

The minutes of the meeting of the College Council held on 26 June 2012

Present: Lord Douro (Chairman); Sir Michael Pakenham (Vice-Chairman); Professor Sir Richard Trainor (Principal); Ms Hannah Barlow; Mr Adam Boulton; Mrs Blondel Cluff; The Hon Sir David Foskett; the Rt Revd Christopher Hill, Bishop of Guildford; Professor Keith Hoggart; Professor Brian Holden Reid; The Hon Mrs Isabelle Laurent; Professor Sir Robert Lechler; Professor Eeva Leinonen; Professor Mike Marber; Mr Chris Mottershead; Mr Andrew Summers; Mr Rory Tapner (Honorary Treasurer); Veena, Lady Williams of Mostyn; and Professor Alison Wolf.

Apologies: Mr Jamie Ritblat.

In attendance: Mr Thomas Clayton; Mr Ian Creagh; Dr Angela Dean; Professor Sir Lawrence Freedman; Mr Peter Garrod; Mr John Kampfner; Ms Ros King; Mr Steve Large.

Reserved business (Council members only, excluding student members)

There was no reserved business.

Unreserved business

1 Notification of other business

The Chairman informed the Council that no other business had been notified.

*2 Minutes

The Council **approved** the minutes of the meeting of the Council held on 13 March 2012 [KCC 2012-03-13: M].¹

*3 Matters arising

The Chairman informed the Council that there were no matters arising not covered elsewhere on the agenda.

*4 Chairman's business

The Chairman welcomed the following incoming members who were attending the meeting prior to the start of their terms on the Council: Mr Thomas Clayton (replacing Ms Hannah Barlow as President of the KCLSU), Dr Angela Dean, Mr John Kampfner and Ms Ros King (new lay members). The Chairman expressed the Council's thanks to Ms Barlow for her work in representing the interests of students in the past year. The Chairman on behalf of the Council paid tribute to Mrs Blondel Cluff and the Hon Mrs Isabelle Laurent (who were attending their last meeting after nine years' service as lay members), noting Mrs Cluff's service on the Nominations Committee and Mrs Laurent's service on the Finance Committee and its Investments Subcommittee.

The Chairman on behalf of the Council also congratulated Professor Lechler and Professor Wolf for the award of a knighthood and a CBE, respectively, announced in the Queen's Birthday Honours List.

¹ Secretary's note: although not recorded in the minutes, Mr Adam Boulton and Mr Jamie Ritblat were also present at the meeting.

*5 Principal's report

The Council **considered** the Principal's Report [KCC 2012-06-26: 01], noting that:

- although the picture would not become clear until students received their 'A' level results in August, admissions data supported cautious optimism that the College would achieve its student recruitment targets for 2012-13 and the high quality intake that was part of the College's expansion plans;
- recruitment had commenced to academic posts associated with the Francis Crick Institute (FCI) and had attracted a great deal of interest and very highly qualified applicants. However, two financial risks continued to be a matter of concern: firstly, Cancer Research UK's difficulties in meeting its capital contributions, which had led to a request (approved by the Chairman's Committee and the other FCI partners) that its capital payments could be rescheduled; and secondly, the project's budget deficit, resulting from transitional costs that would only be partly met by contingency funds. These issues were being monitored closely by the FCI Oversight Group reporting to the Chairman's Committee;
- following approval by the Principal's Central Team, the College was pursuing discussions with the Department for Education about sponsoring one of 12 specialist Maths schools for 16-18 year olds to be established with the support of university Mathematics departments. The initiative was intended to address national deficiencies in the subject and to promote a flow of highly talented students into university. In discussion, members noted that while the financial and reputational risks and the costs in management time needed to be carefully analysed, the project supported the College's commitment to widening participation and had the potential to enhance the strengths of the Mathematics Department and the Department of Education and Professional Services, as well as addressing a national problem. The Council **approved** the College's continued engagement with this initiative;
- the College had improved its standing in the Times Good University Guide (rising two places to 22), but had fallen in the Complete University Guide (from 16th to 18th) and in the Guardian league table (from 30th to 31st). The last two declines primarily reflected the College's disappointing performance in the 2011 National Student Survey (NSS), particularly with regard to Medicine and Nursing. The Council noted its concern about the College's positioning in league tables and noted that a number of measures had been put in place to address it, including careful scrutiny of the data used by league table compilers and how that was impacted by decisions within the College. An improved performance in the 2012 NSS (the results of which would be publicly available in September) would be crucial, and the Council supported the ongoing efforts led by the Principal and Vice-Principal (Education) to address underperforming areas; and
- the appendix to the Principal's Report on key corporate risks (including the College's risk register and risk map) reflected the College's systematic approach to risk management overseen by the Principal's Central Team (PCT). The report had been scrutinised on behalf of the Council by the Audit and Compliance Committee, which was satisfied with the College's assessment.

