

## **COURT OF GOVERNORS**

### **Minutes**

Minutes of the meeting held on Monday 20 November 2017 at 4.00pm in the Rootstein Hopkins Centre, London College of Fashion, John Princes Street, London W1G 0BJ

**Present:**

Sir John Sorrell CBE (Chairman)	Scott Mead
Lorraine Baldry OBE	Professor Susan Orr
Aisha Cahn	Diana Osagie
Nigel Carrington	Matthew Phull
Es Devlin OBE	Sim Scavazza
Terry Finnigan	Jane Slinn
David Fison	Nicolai Tangen
Harry Gaskell	Sir Eric Thomas
Andrew Hochhauser QC	Ben Terrett
Hansika Jethnani	Baroness Lola Young OBE
David Lindsell	

**In attendance:**

- Natalie Brett (PVC International & Head of LCC)
- Professor Frances Corner OBE (PVC Digital & Head of LCF)
- Professor David Crow (PVC Student Experience & Head of CCW)
- Martin James (Director of Finance)
- Stephen Marshall (University Secretary and Registrar, and Clerk to the Court of Governors)
- Naina Patel (Director of HR)
- Zioge Smith (Deputy University Secretary)
- Professor Jeremy Till (PVC, Research & Head of CSM)

**Apologies:**

- Kyran Joughin
- Louise Moore
- Alison Woodhams

### **1. ANNOUNCEMENTS, NOTIFICATION OF URGENT BUSINESS AND DECLARATIONS OF INTEREST**

- 1.1 Apologies from governors were received as set out above. There were declarations of standing interest from Sir John Sorrell and Andrew Hochhauser as trustees of the V&A regarding the LCF development. The Chairman welcomed Es Devlin to the meeting.

## 2. MINUTES OF THE MEETING HELD ON 25 SEPTEMBER 2017

**AGREED:** That the minutes of the meeting of the Court of Governors held on 24 September 2017 be approved as a true and correct record.

### 3. VICE-CHANCELLOR'S REPORT

*[part redacted]*

3.1 The Vice-Chancellor presented his report focusing on certain areas as set out below.

#### *Politics and Regulation*

3.2 The Vice-Chancellor explained that the University's forecast income for 2018-19 would be reduced by due to the Prime Minister's announcement that the higher £9,500 fee cap which was scheduled to be introduced in 2018 would not proceed. Given the current political situation, there was no realistic prospect of being able to increase Home/EU undergraduate fees in the foreseeable future. Accordingly, the University's long term financial sustainability would increasingly depend upon (i) the strength of international student demand and the sustainability of international fee levels and (ii) the University's success in generating income from other sources.

3.3 The Vice-Chancellor reminded governors that the original justification for the Teaching Excellence Framework (TEF) had been that universities which wished to increase their fees annually in line with inflation would need to submit to a judgement as to their teaching excellence. This link seemed to have been lost but the Government had now announced that all universities would be required to enter the TEF as a condition of registration under the new university regulatory regime. It was hoped that the severing of the link between fees and TEF would encourage UAL Students' Union to support participation in the NSS this year.

3.4 The Court had a conversation about the balance between fees, 'social justice' and keeping the University financially sustainable. It was suggested that more explanation could be given to staff and students around the complexity of funding due to troubled political times.

3.5 In response to a question about sensitivities around the possible funding cuts, the Vice-Chancellor responded that various scenarios were modelled, especially where the exposures lay (e.g. reduction in EU fees).

#### *Academic Strategy*

3.6 The Vice-Chancellor reported that the University's Academic Strategy was being reviewed under the leadership of the Deputy Vice-Chancellor (Academic). This was a major project designed to ensure that the University's academic provision met the developing expectations of its students and their likely career opportunities following graduation. A governor noted that the University was one of the leading lobbyists about the future of creative arts and that it would be helpful if both student and staff unions added their voices to the efforts.

#### *Academic Career Pathways*

3.7 Court members noted an update on the new Academic Career Pathways and that some trade union members had lobbied governors on this issue prior to the meeting. The Director

of HR provided further details about the consultation which had occurred and the engagement with the unions. Governors noted where progress was being made and that termly updates were being provided to the People Strategy Committee on this matter. Dialogue with the relevant union was ongoing.

**AGREED:** To note the contents of the Vice-Chancellor's report.

#### **4. MEMBERSHIP, CONSTITUTIONAL AND COMPLIANCE MATTERS**

##### **4.1 Governance Effectiveness Review**

4.1.1 The University Secretary and Registrar updated the Court on the Governance Effectiveness Review carried out by Dr Fletcher in summer 2017. Governors noted that Dr Fletcher had concluded in his report that the University continued to have in place a comprehensive framework and structure of governance generally, which conformed to the sector best practice.

