers. The information provided to students had also been improved, both to individual students on the outcome of their cases and more widely through the publication of outcomes to enable students to understand the likelihood of success in making an appeal or complaint.
- [d] In 2015, 21 cases had been referred to the OIA with only two found to be partly justified and one case settled. This provided assurance that QMUL's position in relation to handling appeals and complaints had improved and was likely to continue to do so.

Part 3: Strategic Planning

Life Sciences (Oral report)

2015.036 Council **noted** that an update on Life Sciences had been provided in the President and Principal's report to Council (see minute 2015.030[h]).

Part 4: Legislative and Conformance Issues

Audited Financial Statements for year-end 31 July 2015 (Paper QM2015/22)

2015.037 Council **considered** the Audited Financial Statements for year-end 31 July 2015. The following points were made:

- [a] The Chairman of the Audit and Risk Committee said that the external audit had taken longer to complete than was anticipated. This was in part due to there being a new Finance Director and external audit provider, and as a result of a review of the fixed asset register in preparation for the implementation of the new Financial Reporting Standard (FRS)102. A number of historic issues relating to the fixed asset register had been identified, which the previous External Auditors had highlighted in their report during the previous audit. However, the work was undertaken appropriately and would put QMUL in a good position to implement FRS102.
- [b] The External Auditors had issued an unmodified audit opinion and had raised no issues of concern during the *in camera* (private) meeting with members of the Audit and Risk Committee. There were a number of recommendations for improvement that would be monitored by the Committee over the coming year and reviewed prior to and as part of the 2015–16 external audit.
- [c] The Treasurer said that an account of the reasons for missing the underlying surplus target had been provided, which gave some assurance that these issues did not represent a return to previous performance. However, the Finance and Investment Committee had some concerns regarding the level of confidence that could be had in the projections for the achievement of future targets. The Finance Director said that these issues would be addressed by providing improved month-end management accounts procedures.
- [d] The Chairman of the Audit and Risk Committee said that whilst it was disappointing that QMUL had missed its underlying surplus target, externally QMUL would appear to have performed well, which would provide important assurance to HEFCE.
- [e] There was a technical revision to the Financial Statements circulated to members with the hard copy papers; on page 21 under tangible assets £35m had been accounted for as freehold buildings but should have been listed as long leasehold. This did not have a material impact on the accounts. A supplementary sheet was provided detailing the change.

2015.038 Council **approved** the Audited Financial Statements for year-end 31 July 2015.

HEFCE Annual Accountability Return (Paper QM2015/23)

- **Financial results tables for 2014–15**
- **Annual assurance return**
- **Annual sustainability statement**

2015.039 Council **approved** the HEFCE Annual Accountability Return for onward submission to HEFCE.

Audit and Risk Committee Annual Report 2014–15 (Paper QM2015/24)

2015.040 Council **approved** the Audit and Risk Committee Annual Report 2014–15. The following points were made:

- [a] The Chairman of the Audit and Risk Committee said that the report provided a positive reflection on QMUL particularly in relation to the outcome of internal audit which was deemed to be used effectively to improve processes within the institution.
- [b] In relation to value for money, it was not known at the time of the meeting that the achievement of the target net operating margin had been missed given that the final outturn position had not yet been reported. Notwithstanding this, the Committee was satisfied that there were effective mechanisms in place to achieve value for money.

Update on the Prevent duty (Paper QM2015/25)

2015.041 *Minute 2015.041 is confidential.*

Part 5: Other Matters for Report

Remuneration Committee Terms of Reference (Paper QM2015/26)

2015.042 Council **approved** the revised Remuneration Committee Terms of Reference.

Finance and Investment Committee report including current financial position (Paper QM2015/27)

2015.043 Council **noted** the report of the meeting of Finance and Investment Committee held on 03 November 2015 and the current financial position for period 2. The following points were made:

- [a] At this early point in the cycle there were no significant issues to report. The Committee would receive Forecast 1 in December, which would provide a more detailed report on the financial position and potential budget challenges for the year.
- [b] Following the meeting, QMSE had received a presentation from Queen Mary Innovation and the potential value that could be realised from selling shares in one of the spinout companies. Funds generated could be used to invest in Life Sciences, increasing QMUL's reserves and in additional spinout activity. The Committee's view was that additional investment was needed to realise QMUL's potential in this area. QMSE had agreed to fund a new member of staff with expertise in humanities and social sciences.

Audit and Risk Committee report, including appointment of the Internal Auditors (Paper QM2015/28)

2015.044 *Minute 2015.044 is confidential.*

Agenda for next meeting (Paper QM2015/14)

2015.045 Council **received** the draft agenda for the next meeting on 17 February 2016.

Any other business

2015.046 *Minute 2015.046 is confidential.*

Dates of Meetings 2015–16

- Wednesday 17 February 2016 at 1700 hours, Colette Bowe Room
- Tuesday 5 April 2016 at 1700 hours, Colette Bowe Room
- Tuesday 17 May 2016 at 1700 hours, Colette Bowe Room
- Tuesday 28 June 2016 at 1700 hours, Colette Bowe Room