*6 College financial plan and forecasts

The Council **considered** the College's budget for 2012-13, which was recommended to the Council by the Finance Committee for approval, and the financial forecasts for the period to 2014-15 which had been submitted to HEFCE following approval by the Finance Committee [KCC 2012-06-26: 02-03]. The Council **noted** that:

- the forecast result for the current year was an operating surplus of £22.5m before the capital charge, which was significantly better than the budgeted surplus of £2.6m. However, that was shaped by factors which the College should not assume would continue to operate in future: notably, higher than expected salary savings resulting from lower than expected pay awards and positions remaining open longer than planned;

- the budget for 2012-13 assumed an operating surplus of £4.8m (zero after the capital charge) as a result of increased investment in preparation for the Research Excellence Framework (REF) (which required eligible staff to be in post by 31 October 2013) and the development of the College's estate required by the strategy for expanding student and academic staff numbers at the Strand and expanding student accommodation;
- over the longer term, the College needed to generate surpluses of ca.£15m per year to provide sufficient headroom for investment, divided between ca.£5m for academic investment and ca.£10m for routine capital investment. The forecasts indicated that the College intended to achieve that position by 2014-15. In the run up to the REF, there needed to be flexibility to concentrate investment in academic staff recruitment, but afterwards it would be important to ring fence funds for capital investment due to the scale of the College's capital commitments and ambitions;
- the 2012-13 budget forecast a collective surplus after the capital charge for the Arts and Sciences Schools and a collective deficit for the Health Schools. In the interim, this would require a cross-subsidy from one area to the other. The Council noted the work that was required to balance out the two areas over time, thus ensuring greater consistency with the College's approved strategy; and
- 2012-13 was a transitional year for the College and the sector as a whole, as the new fees regime and the removal of the cap on recruitment of AAB students came into effect. It was correct to take some risks to lay the basis for future growth.

The Council **approved** the budget for 2012-13. Noting that the budget was a revenue budget, the Council **agreed** that in future it should also be presented to the Council with the College's capital plan and the plan for financing the capital plan.

✳7 Future of King's Health Partners

The Council **considered** a progress report on the development of a Strategic Outline Case (SOC) for creating a single academic healthcare organisation to succeed King's Health Partners (KHP) [KCC 2012-06-26: 04]. In discussion, members noted that:

- the SOC would be considered at a meeting of the KHP Partners' Board in July. The Board's recommendations would go to meetings of the Trust boards and the Chairman's Committee later in July for a decision on whether to proceed with the development of a full business case, if that was recommended by the Partners' Board;
- while the focus of attention was on the proposed merger of the Foundation Trusts, the College's engagement was based on the belief that KHP will further enhance the College's research and education performance, and that the academic dimension of KHP was crucial to its future success. The College's aim was to ensure that its priorities around research and award-bearing teaching were reflected while safeguarding the integrity of its governance and management processes;
- the leadership of the Trusts was wholly committed to the goals of integration and recognised that King's was key to making the whole enterprise work;
- the most recent meeting of the College's Audit and Compliance Committee had focussed on KHP and its future development. As indicated in the Committee's report to the Council, the Committee had concluded while there were risks which should be incorporated into the College's risk management framework, the potential benefits in terms of greater leverage over KHP's research and teaching meant that the Committee was able to support the enterprise. It was also noted that the Committee would continue to review KHP risks from time to time and report to the Council as appropriate;
- the process of engaging with regulators and government and of receiving detailed legal advice had begun; and
- while closer integration with the Trusts would lead to more joint appointments and co-funding, the College's finances would remain separate, and income from student tuition fees

would continue to be used for the College's purposes.

The Council **approved** the Chairman's Committee's continued oversight of the process and authorised the Committee to decide whether to participate in the development of a full business case once the Committee had received the SOC and the Partners' Board's recommendations. The papers for the Committee's meeting on 26 July would be circulated to all Council members for comment and input.

✳8 'Investing in Strength' - update

The Council **considered** an update on the implementation of the College's expansion strategy [KCC 2012-06-26: 05], which was being overseen by the Expansion Implementation Group (EIG) reporting to PCT. The strategy covered the Schools of Arts and Humanities and Social Science and Public Policy; the redevelopment of Law had also been added to the EIG's remit following the donation from Dickson Poon. The Council **noted** that:

- the recruitment of new academic staff in these Schools was well underway. The high level of recruitment activity was encountering capacity constraints in terms of HR processes which were being worked through;
- the College appeared to be in a strong position with regard to the quality and level of undergraduate recruitment to programmes in the three Schools. There was less evidence of a falling off in postgraduate taught applications than had been feared; and
- the Strand estate would remain a major constraint on the College's growth plans until physical capacity on the campus was improved. Short-term and long-term initiatives (outlined in more detail in the report of the Estates Strategy at Item 13) were underway to address that, and discussions were underway with multiple parties.

