

Academic and Governance Services

Council

20/46 A meeting of the Council was held online on Monday 6 July 2020 at 2.15 pm.

The President
 The Vice-Presidents (Mr R.E.R. Evans and Mrs K. Owen)
 The Vice-Chancellor
 The Deputy Vice-Chancellor
 The Pro-Vice-Chancellor (Professor M. Fellowes)
 The Pro-Vice-Chancellor (Professor E.M. McCrum)
 The Pro-Vice-Chancellor (Professor D. Zaum)

Professor J. Board	Ms S. Maple
Mr K. Corrigan	Mr P. Milhofer
Mrs P. Egan	Miss R. Osbourne
Professor C.L. Furneaux	Mr S.C.C. Pryce
Mrs H. Gordon	Mr N. Richards
Professor Uma Kambhampati	Dr C. Shaw
Miss B. Karki	Mr J. Taylor
Mr J. Magee	Ms S.M. Woodman

In attendance:

The Chief Strategy Officer and University Secretary
 The Chief Financial Officer
 Professor J. Gibbins
 The Dean for Diversity and Inclusion (for Minute 20/51 only)
 The Director of Quality Support and Development

Apologies were received from Mr T. Beardmore-Gray.

The President welcomed Miss Osbourne, RUSU President, and Miss Karki, RUSU Welfare Officer, to their first meeting of the Council.

20/47 The minutes (20/31–20/42) of the meeting held on 12 May 2020 and the minutes (20/43–20/45) of the meeting held on 15 June 2020 were confirmed and signed.

Items for note

20/48 Membership of the Council

Class 7

It was reported that, consequent upon the Students' Union elections, the following would be members of the Council in the Session 2020-21:

Members:

Miss Rachel Osbourne RUSU President
Miss Bandana Barki RUSU Welfare Officer.

20/49 Documents sealed and to be sealed (Item 4.1)

The Council received a list of documents sealed and to be sealed.

Resolved:

'That the Council approve the action taken by the Officers and Members in affixing the University Seal to documents sealed since the last Ordinary Meeting of the Council and authorise the Seal of the University to be affixed to the documents to be sealed as now reported.'

20/50 Declarations of Interest Register 2019-20 (Item 4.2)

The Council received the Declarations of Interest Register 2019-20.

Main item of business: strategic matters for discussion and decision

20/51 Diversity and Inclusion (Item 5)

The Council received the Diversity and Inclusion Annual Report 2018-19 and a presentation from the Deputy Vice-Chancellor and Dr A. Laville, Dean for Diversity and Inclusion, explaining the background to the report and providing an update on more recent developments.

The Deputy Vice-Chancellor and Dr Laville outlined: the robust leadership and governance arrangements for equality, diversity and inclusion; the progress achieved against key priorities; the continuing challenges in embedding awareness and consideration of equality, diversity and inclusion across the University; and how these challenges were being addressed.

The Deputy Vice-Chancellor was pleased to report, in relation to gender, that the University had achieved Institutional Athena Swan Silver recognition in 2020, placing it in the top 17% of universities. She also noted the University's pioneering approach to job-sharing, which included two roles on the University Executive Board being held as job shares. In relation to race, she spoke of the University's ambition to achieve the Race Equality Charter Mark and progress against the three-year Action Plan, including increases in the proportion of BAME staff in higher grades and a reduction in the student attainment gap.

In relation to sexual orientation, Dr Laville referred to the University's success in remaining a Stonewall Top 100 Employers for two successive years, the high levels of engagement in the staff feedback survey around LGBT+, and the visibility of LGBT+ role models and allies across the University. Work was ongoing on bi awareness and a review of policies and training to include biphobia and transphobia examples. In relation to disability, he noted the reduction

in the attainment gap, gave an account of those groups supporting progress in this area, and spoke of the continuing work on disability awareness training. Dr Laville explained that the University's work on equality, diversity and inclusion was rooted in the University's values and beliefs and in the experiences of its community, but was also a business imperative offering a competitive advantage. It was not simply a matter of legal and regulatory compliance.

In response to questions, the Deputy Vice-Chancellor and Dr Laville spoke of the challenges of normalising conversations across the various characteristics and overcoming the discomfort many felt in discussing these issues. Working towards the various charter marks helped to develop awareness of equality, diversity and inclusion across the University, to embed further these values in the University's culture, and to normalise conversations around these matters. The University was also successful in engaging the public with equality, diversity and inclusion issues through its public lectures series, seminars, and participation in networks.

