

COUNCIL
Thursday 19 November 2020
DRAFT UNCONFIRMED MINUTES

Present:

Lord Clement-Jones (Chair) [to minute 2020.035]	Ade Adefulu	Professor Colin Bailey [to minute 2020.034]
Professor Alison Blunt	Sarah Cowls	Celia Gough
Professor Colin Grant	Stella Hall	Isabelle Jenkins
Dr Philippa Lloyd	Dr Darryn Mitussis	Professor Mangala Patel
Dr Alix Pryde	Melissa Tatton	Peter Thompson
Professor Wen Wang	David Willis	

In attendance:

Rebecca Jones [minute 2020.032]	Dr Nadine Lewycky	Jonathan Morgan
Louise Parr-Morley	Mat Robathan	Janice Trounson
Craig Wisdom [minutes 2020.024-29]		

Apologies:

Bushra Nasir	Luke Savage
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Welcome and apologies

2020.015 The Chair welcomed everyone to the meeting and noted the apologies. The meeting was being conducted via virtual meeting software to ensure the continuance of good governance during the pandemic.

Minutes of the meeting held on 08 October 2020 (Paper QM2020/13)

2020.016 Council **confirmed** the confidential and non-confidential minutes of the meeting held on 08 October 2020.

Matters Arising (Paper QM2020/14)

2020.017 Council **noted** the matters arising from the meeting held on 08 October 2020. The following points were noted in the discussion:

[a] An additional Council meeting would be scheduled for mid-February to sign off the final Office for Students (OfS) financial return. The President and Principal would also provide an update on the start of the second semester.

[b] Council members were invited to attend a presentation on 3 December to discuss the QMSU priorities for 2020–21 with the elected Executive

Officers.

Chair's update (Oral report)

2020.018 The Chair said that:

- [a] This was the first meeting for Melissa Tatton as Vice-Chair of Council and he welcomed her on behalf of Council to her new role.
- [b] This was the final Council meeting for Louise Parr-Morley as Interim Finance Director. He thanked her on behalf of Council for all her hard work during the pandemic.
- [c] He had been in regular contact with the President and Principal on a number of issues. The staff and student bulletins shared with Council were an exemplar of effective communication.
- [d] He had liaised with the Internal Communications team to prepare a thank you message on behalf of Council to staff and students to be published in the weekly news bulletin.

President and Principal's Report (QM2020/15)

2020.019 Council **discussed** the President and Principal's Report. The following points were noted in the discussion:

Covid 19 response – university cases

- [a] There were 21 active cases at present, the majority of which were in halls of residence and had been successfully isolated. The President and Principal thanked those staff who had contributed to the effective management of cases on campus and who looked after the wellbeing of students and staff.

Covid 19 response – national context and in-person education

- [b] Universities had been asked by Government to end in-person teaching by 9 December. This would have been the last week of teaching in the first semester at Queen Mary so the impact was minimal.
- [c] Some media stories about the government's plans for the end of semester had given the impression that all students were required to be tested before returning home for Christmas. Testing would in fact be voluntary and we expected to test approximately 4,000 students and staff within the 10 day period. Jo Martin, Professor of Pathology in the Blizzard Institute, would advise on the logistics and training, having previously trained volunteers to administer tests in care homes. The university would be responsible for the running and staffing of the testing, with the most experienced staff overseeing the parts of the process with the highest potential error rates. The test data would be sent directly to the NHS and would not be stored in our systems.
- [d] Further Government guidance would be issued to cover the period after 9 December and the start of next semester. Teaching would continue for clinical courses and for courses that could not be taught online. The current

agreement for testing ended on 15 December and further arrangements would be made for those students finishing their courses after that date. Our campuses would remain open during the Christmas period.

- [e] We were liaising with the local health authorities on the testing plans. Due to the volume of testing, we would need to consider further to how to provide a high level of end to end care.

Staff reward scheme

- [f] Following careful review of the financial situation, pay uplifts for academic staff promoted in this year's promotion round had been awarded. Staff on lower grades had received automatic salary increments. Bonus schemes would be launched to reward staff for their work during the pandemic.

Senior staff update

- [g] The appointment of a new Chief Financial Officer (CFO) and Chief Operations Officer (COO) would complete the Senior Executive Team. Council commended the Executive on excellent appointments and thanked those members of staff who stepped up to take on additional work in the interim. Council asked for an organogram of the new structure, and a breakdown of the areas of responsibility for the COO, CFO and Chief Governance Officer and University Secretary.