✳9 Values Statement and Policy for the Acceptance of Donations

The Council **considered** a revised Values Statement for the College [KCC 2012-06-26: 06] and a draft KCL/KHP Policy for the Acceptance of Donations [KCC 2012-06-26: 07], noting that:

- the Values Statement had been revised following discussion at the last Council meeting and was now more succinct;
- as foreshadowed at the last meeting, the KCL/KHP Policy for the Acceptance of Donations was the result of a review of the College's long-standing policies in this area. This was partly in response to the recommendations of Lord Woolf's report into LSE's links with Libya, and partly reflected the joint fundraising function which had been established with the College's KHP Trust partners and their associated charities. It was therefore a joint policy applying to the College and to the six other partners in the KHP fundraising collaboration;
- a Fundraising Ethics Review Group (FERG) would be established to oversee the Policy and consider specific cases referred to it. Sir Michael Pakenham had been proposed by the Chairman's Committee to serve as the Council's representative on the Group. The College's Audit and Compliance Committee would regularly review the arrangements in place to manage compliance with the Policy and would report to the Council as part of its normal reporting regime. Donations over £100k would go to the Council for endorsement over the course of the academic year;
- to ensure that the Policy was applied consistently, all donations (regardless of size or whether an academic or clinician was in the lead) should be channelled through the Fundraising and Supporter Development Office;
- as indicated in its report to the Council, the Academic Board had recently approved an updated policy on the acceptance of external research funding and research collaboration which was also informed by the recommendations of the Woolf report; and
- the level of scrutiny of potential donations had to be proportionate to the size of the

donation. In discussion, members agreed that the FERG should examine appropriate mechanisms for due diligence and report back.

The Council **approved** the revised Values Statement and KCI/KHP Policy for the acceptance of donations, subject to the incorporation of minor amendments. It was noted that the amendments to the Policy would require confirmation by the other fundraising partners.

[REDACTED]

[REDACTED]

[REDACTED]

***10 Academic Board report**

The Council **received** a report of the meetings of the Academic Board on 18 April 2012 and 13 June 2012 [KCC 2012-06-26: 08]. The Council **noted** that the reports from external examiners for 2010-11 had raised no serious concerns about College's academic standards, and that examiners had frequently commented on the excellent quality of the College's programmes and student performance. Moreover, the College had placed in the first half of the Russell Group in the number of first class degrees awarded and the number of firsts and upper seconds combined.

11 Audit and Compliance Committee report

The Council **received** a report of the meeting of the Audit and Compliance Committee on 12 June 2012 [KCC 2012-06-26: 09].

***12 Chairman's Committee report**

The Council **received** a report of the meeting of the Chairman's Committee on 22 May 2012 [KCC 2012-06-26: 10]. The Council **approved** revisions to the terms of reference of the Remuneration Committee [KCC 2012-06-26: 11] intended to align with best practice.

***13 Estates Strategy Committee report**

The Council **received** a report of the meeting of the Estates Strategy Committee on 13 June 2012 [KCC 2012-06-26: 12]. The Council **noted** the number of initiatives being overseen by the Committee, particularly with respect to the expansion/redevelopment of the Strand campus and the implementation of the College's student residences strategy. Since the Council's last meeting, contracts had been exchanged over a site at Canada Water for

student accommodation, [REDACTED]

***14 Fellowships and Honorary Degrees Committee report**

The Council **approved** a recommendation from the Fellowships and Honorary Degrees Committee for the award of the Honorary Degree of the College [KCC 2012-06-26: 13].

***15 Finance Committee report**

The Council **received** a report of the meetings of the Finance Committee on 19 March 2012 and 14 June 2012 [KCC 2012-06-26: 14], noting that the Committee recommended the approval of the 2012-13 budget [Item 6].

***16 Nominations Committee report**

The Council **approved** a recommendation from the Nominations Committee regarding an appointment to the Fellowships and Honorary Degrees Committee [KCC 2012-06-26: 15].

17 Any other business

There was no other business.

18 2012 graduation ceremonies

The Council noted the dates of the College's graduation ceremonies in July and October.

19 Dates of next meetings

The Council **noted** that the next meeting would be on Tuesday, 4 December 2012 at 17.00. Dates of subsequent meetings in 2012-13 would be advised once confirmed by the Chairman's office.

PDG
July 2012