

Council

22/51 A meeting of the Council was held in the Meadow Suite, Park House on Thursday 22 September 2022 at 12 noon.

The President
The Vice-Chancellor
The Deputy Vice-Chancellor
The Pro-Vice-Chancellor (Professor E.M. McCrum)
The Pro-Vice-Chancellor (Professor M. Fellowes)
The Pro-Vice-Chancellor (Professor D. Zaum)

Mr S. Alexander	Mr J. Magee
Mr S. Allen	Mr A. McCallum
Professor J. Board	Mr P. Milhofer
Mrs S. Butler	Ms L. Moses
Mr K. Corrigan	Mrs S. Plank
Mrs P. Egan	Mr N. Richards
Professor R. Frazier	Dr C. Shaw
Professor J. Gibbins	Ms J. Young
Miss P. Lindsey	

In attendance:

The Chief Strategy Officer and University Secretary
The Chief Financial Officer
The Director of Quality Support and Development
The Director of Estates (for Minute 22/59 only)
The Chief Digital and Information Officer (for Minute 22/59 only)
The Strategy and Space Management Director (for Minute 22/59 only)

Apologies were received from Mr S. Ali, Ms S. Maple, Professor U. Kambhampati and Mrs K. Owen.

The President welcomed Mr S. Alexander, Mr A. McCallum and Ms J. Young to their first meeting of Council, and Mr S. Ali, who was unable to attend, to its membership.

The meeting was preceded by a presentation, given by Andrew Hargreaves, DataHE, on the University's performance and prospects in relation to undergraduate recruitment (see Annex 1).

22/52 President's introductory remarks

The President expressed the University's condolences to the Royal family on the death of Her Majesty Queen Elizabeth II, and paid tribute to her service for over 70 years to the nation and, in her role as Visitor, to the University. The Visitor, who historically had served as the final arbiter of disputes in the University, was now a symbolic role, but had been valued by the Queen and was certainly valued by the University. The Vice-Chancellors of those universities for which the Queen had been Visitor had been invited to her state funeral. HM King Charles III was now the University's Visitor.

The President thanked colleagues for their support and welcome to her as she assumed her new role. She referred to the range of expertise and insight represented in Council and expressed her confidence that collectively its membership was well-placed to fulfil its role, providing high support and high challenge to the Vice-Chancellor and the executive. She was committed to building on the achievement of Paul Preston, her predecessor as President, in fostering a culture of trust and confidence, rigour, and wise decision-making which would ensure that the University flourished and grew, was accessible across society, and made a distinctive contribution across the range of its activities. She would seek to support Council members, individually and collectively, in meeting this challenge.

The President noted that Tom Beardmore-Gray had resigned from Council due to his other commitments. She expressed Council's gratitude for his invaluable contribution, as a member and as Vice-President, across the range of its work.

22/53 The Minutes (22/30-22/50) of the meeting held on 4 July 2022 were confirmed and signed.

22/54 Membership and Terms of Reference (Item 5.1)

The Council received a statement of its Membership and Terms of Reference.

22/55 Council Standing Orders (Item 5.2)

The Council noted the Council Standing Orders.

22/56 Documents sealed and to be sealed (Item 5.3)

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.'

22/57 Disclosure of Interests (Item 5.4)

The Council received a list of members' interests and members were asked to notify the University Secretary of any amendments.

22/58 Financial Plan 2022-27 (Item 6)

The Council received the Financial Plan 2022-27.

The Chief Financial Officer explained that the University Executive Board (UEB) had carefully considered the Financial Plan and scrutinised its assumptions and projections. UEB was mindful of the volatility in the current financial and economic environment and the challenges which this necessarily presented in financial planning. The Financial Plan was relatively cautious in its assumptions and included provision for flexibility to respond to changing circumstances. Whereas previously the University had generally broken even on its operations and had funded development from its investment income or capital, the University was now leveraging its assets more effectively, planning for sustainable growth in student numbers, making provision to repay a portion of its debt, and reserving income to invest in strategic development of education and research. A range of initiatives, including the development of film studios and museum facilities on Thames Valley Science Park (TVSP), had allowed an extra £30m per annum of income to be included in the plan from 2025/26 onwards. The Chief Financial Officer indicated that she was naturally concerned about current and future inflation, but that, within current projections, increases in inflation could be accommodated by reducing the amount assigned for investment. The University's success in reducing its carbon footprint served to mitigate the increases in energy costs. UEB was cautiously optimistic about the future, and was confident of moving to a position where it consistently returned a surplus.