Action: [g] President and Principal

QMSU President's report (QM2020/16)

2020.020 Council **received** the QMSU President's report. The following points were noted in the discussion:

- [a] A section of the report outlined the Students' Union's democratic processes, and highlighted the policies that were of most interest to the student body. Student Council had recently passed a motion to adopt the International Holocaust Remembrance Alliance's (IHRA) definition of antisemitism which had also been approved by Senate.
- [b] The newly created Scrutiny Panel would offer additional accountability from the Executive Officers. The QMSU President would provide Council with an update on the implementation of the democracy review before the end of her term.
- [c] Council asked about the role of the Memorandum of Agreement (MoA) Review Panel in surfacing issues. Issues were dealt with by the MoA Review Panel or with academic departments as appropriate.
- [d] Council thanked the QMSU Executive Officers for clarifying how mandates were passed on year to year between the elected Executive Officers.
- [e] Concerns had been raised about the administration of the situational judgment test which was being overseen by a third party this year. The Medical Schools in London had collaborated to successfully lobby for changes to the exceptional circumstances policy. The Medical School was awaiting a response from the UK Foundation Programme Office regarding

a further issue with the booking system.

- [f] Council wished the best of luck to the student team competing in University Challenge.

Finance and Investment Committee minutes (QM2020/17)

2020.021 Council **received** the Finance and Investment Committee minutes of the meeting held on 02 November 2020. The following points were noted in the discussion:

- [a] Having considered whether the Financial Statements could be recommended to Council on a going concern basis, the Committee had agreed that it was satisfied with the information provided on this point.

Current financial position (QM2020/18)

2020.022 Council **received** a paper on the current financial position. The following points were noted in the discussion:

- [a] *Minute 2020.022[a] is confidential.*
- [b] *Minute 2020.022[b] is confidential.*
- [c] We had continued to make strategic investments in IT and cybersecurity and to recruit to business critical positions alongside measures to reduce the cost base.
- [d] Council **agreed** that the budget and forecast were an acceptable basis for going concern based on the recommendation of Finance and Investment Committee.

Endowment investment strategy (QM2020/34)

2020.023 Council **considered** the recommendations from Finance and Investment Committee in relation to the university's endowment investment strategy. The following points were noted in the discussion:

- [a] Finance and Investment Committee had been concerned about the performance of the current fund managers for a number of years. Although performance had improved at the start of the pandemic, it had since fallen back below the market average. The unsatisfactory performance of the fund managers, combined with a very low level of risk in the investment portfolio, had resulted in a situation on one or two occasions where grants and bursaries had to be funded from capital, rather than from interest earned on the investments. The Committee had appointed consultants to advise on the performance of the current fund manager and the appropriate level of risk going forward. Following this, the Committee had formulated the three recommendations contained in the paper.
- [b] Council asked the Committee to review the Ethical Investment Policy in reference to current thinking on environmental sustainability. Council also considered the level of risk that the proposed approach might lead to further erosion of capital. This was not felt to be a concern, on the basis

that the proposed approach would still be at the conservative end of investment policy.

- [c] Council **approved** the three recommendations, subject to the review of the Ethical Investment Policy.

Audit Committee annual report (QM2020/19)

2020.024 Council **considered** the Audit and Risk Committee annual report for 2019–20. The following points were noted in the discussion:

- [a] The Committee had received sufficient assurance to give the required opinions to the OfS. The sector's understanding of Value for Money was becoming broader but the assurances required continued to reference the old HEFCE definition which focused on cost savings. The narrative in the annual report was moving towards expressing value that would reflect the university strategy. There remained challenges on demonstrating the link between spending and outcomes.

- [b] Council **approved** the Audit and Risk Committee annual report for 2019–20 for submission to the OfS.

External Auditor letter of representation (QM2020/20)

2020.025 Council **approved** the external auditor letter of representation for submission to the OfS on the recommendation of the Audit and Risk Committee.

External Audit annual report (QM2020/21)

2020.026 Council **considered** the external audit report. The following points were noted in the discussion:

- [a] The Chair of Audit and Risk Committee said that an issue had arisen in relation to the fair value of the loan notes after the Council meeting in November 2019. Part of the private placement was treated as a non-basic financial instrument and needed to be fair valued every year. This year, the university had commissioned an independent valuation which had resulted in a fair value adjustment of £6.3m to the accounts. As the university did not intend to repay the loan until maturity this was an accounting judgment and had no impact on cash generation.