4.1.2 It was noted that the Chairman's Committee had met in November to consider the recommendations of the Effectiveness Review report and would meet again in January. The full report and action plan would be presented at the March Court meeting.

##### **4.2 Search Committee**

4.2.1 The University Secretary and Registrar reported that the search for a new Chairman was to begin shortly, following the announcement of Sir John Sorrell CBE that he would be stepping down as Chair of the Court of Governors in July 2018.

**AGREED:**

- (i) To note that the full Effectiveness Review report will be presented at the March Court meeting following consideration by the Chairman's Committee;
- (ii) To approve the membership and terms of reference of the Chairman's Search Committee as well as the timetable for the recruitment of a new Chair.
- (iii) That the candidate pack /role specification should be circulated to governors before going to advert.

#### **5. CAPITAL BUDGET UPDATE**

*[part redacted]*

5.1 The Director of Finance presented a report on the current position with regards to Parts 1 to 4 of the Capital Budget which had previously been approved by the Court of Governors. Members had been kept up to date on capital programme developments and it was noted that good progress was still being maintained. A summary of the financial position for the Camberwell and LCF projects was provided.

5.2 The Court noted that, as the development at Elephant & Castle progressed, it had become clear that a further relatively small investment in the shell & core could have a significantly favourable impact on the outcome of the project. There was currently no contingency for the shell & core and it was proposed to introduce an allowance under the control of the Steering Board. A proposed allocation was set out within the report.

**AGREED:**

- (i) To note that Camberwell Hall of Residence (**Part 1**) was progressing according to plan;

- (ii) To note that there were no changes to the overall cost of Part 1 of this project.
- (iii) To note that the Camberwell Academic Extension (**Part 2**) was progressing according to plan;
- (iv) To note that there were no changes to the overall cost of Part 2 of this project.
- (v) To note progress with the LCF development project (**Part 3**);
- (vi) To note that there were no proposed changes to UAL's contribution to the LCF project.
- (vii) To note that the LCC Elephant & Castle project (**Part 4**) was progressing according to plan;
- (viii) To approve the proposed increase in the cost envelope for the LCC Elephant & Castle project as set out within the report.

## **6. FINANCIAL STATEMENTS:**

### **6.1 Annual Report of the Audit Committee**

- 6.1.1 An Audit Committee member (on behalf of the Audit Committee Chair) introduced the Annual Report of the Audit Committee 2016-17. The report provided assurance to the Court of Governors that satisfactory reliance could be placed on the University's arrangements for risk management, control and governance; promoting economy, efficiency and effectiveness; and for the management and quality assurance of data submitted to HESA, HEFCE and other funding bodies.

**AGREED:** That the Annual Report of the Audit Committee should be received.

### **6.2 Approval of Financial Statements for Year Ended 31 July 2017 [part redacted]**

- 6.2.1 The Director of Finance presented to the Court of Governors the draft financial statements, which both the Audit and Finance Committees had recommended for approval.
- 6.2.2 The Director of Finance reported that the University's financial performance had been strong in 2016-17, and that outside of the technical pension adjustments, the University had achieved an underlying surplus which met the required level for 2016-17 needed to help fund UAL's capital programme.
- 6.2.3 The Court noted that a small dip in overseas fees had been mitigated by tight control on expenditure and short course fees.

- AGREED:**
- (i) To give the required written confirmation to the external auditors relating to compliance with law and regulations.
  - (ii) To endorse the proposed written confirmation to the external auditors with regard to related party disclosures.
  - (iii) To give the required written confirmation to the external auditors relating to internal control systems, fraud and error.
  - (iv) To give the required written confirmation to the external auditors relating to the full effect of all transactions being reflected in the financial statements.
  - (v) To give the required written confirmation to the external auditors relating to pension liabilities.
  - (vi) To give the required written confirmation to the external auditors relating to heritage assets.
  - (vii) That the financial statements should be adopted by the Court of Governors for signature by the Vice-Chancellor, Chairman of the Court and Chairman of the Finance Committee, subject to any amendments required by the external auditors.

### **6.3 Annual Sustainability Assurance Report (ASSUR)**

6.3.1 The Associate Director of Finance presented this report which had been considered by the Finance and Audit Committees. Overall the finance elements of the return demonstrated a favourable position and that the University had a good level of sustainability. In line with the 2015-22 strategy, there were many initiatives underway with the aim of further improving some of the non-finance elements of the return.

**AGREED:** To approve the ASSUR report for the year ended 31 July 2017 for signature by the Chairman of the Court of Governors as recommended by the Finance Committee and endorsed by the Audit Committee.