The Council thanked the Deputy Vice-Chancellor and Dr Laville for their presentation, and commended the University's progress in this area.

Resolved:

'That the Diversity and Inclusion Report, now submitted, be received.'

Matters for report

20/52 Oral Report on RUSU Priorities (Item 6.1)

Miss Osbourne and Miss Barki reported that the new sabbatical team was currently refining its priorities for the coming year, based on ~~the~~ their manifesto commitments and drawing on the experience and expertise of the RUSU management team. Key themes would include: improvements in feedback to students on assessed work; student support; study space; and the maintenance of a high quality student experience notwithstanding restrictions imposed by the Covid-19 pandemic and actions taken to mitigate the pandemic's financial consequences. The officers would report to Council at its next meeting on the progress of their work.

In response to questions, Miss Osbourne and Miss Karki indicated that students' reactions to the University's response to the pandemic had been mixed: some had had a positive experience of online delivery of teaching and assessment, others less so; and, while many students had been disappointed by the University's rejection of a 'no detriment' policy, the safety net and other measures had generally been seen as a reasonable compromise.

The Council joined the President in wishing them an enjoyable and productive year.

20/53 Report of the Student Experience Committee (Item 6.2)

The Council received the Report of the meeting of the Student Experience Committee held on 23 June 2020.

Mrs Owen, as Chair of the Committee, commended the energy and imagination of the RUSU officers in their pursuit of an excellent student experience in challenging times. It had been evident in the reports received by the Committee that RUSU and the University had worked together with enthusiasm and determination to address difficult issues and to bring about major change in many practices and policies, some as temporary

adaptations and others with the potential for adoption in the longer term. There was a strong spirit of partnership which allowed the natural and necessary tensions in the relationship to be productive and to ensure that decisions were well-considered and robust. She also praised the resilience of students in adapting to difficult circumstances and new practices at a critical point in the academic year.

The Council praised the impressive contribution of the outgoing RUSU team and looked forward to working with the new team over the next year.

Resolved:

'That the Report of the meeting of the Student Experience Committee held on 23 June 2020, now submitted, be approved.'

20/54 Report of the Vice-Chancellor (Item 7)

The Council received the Report of the Vice-Chancellor.

In respect of the post-Covid-19 recovery plan, the Vice-Chancellor reported that the consultation group, which included representation from the University and College Union (UCU) and the Staff Forum, had now met six times and would continue to meet three times a week until at least the end of July. Discussions were at an early stage, but the Vice-Chancellor was conscious of the imperative for the group to reach a collective agreement on how to reduce redundancies. Minutes of meetings and key documents were being published.

He noted that the meetings to date had focussed on sharing information and discussing the model used to understand the possible financial impact of the pandemic and inform the University's planning. The UCU had also been interested in exploring the University's previous decisions in relation to the University of Reading Malaysia and the contract with UPP. The Vice-Chancellor believed that the discussions were now beginning to progress from information-sharing to consideration of opportunities for cost-saving and reduction of potential redundancies.

The Vice-Chancellor explained that the financial position for 2020/21 and the following years depended on student enrolments in September 2020 and would remain unclear until that point. In order to ensure the best outcome for the University and its community, it was important to undertake contingency planning at this stage, which would allow timely action if the financial position was relatively poor, but which did not commit the University to any action if the position was better than modelled.

At the request of Council, the Vice-Chancellor agreed to undertake a light-touch review of the model to ensure its validity in the light of recent changes in government policy, emerging details of its support package for the sector, surveys and studies of student/applicant sentiment, and forecasts of student recruitment. He noted that the assumptions informing the model aligned broadly with those used in modelling by the Institute of Fiscal Studies.

In response to a question from Mrs Egan, the Vice-Chancellor explained that the government's measures in support of the sector, which had been announced recently, lacked detail. While the support for early career researchers and other elements of the package were certainly positive, it was not clear whether the measures taken as a whole would have a major impact for the University.