- [b] Despite the initial planning application for the new School of Business and Management building being rejected in November 2019, the project would go ahead as part of a new masterplan for the Mile End campus in spring 2021. Design changes to the building were needed before resubmission. A portion of the costs incurred to date would therefore not result in future economic benefits to the university and would need to be written off. Management identified £1.5m of costs to be written off and proposed that this was applied in the 2020–21 financial year. This represented an unadjusted item in this year's accounts.

- [c] Provision had not been made in the accounts for the inter-company debt of £5.6m from the Malta subsidiary. The decision had been made based

on the expected compensation payment from the Maltese government and improved recruitment figures. The Executive was of the view that the money would be repaid in time and that it was not necessary to provide against it. The auditors had considered the decision to be at the risky end of prudent. The Committee agreed with the auditors' opinion, but were content with the position reached.

[d] The audit report had not raised any concerns for the Committee. The audit process had gone smoothly thanks in large part to the work of the Finance team. The Committee had held its annual *in camera* meeting with the External Auditors and had nothing to report to Council. The External Auditors had said that the audit work was completed but that the final version would need to be confirmed.

[e] The Committee had agreed with the recommendation from Finance and Investment Committee that the accounts be prepared on a going concern basis. Council **approved** the external audit opinion.

Internal Audit annual report (QM2020/22)

2020.027 Council **considered** the internal audit report for 2019–20. The following points were noted in the discussion:

[a] The Chair of Audit and Risk Committee said that there was nothing in the annual report that he wished to draw to the attention of Council. The pace of implementing the recommendations arising from individual internal audit reports had improved over the last few years.

[b] Council asked if Audit and Risk Committee had been comfortable with the status of IT asset management which had received a red-amber rating. The Chair of the Committee said that work on this area was in progress and that not all recommendations had been implemented. The physical audit had been delayed because of the pandemic but would be completed for report to the Committee in March. Individual schools had been purchasing their own IT equipment outside the central IT procurement process which had made asset control difficult. The Committee was confident about the central university processes but the existence of legacy systems in Schools raised concerns. The Chief Information Officer had presented a roadmap to the Committee in June for reaching the required level of maturity.

Audited Financial Statements and commentary (QM2020/23)

2020.028 Council **considered** the Audited Financial Statements and commentary for the year end 31 July 2020. The following points were noted in the discussion:

[a] The Chair of Audit and Risk Committee said that the Committee had discussed the presentation of the USS pensions in the accounts. The language had been provided by USS and the assumptions were discussed at sector level. This provided assurance that our accounts aligned with those of other universities in the scheme through the use of a common methodology. The figures reflected the 2018 valuation and deficit recovery plan.

- [b] Council **approved** the audited financial statements and commentary for the year end 31 July 2020 on the recommendation of Audit and Risk Committee.

OfS return 30 October 2020 (QM2020/24)

- 2020.029 Council **received** the OfS return for 30 October 2020. The following points were noted in the discussion:
- [a] The submission date for the forecast had been moved to March 2021 and would be considered by Council in February. The OfS had requested a shorter return in October to gain a sense of the financial health of the sector as a whole. It would also be used as part of the calculation to apply for additional funding to make up for a short fall in international students.

Senate report (QM2020/25)

- 2020.030 Council **noted** the report of the Senate meeting held on 15 October 2020. The following points were noted in the discussion:
- [a] Senate had reviewed the contingency arrangements around the continuity of education during the pandemic. An external review of the assessment arrangements had been undertaken and Senate members were satisfied that the arrangements had been appropriate and effective. Senate had approved the adoption of the International Holocaust Remembrance Alliance's (IHRA) definition of antisemitism.

Academic accountability annual report (QM2020/26)

- 2020.031 Council **considered** the academic accountability annual report. The following points were noted in the discussion:
- [a] The annual accountability report informed part of Council's responsibilities for the superintendence of academic assurance as part of the OfS's on-going conditions of registration. Council had received updates on academic assurance during regular meetings throughout the year. Going forward, more attention would be given to consumer protection in the reports to Council. From March 2020, the priorities for academic standards and quality had been focused on the development of contingency arrangements to mitigate the effects of the pandemic on student assessment, progression and award. The overall governance framework for quality standards had remained the same. The annex provided a brief statement as to how Queen Mary had complied against each condition of registration.