The Chief Financial Officer noted that the current year's deficit budget reflected the ongoing impact of Covid as the smaller undergraduate entry cohort in September 2020 was now in the third year of their programmes. The University's cash holdings were slightly better than predicted and it had not been necessary to draw on any liquidity reserves since 2020.

She advised that, in accordance with the principle now proposed by the Appointments and Governance Committee, Council was considering the paper in the first instance, and that, on referral from Council, Strategy and Finance Committee would give the paper further, detailed scrutiny.

In response to questions, the Chief Financial Officer confirmed that UEB would fulfil its objective to reduce the deficit for 2022/23 from £-21m (as originally indicated in the proposed budget in July) to £-14m through a range of decisions and other factors. She was confident that the deficit would not deteriorate. She reported that the impact of inflation at different rates had been modelled and that tolerances had been factored into the plan, although rampant inflation would be harder to manage. [Redacted, section 43].

In response to questions from Mr Corrigan, the Pro-Vice-Chancellor (Academic Resource and Planning) reported that: the University had made good progress in generating rental income from space which had been identified as excess to requirements as part of an ongoing rationalisation exercise; efficiencies and savings from the last voluntary redundancy scheme had reduced the cost base; and that, while forecasting student recruitment was complex and required caution, UEB believed that its estimates for student growth were realistic and could be achieved while raising the quality of the intake. The Chief Financial Officer also referred to the commercial income generated from TVSP, the continuing high demand from potential tenants, and the strategic decisions which would soon be required on the allocation of space across different sectors of activity. She explained that the University's credit-rating by S&P was A- (stable investment grade with strong capacity to meet financial commitments), and, while the University was not seeking further loans, this rating offered strong assurance of the University's financial base. The Chief Financial Officer was happy to share the data which informed S&P's rating, and would consider with S&FC colleagues whether its metrics might be considered in more detail. .

In response to a question from Mr McCallum, the Chief Financial Officer acknowledged that, given the current interest rates relative to the rate of inflation, there was an argument for maintaining rather than paying down the University's loans; she indicated, however, that the University's gearing was relatively high and that some modest repayment would be prudent.

In response to questions about the status of the Financial Plan, the Vice-Chancellor clarified that the Financial Plan set out a framework of assumptions, projections and proposals which was designed to provide Council with a clear overview of the University's financial position and direction of travel. This framework would enable Council confidently to understand the context of specific proposals for strategic projects which would be coming forward during the planning period, each of which would require specific approval, in due course, by Council or the Strategy and Finance Committee. He reminded Council that Council's approval was required for expenditure of £10m or more and the approval of Strategy and Finance Committee for expenditure in the range £1m-<£10m. Council was not being asked, at this stage, to approve spending on any of the specific projects included in the Plan, but rather to approve the Plan as a framework, which would then allow detailed planning for specific projects and other activities to proceed. Subject to Council's approval, the Financial Plan over its life would be flexed in the light of circumstances, and proposals for projects would take account of prevailing conditions. The Financial Plan had been developed, at the request of Council, to provide such a framework to inform decision-making. Council welcomed this clarification, confirmed that the Financial Plan fulfilled this purpose, and was pleased to adopt the Resolution, subject to an amendment to include reference to the plan being a basis for planning.

Council asked the Strategy and Finance Committee to review the details of the Financial Plan and report to Council at its November meeting and thereafter as required.

Resolved:

"That the Financial Plan, now submitted, be approved as a basis for planning and as a mechanism to help Council hold the University Executive Board to account.

22/59 Digital Strategy 2022-27 and Estate Strategy 2022-32 (Item 7)

The Council received the Digital Strategy 2022-27 and the Estate Strategy 2022-32. The Chief Digital and Information Officer gave a presentation on the Digital Strategy, and the Director of Estates and the Strategy and Space Management Director a presentation on the Estate Strategy.

The Chief Strategy Officer and University Secretary explained that the Digital Strategy and the first five years of the Estate Strategy were deliverable within the amount of funding recommended, and were consistent with the assumptions and numbers in the Financial Plan. The estimated costs of the latter five years of the Estate Strategy were significant and a costed and affordable recommendation would be submitted to Council in about two years. Funding for both strategies for 2022-23 had already been approved, [redacted, section 43]. The two strategies had been developed in tandem and were linked through a set of five common drivers. Although individual projects had been set out to provide context for the strategies, there was no request to Council to approve them; rather, each project would be approved in due course on the back of a business case by the relevant committees.