In response to a question from Mr Milhofer, the Vice-Chancellor indicated that, while the government was willing to invest in research ~~in~~ and areas related to health and directly relevant to the economic recovery, it was sceptical about the value of some undergraduate education and about the size and shape of the sector. Its priorities were the discontinuation of 'low value' degree programmes (defined in terms of graduate salaries) and -the promotion of skills-based education serving the needs of local economies. It was therefore unrealistic to expect the government to provide a general support package for the sector.

Resolved:

'That the Report of the Vice-Chancellor, now submitted, be approved.'

20/55 Report of the Senate (Item 8)

The Council received the Report of the meeting of the Senate held on 25 June 2020.

The Vice-Chancellor noted that the amendments to the Ordinances replaced gendered with gender-neutral language, and renamed the Department of Art as Reading School of Art.

The Deputy Vice-Chancellor explained that the Concordat to Support Research Integrity, published in October 2019, provided a framework for good research conduct and governance. The Concordat introduced a requirement that the governing body consider and, if appropriate, approve an annual statement of compliance.

Resolved:

'That:

1. the draft revisions to the Ordinances, now submitted, be approved;
2. the annual statement of compliance with the Concordat to Support Research Integrity 2019-20, now submitted, be approved;
3. the Report of the meeting of the Senate held on 25 June 2020, now submitted, be approved.'

20/56 Report of the Strategy and Finance Committee (Item 9.1)

The Council received a Report of the meeting of the Strategy and Finance Committee held on 8 June 2020.

In relation to the proposed terms of usage of the RET, the Council noted that the Investments Committee had been asked to consider the proposed arrangements and that a final proposal would follow.

In relation to the Financial Report 2019/20: Quarter 3, the Chief Financial Officer reported that the forecast indicated a surplus of £35m, which included variances of +£44m in respect of the USS pension provision, -£18m from the removal of the surplus for Cutbush Lane South A, and -£9.5m due to the loss of Campus Commerce income.

Resolved:

‘That:

1. the Financial Report 2019/20 Quarter 3 Forecast, now submitted, be received;
2. the Report of the meeting of the Strategy and Finance Committee held on 8 June 2020 relating to items for report, now submitted, be received.’

20/57 Approval of the University budget 2020/21 (Item 9.2)

The Council received the proposed University budget 2020/21.

The Chief Financial Officer explained that the budget had been developed initially as part of the Sustainable Planning Process, which had concluded in late February 2020 (before the onset of Covid-19 in the UK) and had reported to the Strategy and Finance Committee. At that stage, the budget indicated a deficit of some £7m. The University budget, now submitted, factored in the potential impact of Covid-19 to reflect the worst case scenario which had been modelled and its impact. As part of the process to meet the demands of this abnormal time, Council was invited to note and approve the University Group budget which was planned to deliver a deficit of £52m. She noted that the budget had necessarily been constructed on the basis of assumptions which would, in due course, prove to be incorrect. She assured the Council that the budget would be reviewed and revised in early autumn in the light of student numbers.

The Council discussed the budget at length. Lay members noted that the budget as it stood included a reduction in income amounting to £52m and a reduction in costs amounting to only £1m, expressed concern about this disparity, and asked whether further reductions in costs could be achieved during the period of the budget, and, in particular, over the next four or six months. The Vice-Chancellor and the Chief Financial Officer explained that: the University had already discontinued most of its capital projects; the continuing operational cost controls which had been successful to date would be offset by the substantial additional expenditure associated with adaptations to the campus; and that substantial longer term savings would be achieved through the Phase 2 restructuring work. The Vice-Chancellor indicated that it would be possible to reduce some relatively small cost factors, but that such measures would cause long-term damage to research and the student experience which would be disproportionate to the short-term gain. Given the internal and external requirements around major restructuring, there were limited opportunities to reduce costs in the short term. The University’s phased approach to restructuring was designed to achieve substantial savings from 2021/22 and to ensure a strong and sustainable future for the University.

The Council remained concerned that the budget delivered a deficit of such magnitude. It recognised, however, that there was radical uncertainty about the University’s income for 2020/21 which would be resolved, to a large extent, following the completion of the recruitment cycle in August/September. Having considered the matter carefully, Council

agreed to approve the budget, but required the University Executive Board to present in the autumn a revised budget which took account of admissions and its financial implications and addressed the deficit.

Resolved:

‘That the University Budget 2020-21, now submitted, be approved for now, with an updated version to the submitted to the Council in the autumn term.’