Audit and Risk Committee report (QM2020/27)

- 2020.032 Council **noted** the executive summary of the Audit and Risk Committee meetings held on 29 October and 10 November 2020.

Health, Safety and Fire annual report (QM2020/28)

- 2020.033 Council **received** the health, safety and fire annual report for 2019–20. The

following points were noted in the discussion:

- [a] Council asked about the delay to completing actions arising from the fire risk assessments. The introduction of extra resource in fire risk assessment last year enabled a review of actions to be undertaken, including a desktop review of all residences in December 2019. There had been a timing issue earlier in the year with scheduling fire risk assessments in residences where students were self-isolating but this was now back on track. The Chair of Audit and Risk Committee said that the internal audit on compliance with the UUK code on student accommodation had identified one residence where the fire risk assessment was overdue. Work had been done to ensure that this would not happen again and Audit and Risk Committee had been comfortable that this had been an isolated issue.
- [b] Council asked for future reports to include a summary of the support provided for staff wellbeing. Wellbeing sat across a number of directorates including Health and Safety and would be referenced in annual reports going forward.
- [c] Council thanked the Director of Health and Safety and her team for their fantastic work during a difficult time.

Remuneration Committee report (QM2020/29)

2020.034 Council **received** the Remuneration Committee report for meetings held on 09 and 23 October, and 5 November 2020. The following points were noted in the discussion:

- [a] The Committee had discussed the remuneration and objectives for the President and Principal and Senior Executive Team for the upcoming year. Limited pay uplifts had been awarded to senior staff whose pay had been below the sector median.
- [b] The Committee had dedicated a significant amount of time to discussing its own effectiveness. The Committee had identified the need for a revised process around business cases, which included a new template and longer lead in time. Council asked whether the proposed professorial appointment would be reconsidered by the Committee. The Committee was expecting to receive a revised proposal using the new template. Several points had been identified for Governance Committee to consider at its next meeting.

Remuneration Committee annual report (QM2020/30)

2020.035 Council **considered** the Remuneration Committee annual report for 2019–20. The following points were noted in the discussion:

- [a] Council asked whether adherence to Queen Mary values should be explicitly stated in the recruitment and appraisal of senior staff members. Although this was implicit in current policies, it would be embedded in the new drafts of HR policies. The Vice-Principal (People, Culture and Inclusion) would provide Council with an update in due course in the context of the People, Culture and Inclusion enabling plan.

- [b] Before leaving the meeting the President and Principal thanked Council members for their extra commitment and support this past year.

Process to consider the renewal of the appointment of the President and Principal (QM2020/31)

2020.036 Council **considered** the process to consider whether to renew the appointment of the President and Principal. The President and Principal left the meeting for this item. The following points were noted in the discussion:

- [a] The process was based on discussions with senior Council members and experienced individuals in Higher Education and other sectors. A panel drawn from the membership of Council would be created and would include members of Remuneration Committee who had experience of considering the remuneration and objectives for the President and Principal. The panel would commission a 360 appraisal from a third party supplier and would identify key internal and external stakeholders for consultation, including Council members, staff and students. The panel would conclude by making three recommendations to Council: whether to reappoint the President and Principal; the appropriate salary range; and a recommendation around the appropriate salary point based on the President and Principal's performance. Council **approved** the proposed process to consider the renewal of the appointment of the President and Principal.

Process to consider the re-election of the Chair of Council (QM2020/32)

2020.037 Council **considered** the process to consider whether to re-elect the Chair of Council. The Chair of Council left the meeting at this point and the Vice-Chair assumed the chair. The following points were noted in the discussion:

- [a] The process would be similar to that for the re-appointment of the President and Principal and would involve the appointment of a panel and a 360 assessment with key internal and external contacts. The recommendations would be brought back to Council. Council **approved** the process to consider the re-election of the Chair of Council.

Agenda for the next meeting (QM2020/33)

2020.038 Council **noted** the agenda for the meeting on 25 March 2021.

Any other business

Year end

2020.039 [a] The Vice-Chair of Council thanked university colleagues for their impressive efforts in responding to the pandemic. As it was the last formal Council meeting of 2020, she wished everyone a happy and healthy break over the festive season.

Dates of Meetings 2020–21

- Thursday 25 March 2021, 1600 hours, Colette Bowe Room, Mile End.
- Thursday 20 May / Friday 21 May 2021 – Residential conference including Council meeting.

- Thursday 08 July 2021, 1600 hours, Colette Bowe Room, Mile End.