The Chief Digital and Information Officer (Mr Brown) introduced the Digital Strategy. The Digital Strategy was designed to effect a digital transformation across the University over the coming five years for the benefit of students, staff and the University's business. The Strategy comprised more than 30 major programmes with a total forecast expenditure of [redacted, section 43]. Mr Brown spoke of the purpose and values underpinning the Strategy, its drivers and enablers, competitive analysis and benchmarking, and the programme of projects and their costs; he also outlined a new governance and operating model. He referred to the shift from capital to operating expenditure, which now characterised digital provision, and the consequent challenges for funding.

The Director of Estates (Mr Casselden) and the Strategy and Space Management Director (Mr Wallace) introduced the Estate Strategy, explaining that it re-purposed, re-shaped, and enhanced the University's existing landscape and building stock to support the delivery of the University Strategy. It sought to ensure that the Estate was fit for the future, competitive, sustainable in every sense, and promoted an engaged community. The Strategy was built around the concept of 'The University in a Park', leveraging the parkland campus as a distinctive and highly valued asset, and was designed to deliver a new 'Campus Heart' and to provide a seamless student experience. The Strategy comprised two phases: the first phase, amounting to some [redacted, section 43], was highly specified in relation to projects and costs, while the second phase, amounting to some [redacted, section 43] on current estimates, identified key projects, but had not made assumptions about cashflows during the period.

Mr Allen and Miss Lindsey raised concerns that the prioritisation of projects within the Estate Strategy assigned all projects related to students' non-academic experience to the second phase (i.e. 2027-32). They noted that the status of the second phase was less certain and contingent on the availability of funds. They believed that the deferral of all benefits to students until 2027 or later (given the build period) or indefinitely (if funds were no longer available) was a missed opportunity for the University and, from a student perspective, unacceptable. While students recognised the value of space for teaching and learning, students came to university for a wider experience and the University's non-academic student-facing facilities compared poorly with other universities. Mr Casselden explained that many of the priorities in the first phase were driven by compliance and that several of the first-phase projects would directly benefit students, such as the creation of social and study space, improved teaching facilities, and some refurbishment of sports facilities as part of other projects.

In response to questions on the Estate Strategy, Mr Casselden explained that the Strategy, given its commitment to zero carbon, provided for refurbishment rather than new-build. Refurbishment would include installation of ground-source heating, and reduction and removal of carbon liabilities. The University's long-held intention to demolish the AMS Tower had now been abandoned in view of its embodied carbon, and plans would be developed for its stabilisation in the first instance and its eventual refurbishment and repurposing. He explained that the Estate Strategy would ensure that space was used efficiently and designed to be optimally functional in support of the University's portfolio of activities. He explained the difficulties of estimating costs given disruption of supply chains and inflation, and the flexibility and phasing in the strategy which accommodated these contingencies.

In response to questions from Mr McCallum on the Digital Strategy, Mr Brown acknowledged the strong arguments for managing all IT centrally within Digital Technology Services and confirmed that such an approach had been carefully considered. It had been decided, however, to adopt a devolved model where active and effective governance, coupled with management of the infrastructure, accommodated local management of IT; this was judged to

provide security without unnecessarily constraining the University's business. This approach would be kept under review. Mr Brown confirmed that the University, as a default, preferred off-the-shelf rather than bespoke solutions, and, where there was a need to build bespoke solutions, to rely on standard software. He indicated that the University had a number of umbrella agreements with Microsoft and other suppliers. He noted and undertook to give further consideration to a number of other points raised by Mr McCallum, including issues around cybersecurity, restrictions on the use of USBs, and data strategy, and a suggestion of a hackathon. Mr Brown discussed the challenges around recruiting staff with the necessary expertise and advised that he was working with HR and members of UEB to resolve the issue.

Both Mr Casselden and Mr Brown recognised the importance of an effective communication plan to support the implementation of the strategies.

As with the Financial Plan, Council was not being asked at this stage to approve spending on any of the specific projects, but rather to approve the strategic direction and the overview of projects and their prioritisation.

In response to the concerns raised by Mr Allen and Miss Lindsey, it was agreed to review the prioritisation of projects in the Estate Strategy with a view to realising greater benefits for the non-academic student experience as part of the first phase. The Resolution would be amended accordingly.