## **7. SLAVERY AND HUMAN TRAFFICKING STATEMENT**

7.1 The Associate Director of Finance presented this report to the Court of Governors. Commercial organisations were required to publish an annual slavery and human trafficking statement that set out the steps taken to ensure that slavery and human trafficking did not take place in the organisation or in any part of its supply chain. Universities fell within the Modern Slavery Act's definition of 'commercial organisations'.

7.2 It was noted that the guidance was not static and that the University was reviewing its supply chain. Governors requested to have sight of the University's suppliers' contractual requirements.

**AGREED:**

- (i) That contractual requirements for suppliers should be circulated to governors for information.
- (ii) To approve the annual Slavery and Human Trafficking Statement for the year ended 31 July 2017.

## **8. REVISION OF STANDING FINANCIAL ORDERS**

- 8.1 The Director of Finance presented this report which summarised the proposed changes to the University's Standing Financial Orders. The changes had already been considered and endorsed by the Finance and Audit Committees. The full document was reviewed by Internal Audit in 2016 and it was not proposed that they carry out a review of the proposed changes as they were operational in nature.
- 8.2 The Court noted that the proposed changes related to expenditure and payment authorisation limits. These limits had not been changed since 2014 and the upward revisions were required to reflect both general price inflation and operational efficiency.

**AGREED:** To approve the Standing Financial Orders.

## **9. STUDENT RECRUITMENT**

*[part redacted]*

- 9.1 The Deputy Vice-Chancellor (Academic) gave a presentation to the Court of Governors on UAL student recruitment. He pointed out that the University was delivering against its recruitment programme, improving and refining its offer targets. There was still some volatility in enrolment figures against target. Governors noted that the University was over target in its year one student recruitment for international, UK and EU. These figures encompassed Further Education, undergraduate and postgraduate recruitment.
- 9.2 The Court also noted College enrolments and that strongest recruitment had been from the EU. They noted that areas of strength in student recruitment had been course and not college based and that the colleges were at different points in achieving their strategies. The DVC (Academic) reported that weaknesses were clear in the UK market pipeline which was partly related to the STEM agenda in schools.
- 9.3 Future recruitment planning included partnerships and progression in the UK pipeline, increased UK recruitment activity and UK market research analysis. There would also be an EU recruitment strategy informed by market research and work towards sustaining existing and diversifying into new markets.
- 9.4 In response to a question, the DVC explained how the University was getting better at addressing the diversity in the market. Many courses remained highly selective and offers were the result of deliberation, rather than speculation.
- 9.5 Governors thanked the DVC for his presentation and for the effort put behind making the recruitment programme work.

**AGREED:** To note the presentation on Student Recruitment.

## **10. GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE**

- 10.1. The University Secretary and Registrar presented this report which summarised the work carried out to date on the new GDPR and implementation plan. Governors welcomed the update and it was suggested that a statement on how UAL would treat staff and student data could be put up on its website.

**NOTED**

**11. ETHICS AND ACCEPTANCE OF GIFTS & DONATIONS POLICIES**

- 11.1 The University Secretary and Registrar presented both policies to the Court of Governors, noting that they had both received indicative approval from the University Executive Board and the Audit Committee.
- 11.2 A governor suggested a revision requiring donors to sign a formal gift agreement for any donations above £50k.

**AGREED:** To approve the Ethics and Acceptance of Gifts & Donations policies, subject to the suggested amendment.

**12. PREVENT DUTY ANNUAL REPORT**

- 12.1 The University Secretary and Registrar presented this report which provided an update on the University's work on the implementation of the Prevent Duty. The updated risk assessment and action plan had been subject to detailed consideration by the Audit Committee. The Secretary of State for Business, Innovation and Skills delegated to HEFCE responsibility for monitoring compliance of the Prevent duty for relevant English higher education providers and through the annual report, HEFCE would be seeking assurance from governing bodies that the University had continued to have 'due regard' to the Prevent duty over the previous year.
- 12.2 Following a discussion about Staff Unions and the NUS 'Anti-Prevent' stance, governors noted that no alternative to the Prevent Duty had been proposed by those who felt it was islamophobic and racist and that should such alternatives be presented, they would be welcome as the basis for a discussion.

**AGREED:** To approve the Prevent Annual Report due for submission to HEFCE on 1 December 2017.

**13. STUDENT GOVERNOR REPORT**

- 13.1 The Student Governor presented her report which provided information on activities undertaken to date and especially in the first term of the year. She highlighted key challenges facing students and a campaign to 'Fix the fees' so that the cost of fees stayed the same for the duration of a course. A governor suggested that further reports should look at achievement of the Students' Union strategic plan which was shared with governors in July 2017. The Student Governor agreed to circulate the strategic and action plans.
- 13.2 Governors welcomed this report and thanked the student governor for her work with the Learning and Teaching Exchange to organise open discussions between staff and students on the attainment gap. It was noted that the University worked closely with the Student Union on key topical issues.

