

College Council Minutes – Approved

Date	15 May 2018
Location	Imperial War Museum
Present	Lord Geidt (Chairman); Professor Brian Holden Reid; Professor Edward Byrne (President and Principal); Mr Michael D’Souza; Dr Angela Dean; The Hon Sir David Foskett; Mr Paul Goswell; Ms Ros King; Professor Sir Robert Lechler; Mr Chris Mottershead; Mr Momin Saqib; Sir Nigel Sheinwald; Mr Andrew Summers; Dr Ian Tebbett; Ms Nhuoc Lan Tu; The Right Reverend Dame Sarah Mullally; and Professor Evelyn Welch.
Apologies	Baroness Morgan of Huyton (Vice-Chair); Professor the Baroness Alison Wolf
In attendance	Ms Deborah Bull, Vice President & Vice-Principal (London) Professor Jonathan Grant, Vice President & Vice-Principal (Service) Professor ‘Funmi Olonisakin, Vice President & Vice-Principal (International) Professor Nicola Phillips, Vice President & Vice-Principal (Education) Professor Reza Razavi, Vice President & Vice-Principal (Research) Mr Steve Large, Vice President (Finance) Mr Robin McIver, Deputy Vice Principal, Strategy, Planning & Analytics
	Secretariat: Ms Irene Birrell, College Secretary Ms Joanna Brown, Governance Manager Ms Xan Kite, Director of Governance Mr Paul Mould, Director of Business Assurance Mr David Newman, General Counsel & Director, Legal Services

These are the minutes of the formal business session conducted within the Agenda of the Council Away Day.

1. Service Strategy Framework

The Council received the final draft of the Service Strategic Framework for approval. The framework set out ten strategic goals, under four ambitions, for the next five years, including over 40 priority initiatives that would be delivered within the next three years. The framework would be published in July in place for the new academic year.

Council considered the relationship between the critical strategic pillars of education and research and the cross-strategy pillars that differentiate King’s from other universities in service, civic and international commitment. A key message to take from Vision 2029 was King’s purpose in making the world a better place in the service of society – education and research were the means by which that mission will be delivered.

It was suggested that additional information on risk and how this strategy will improve education and research would be helpful.

Decision:

Council approved the Service Strategy Framework.

2. PLuS Alliance

Mr Paul Goswell reported that he had a potential conflict of interest for this subject, though not necessarily for the immediate issue before Council, as his firm was one of a number invited to bid on siting the project. It was noted that there was no real estate decision to be made at this juncture and Mr Goswell’s continued participation in the discussion was appropriate.

Council considered the business case for the development of a new independent university proposed to be founded by the PLuS Alliance partners in London. The university would have some unique features: attracting students who do not have traditional backgrounds, particularly women and the socially disadvantaged, with a

broader assessment for entry and less emphasis on traditional prior learning, particularly in Mathematics and Physics; accelerated learning, reducing the cost of learning and bringing graduates faster to employment; a Global Design Centre with maker spaces enabling seamless integration between industry and the education environment with potential for revenue generation; and creating a new engineering training eco-system in the UK which would also develop stable pipeline partnerships with employers, secondary schools and further education institutions.

In considering the case and in light of the advice of the Finance and Estates Strategy Committees, Council noted compelling reasons to approve the proposal, but also noted the following significant risks: the project presented a material financial risk and would require close monitoring and assessment; the management stretch would be significant; the brand impact would require careful management in the event of the project being unsuccessful; and investment in this project would reduce the capacity to take other strategic opportunities.

Internally, there was risk to King's stand-alone engineering programme also currently in development. It was critical that the two programs remained complementary rather than competitive, with innovation on both sides. It also needed to be clearly understood that the new institution would be a disruptor and that has advantages and disadvantages. A new university with a different model provided opportunity for innovative pedagogy, new education pathways and new technologies, all of which were attractive, but would have impact on the HE sector, including King's.

A point was also made that while the aims to attract women into the engineering profession and to be accessible to students from differing backgrounds were laudable, it should be ensured that this did not become a second-rate pathway that women and others would take as a default.

In coming to a decision, a member suggested that there were three factors that had to be front of mind:

- Getting King's own programme up and running should have precedence
- There would be no question about King's funding the second phase
- The Academic Board should be consulted about the academic merits of what is being proposed

In terms of the costs of the second phase, a member expressed some doubt that it would be possible to bring the project to a halt at a later stage despite best intentions. It was noted that the onus would be squarely on management to find other sources of funding for phase 2.

A member conceded that there were risks to moving forward, but he believed they were worth taking for the relatively modest investment of £3.5 million given the levels of innovation possible through this project and from close association with an institution like Arizona State University.

Decision:

Council approved the establishment of a new independent university with degree awarding powers to deliver engineering education, as an equal founding partner with the PLuS Alliance partners, subject to the following caveats:

1. The commitment is to the Phase 0 and Phase 1 development only at a cash contribution of £416, 500 for Phase 0 (feasibility study) and £3.5m for Phase 1 (500 student pilot to prove the concept).
2. The Phase 0 investment would be supplemented by £416,500 in non-cash contribution from King's.
3. The Phase 1 investment would be matched with £6.0m to £7.0m from the other two partner institutions with King's providing 50% of its contribution in kind through financial systems and processes, subject to contractual agreement.
4. There is no agreement for King's to invest in Phase 2 for which funding would be required from elsewhere.

It was noted that the proposal had still to be put before the Academic Board for consideration of the academic issues involved.

3. Financial Overview/Capital Plan

Council received an overview of the financial strategy of the College. The Vice President (Finance) introduced the paper, which was intended to set out the financial context for supporting the College's academic ambitions, the cornerstone of which is delivering 6% margin. He referred to the table at p. 156 of the agenda package noting that

it provided the best estimate of the current plan against where King's wants to be. Significant financial headwinds facing that plan included the outcome of pension discussions, the funding review of higher education in progress, and the impact of inflation. The key recommendation of the plan was to slow down some investments, and in some cases, there were good reasons other than financial to move at a slower pace.

The President & Principal noted that he believed that the proposed £30 million in expenditure reduction was achievable; out of an £850M budget, it was not hugely material. He added that within the Russell Group King's was the only university building risks into its budget. What was being presented was a bedrock position on which to build for the future.

Members suggested that it would be helpful to them in fully understanding the university's financial position to have some sense of the impact of untoward negative events and what mitigating levers would be used. It was also noted that there is occasional mention in the document that King's is underperforming other universities. Careful, incremental management while positive is not really strategy and at some point, choices and decisions would need to be grappled with. It was suggested that the work underway on 'size and shape' would speak to issues of choice.

The Senior Vice-President (Operations) noted that it was important to recognise what would be happening in 'slowing down' initiatives. This affected not only new initiatives, but business-as-usual expenditures needed to keep the university functioning on a daily basis, reduction in which brought its own risks.

Irene Birrell
College Secretary
May 2018