Resolved:

“That:

1. The Digital Strategy 2022-27, now submitted, be approved;
2. The Estate Strategy 2022-32, now submitted, be approved;
3. For the purpose of forward planning, that a budget be approved per annum from 2023-24 of [redacted, section 43] for the combined strategies that is consistent with and informed by the prioritisation of projects and the availability of funding, to be scrutinised by the Strategy and Finance Committee;
4. Of the approved budget, an indicative split between the allocation for Digital and Estate Strategies be approved, namely 25% and 75% respectively, but that, if the Chief Strategy Officer and University Secretary, Director of Estates, and Chief Digital and Information Officer agree between them to vary the split in any given year, they may so request to UEB;
5. The additional [redacted, section 43] available from the financial plan be noted and UEB return to Council if it so wishes to recommend use of that funding.”

22/60 Report of the Appointments and Governance Committee (Item 8)

The Council received the Report of the meeting of the Appointments and Governance Committee.

The Council noted that the Appointments and Governance Committee had supported a proposal from the President that, for good governance, the President should not chair any of the Committees of the Council in order that she did not present reports to a meeting which she was chairing. In consequence, a new Chair was required for the Strategy and Finance Committee. In view of the nomination of Mr Corrigan as Chair of Strategy and Finance Committee and the seniority of that committee, the Council agreed that it was appropriate that Mr Corrigan be appointed as a Vice-President. [Mr Corrigan absented himself from the meeting for this decision.]

The President explained that this year Council meetings would normally be held face-to-face, and meetings of its Committees would, by default, be held online (but with the provision that they could be hybrid if the Chair, in consultation with the Secretary, so decided). Council meetings would be preceded by a session offering a deeper understanding of some aspect of the University's business to inform decision-making.

Resolved:

“That, with an effective date of 23 September 2022 (unless specified otherwise):

1. The current Chairs of Committees continue, as follows:
 - i. Audit Committee: Nigel Richards (until 31 December 2022)
 - ii. Honorary Degrees: The Vice-Chancellor
 - iii. Investments Committee: Kevin Corrigan (until not later than 31 July 2023)
 - iv. Student Experience Committee: Kate Owen;
2. Kate Owen be appointed as Chair of both the Appointments and Governance Committee and the Remuneration Committee;
3. Kevin Corrigan be appointed as Chair of the Strategy and Finance Committee, while continuing as Chair of the Investments Committee pending the appointment of an alternative Chair to be in place by the end of 2022-23;
4. Kevin Corrigan be appointed as a Vice-President, initially for a period of three years;
5. *Strategy and Finance Committee*
 - i. The following be appointed to the Strategy and Finance Committee:
 - a. Nigel Richards with effect from 1 January 2023
 - b. Sally Plank
 - c. Steve Alexander
 - ii. The President of Council be in attendance at the Strategy and Finance Committee;
6. Janet Young be appointed to the Investments Committee;
7. The current vacancies on the Appointments and Governance Committee and the Remuneration Committee remain unfilled at present, pending the completion of a review of their terms of reference;
8. *Audit Committee*
 - i. Shamshad Ali be appointed to Audit Committee
 - ii. Peter Milhofer be appointed as Chair of the Audit Committee (*vice* Nigel Richards) with effect from 1 January 2023.
 - iii. Angus McCallum be appointed to Audit Committee with effect from 1 January 2023;
9. A current vacancy on the Student Experience Committee be left unfilled for the present;
10. Lay members of Council be invited to express their interest in filling a vacancy on the Joint Committee on Honorary Degrees;
11. Penny Egan be appointed to Senate, and Sally Plank be the named alternate; and Penny Egan be asked to remain a member of Strategy and Finance Committee until 31 December 2022.”

22/61 Report of the Vice-Chancellor (Item 9)

The Council received the Report of the Vice-Chancellor.

In addition to his written report, the Vice-Chancellor:

- (a) Advised that the University had reviewed and, as appropriate, rearranged its activities during the period of national mourning for the late Queen, including the public holiday which had coincided with the first day of Welcome Week. He thanked the Deputy Vice-Chancellor and the Pro-Vice-Chancellor (Education and Student Experience) (Professor McCrum) for their work on these arrangements;
- (b) Provided an update on the proposed development of Loddon Garden Village on the Hall Farm site. The new administration at Wokingham Borough Council had invited the University (acting in its capacity as the trustee of the National Institute for Research in Dairying (NIRD)) and two other bodies to present proposals for housing developments which would support the requirements of a revised local plan. If adopted by Wokingham Borough Council, the University's proposal would be submitted to the Council, as the NIRD trustee, and to the Biotechnology and Biological Sciences Research Council (BBSRC). The Vice-Chancellor advised that there was some local opposition to the proposed development and that the President had received a letter of complaint from a member of the public; the letter and the University's response would be circulated to Council, for information. The Vice-Chancellor would keep Council updated on the proposed development;
- (c) Reminded Council that, following extensive work by a King's Counsel and negotiations between the University and the NIRD Trust, a proposed settlement had been agreed for presentation to the BBSRC and the Charities Commission. However, at a late stage, the King's Counsel had identified a potential irregularity in the Trust's change of deed in 1963. In the light of this, the University would explore with the BBSRC whether they would be content for the remit of NIRD, which was currently narrowly drawn, to be extended to include human nutrition in its wider aspects. Any proposed variation in NIRD's remit would be submitted to the Council in its capacity as the governing body or as NIRD's trustee or as both, as appropriate.

The Pro-Vice-Chancellor (Research and Innovation) introduced the annual report on the Researcher Development Concordat and explained the importance of the University's support for its research community, and advised that in future it would be submitted through the Senate.

Resolved:

"That:

- 1. The Researcher Development Concordat: Annual Report to Council 2021-22, now submitted, be approved;
- 2. The Report of the Vice-Chancellor, now submitted, be received."

22/62 Report of the RUSU officers (Item 10)

The Council received a report from Mr Allen and Miss Lindsey on RUSU's priorities for 2022/23.

They explained that, in order to maximise their impact in the course of the year, the officer team had agreed on a set of collective priorities for the coming year. Their key priorities were:

- Housing: Housing was the largest expense for students and was a key factor in both their wellbeing and their academic success. Students suffered from poor housing conditions, illegal practices among landlords, scant information about private housing, and a lack of advice on their legal rights. In order to address the range of housing issues, RUSU were embarking on a number of initiatives: they had made a submission, in response to a call for evidence, to the Commons Select Committee on Levelling Up,

Housing and Communities; they were working to develop a 'one-stop shop' for all housing concerns, which would provide comprehensive up-to-date guidance on tenant rights and related matters; and they would be undertaking a range of projects to support students living off campus, including a 'Hello Neighbour' campaign and collaborations with the local authorities;

- Community Festival: RUSU was planning a Reading Community Festival, a 'fun' event which would promote greater engagement and integration between students and the local community;
- Reading University Student Sustainability Summit: This would provide students with a platform to speak about their individual academic interests at a conference-style event in early February. The event would encourage students to engage with interdisciplinary approaches, develop their understanding of sustainability and wider international commitments, and develop employability skills, and it was hoped that the event would lead to a publication.

Alongside these initiatives, RUSU was working to address the increasing cost of living, which was a major concern for students and causing many to struggle. Mr Allen, as RUSU President, and Professor McCrum, Pro-Vice-Chancellor (Education and Student Experience), were co-leading a task force on the cost of living.

In response to a question from Mrs Plank, the Vice-Chancellor confirmed that the University had a hardship fund which supported students who were in financial difficulty and indicated that the current allocation might need to be increased. Miss Lindsey suggested that the fund was not well-publicised and many students were not aware that hardship funds were available.

Members of Council expressed their support for the work to address the increasing cost of living. They suggested that RUSU or the University might approach educational charities for funding to support students. Mr Corrigan noted that RUSU held some [redacted, section 43] in reserves, which seemed disproportionate for an organisation of its size, and wondered whether some of these funds might appropriately be dedicated to supporting students experiencing hardship. Mr Allen explained that some £800k was required to discharge RUSU's core obligations in the event of unexpected circumstances, and opined that the University, given that its resources were so much greater than RUSU's, was better placed to provide support.

22/63 Items for future Council meetings (Item 11)

The Council received a paper on items for future Council meetings.

The Council noted the list of proposed topics for discussion at future Council meetings (in addition to the financial and other reports routinely received). The Chief Strategy Officer and University Secretary invited members to email him with feedback on priorities from within the list and any items of significance which might be added.

22/64 Dates of meetings of the Council in the Session 2022/23

Further meetings of the Council in the Session 2022/23 had been scheduled for:

Wednesday 23 November 2022 at 10.00 am (preceded by an informal meeting the previous evening)

Tuesday 24 January 2023 at 2.15 pm

Monday 13 March 2023 at 2.15 pm

Monday 3 July 2023 at 2.15 pm.