**AGREED:** To receive the Student Governor report and to note the activities and achievements of the Students' Union in 2017-18.

## 14. STAFF ENGAGEMENT SURVEY UPDATE

*[part redacted]*

- 14.1 The Director of Human Resources presented this report to the Court of Governors. It was noted that the University had conducted a full staff engagement survey in February 2017. The results were communicated to staff in May and published on the intranet in June 2017. Action planning had commenced to address areas of vulnerability.
- 14.2 Governors discussed the findings of the survey in relation to disabled staff and areas for improvement. There had been an increase in staff disclosure of disability which was reflected in the survey and work had commenced on the findings. The Court discussed the issue of bullying; the University's work to address any reported incidents and its zero tolerance approach.
- 14.3 It was noted that sexual harassment was now discussed more openly and staff and student complaints were carefully monitored. There was a 'Tell Someone' campaign for students as well as a reporting landing page on the intranet for staff/students to report concerns anonymously. Amongst other initiatives, there was also a dialogue with the Student and Trade Unions to ensure a more joined up approach. Governors suggested that a report be brought back to the March Court meeting.

**AGREED:**

- (i) To note the findings of the staff engagement survey;
- (ii) To receive an update on actions around bullying, concerns by disabled staff and sexual harassment at the next Court meeting.

## 15. QUALITY ASSURANCE REPORT

- 15.1 The Deputy Vice-Chancellor (Academic) presented the Annual Quality Assurance & Enhancement report to governors. In 2016, the HEFCE revised operating model for quality assessment laid out a new role for University governing bodies in providing annual assurances to HEFCE on the academic governance arrangements as part of the Annual Accountability Return to HEFCE.
- 15.2 Governors noted the report and the DVC reported that a piece of work was being carried out around consistency of approach in assessment feedback across the university. Governors noted the rise in student appeals which were mainly due to extenuating circumstances.

**AGREED:** To note the Quality Assurance report.

## 16. MINUTES OF COMMITTEES

**AGREED:** To receive the minutes of and endorse the recommendations from the following committees:

- a. Academic Board – 22 June 2017
- b. Audit Committee\* – 21 September 2017
- c. Audit Committee\* – 2 November 2017

*\*The Court of Governors is asked to: note the top five risks as set out in the minute annex (Item 6).*

*\*The Court of Governors is asked to: approve the reappointment of PwC LLP as the*

*internal auditor to the University and its subsidiary companies, for the year ending 31 July 2018 (as recommended by the Audit Committee)[Item 12].*

*\*The Court of Governors is asked to: approve the reappointment of KPMG LLP as the external auditor to the University and its subsidiary companies, for the year ending 31 July 2018 (as recommended by the Audit Committee). [Item 13]*

- d. Conferments Committee\* – 5 October 2017
- e. Remuneration Committee\* - 18 October 2017

*\*The Court of Governors is asked to: receive and note the Vice-Chancellor's objectives for 2017-18, as endorsed by the Remuneration Committee and set out at Minute Annex 1.*

*\*The Court of Governors is asked to: receive and note the Annual Report of the Remuneration Committee 2016-17, as endorsed by the Remuneration Committee and set out at Minute Annex 2.*

- f. People Strategy Committee\* – 18 October 2017
- g. Estates Committee\* – 30 October 2017
- h. Finance Committee\* – 30 October 2017

[**Agreed:** to endorse the reappointment of PwC LLP as the Internal Auditor to the University and its subsidiary companies for the year ending 31 July 2018].

[**Agreed:** to appoint KPMG LLP to provide external audit services to the University for a one year period initially, for the financial year ending 31 July 2018]

## **17. ANY OTHER BUSINESS**

### **17.1 Breaking Bias**

The Chair of the People Strategy Committee reminded governors who had not yet completed the Breaking Bias online module to do so.

### **17.2 Update on Camberwell Campus development [part redacted]**

The new and refurbished academic buildings at Peckham Road, Camberwell were now in use. The Chair of the Estates Committee said that he was aware that some estates concerns had been raised at the beginning of term and steps had been taken to correct them. If considered necessary, this would be reported to Court.

### **17.3 Date and time of next meeting**

**NOTED:** That the next **ordinary** meeting of the Court of Governors would take place as follows:

- Monday 26 March 2018 at 4.15pm in HH302, 3<sup>rd</sup> floor, High Holborn, WC1V 7EY.

The meeting concluded at 6.45pm.

**Signed as a true and correct  
record**

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**CHAIRMAN**

**Date**

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