20/58 Report of the Audit Committee (Item 10)

The Council received the Report of the meeting of the Audit Committee held on 4 June 2020.

In the absence of the Committee’s Chair, Mr Richards explained that, in considering the draft Risk Register for 2020/21, it had been agreed to include a separate risk related to the pandemic rather than adjust all the existing risks.

He indicated that, in the context of the pandemic, it might be prudent to increase the Audit Plan’s focus on emerging risks.

Resolved:

‘That the Report of the meeting of the Audit Committee held on 4 June 2020, now submitted, be approved.’

20/59 Report of the Investments Committee (Item 11)

The Council received the Report of the meeting of the Investments Committee held on 8 June 2020.

Mr Pryce, as Chair of the Committee, reported that the Committee had questioned whether the relatively high absolute rates of return targeted by the University were too ambitious for the University’s trusts and for funds which were to be used as a short-term liquidity buffer, given the volatility and risk profile of such equities. He also referred to the terms of usage of RET funds, and noted that the £50m to be held as a designated fund was expected to generate in the region of £1.8m interest; 15% of any asset sales the interest would be reinvested in the University’s portfolio and the balance of the interest would be allocated to support the University’s activity more widely. The remaining £1227m capital from the RET fund, alongside its land and property assets, would be available to support the University’s growth.

Resolved:

‘That the Report of the meeting of the Investments Committee held on 8 June 2020, now submitted, be approved.’

20/60 Report of the Appointments and Governance Committee (Item 12)

The Council received the Report of the meeting of the Appointments and Governance Committee held on 9 June 2020.

The President noted that the Council had previously agreed that increasing the diversity of its membership would be a primary factor in the forthcoming recruitment to three vacancies for lay members. The Committee had considered how this might be achieved. It recognised that affordability might be a barrier for potential lay members from more diverse backgrounds, and noted that an increasing number of universities were offering remuneration for the role. The Committee had decided not to pursue this option further at this stage, especially in the light of the current need for major cost-savings and possible redundancies. It had agreed that the current arrangement of offering to meet lay members' expenses be made clear to potential applicants, and that it should explicitly include not only travel but also, for example, caring commitments. Vacancies would also be advertised through a wider range of media, but, if this did not attract a diverse field of applicants, the University would consider using the services of a recruitment agency.

The President reported that the current or impending vacancies on the Strategy and Finance Committee and the Investments Committee would be filled following the appointment of new lay members.

Resolution:

'That:

1. Ms Helen Gordon be appointed to the Appointments and Governance Committee and Mr Beardmore-Gray attend by invitation;
2. Ms Helen Gordon attend the Remuneration Committee by invitation;
3. the Report of the meeting of the Appointments and Governance Committee held on 9 June 2020, now submitted, be approved.'

20/61 Report of the Remuneration Committee (Item 13)

The Council received the Report of the meeting of the Remuneration Committee held on 9 June 2020.

The Council noted that the annual Professorial and Senior Salary Reviews had been paused, and that discussions in relation to salary savings were ongoing.

Resolved:

'That the Report of the meeting of the Remuneration Committee held on 9 June 2020, now submitted, be approved.'

20/62 Retirements from the Council

The President noted that Mr Evans, Ms Woodman, and Professor Furneaux would complete their periods of office before the next meeting of the Council. The President

paid tribute to their outstanding contribution to the work of the Council, which, in the case of Mr Evans and Ms Woodman, included terms as Vice-President. He was pleased to announce that the University had agreed to confer on Mr Evans and Ms Woodman the title of Distinguished Fellow of the University. Mr Evans and Ms Woodman thanked the University for this honour.

Mr Evans, Ms Woodman and Professor Furneaux spoke warmly of their experience on Council and commended Council for its effectiveness in fulfilling its governance responsibilities.

20/63 List of Meetings for 2020/21 (Item 15)

Meetings of the Council in the next Session were provisionally scheduled to take place as follows:

Wednesday 25 November 2020, 10.00 am-2.00 pm
Thursday 26 January 2021, 2.15-5.00 pm
Monday 15 March 2021 2.15-5.00 pm
Monday 5 July 2021 at 2.15-5.00 pm.

It was agreed that an additional brief meeting might be held around the end of September to receive a report on student recruitment and consider its financial implications.