

Council

23/39 A meeting of the Council was held in Room 201, Carrington Building, on Monday 3 July 2023 at 2.00 pm.

The President
 The Vice-Presidents (Mr K. Corrigan and Mrs K. Owen)
 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	Ms S. Jordan
Mr S. Ali	Ms S. Maple
Professor E. Beleska-Spasova	Mr A. McCallum
Mrs S. Butler	Mr P. Milhofer
Mrs P. Egan	Mrs S. Plank
Professor R. Frazier	Mr N. Richards
Professor J. Gibbins	Professor K. Strohfeldt
Mr E. Gregory	Dr C. Shaw
Mr J. Jack	Dr J. Young

In attendance:

The Chief Strategy Officer and University Secretary
 The Director of Finance
 The Director of Quality Support and Development
 Dr Kate Hough, Strategic Project Lead, Agri-food Scoping Project (for Minute 23/?? only)

23/40 President's introductory remarks

The President:

- Welcomed Edward Gregory, President of Reading Students' Union (RSU), and Sophie Jordan, RSU Education Officer, to their first meeting of Council
- Noted that Professor Richard Frazier would complete his term as the Senate's representative on Council before the next meeting of Council. The Council thanked him for his invaluable contribution to its work.
- Congratulated Professor Gibbins on his re-election to Council by members of academic staff.
- Congratulated Professor Beleska-Spasova on her appointment as Dean of Henley Business School.

- Commended Dr Karen Henderson, Director of Technical Services, for her organisation of an excellent event recently to celebrate the work of Technical Services.
- Congratulated the University on its achievement of 169th position in the QS World University Rankings.
- Reported that she had participated in an event run by the Women@Reading network, reflecting on her career, her passion for learning, and her commitment to equality and diversity.

23/41 Disclosure of Interests (Item 2)

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

Matters for discussion and approval

23/42 Planning and Finances: introduction by the Vice-Chancellor (Item 3.1)

- (a) The Council received a paper from the Vice-Chancellor setting out the context of the University's financial position and the approach which underpinned the measures being proposed.

The Vice-Chancellor reminded Council that the impact of inflation, the higher drop-out rate from the cohorts which had entered under the pandemic public examination arrangements, and a depressed market in international students had been key factors contributing to the University's current financial position. At its March meeting, the Council had endorsed the approach proposed by the University Executive Board to address the financial position, including a -£30.9m deficit budget for 2023/24 and a series of measures to achieve break-even point by 2026/27.

The Vice-Chancellor outlined the four principal measures to achieve the University's financial recovery:

- (i) Tight controls were being maintained on staff recruitment. The process was beginning to achieve the required level of savings and was highly effective in permanently reducing costs;
- (ii) Measures to improve the efficiency and reduce costs of professional services were being introduced a year earlier than planned. Measures included:
 - A programme of process reviews to reduce complexity and increase efficiency
 - A reduction in exceptionalism
 - Improved prioritisation of projects, with better calibration against resource and capacity
 - Reduction in the number of Functions from 18 to eight
 - Review of professional services in Henley Business School, including their articulation with central University processes;
- (iii) Student numbers and fee income would be increased, equivalent to 2,000 Home students. The University was confident that the target was achievable, given the demographic increase in 18 year olds in the UK and strong demand for the University's programmes. The financial target would be delivered more efficiently if there were increased numbers of international students;
- (iv) Scoping would be undertaken for a number of potential projects, including:
 - Increasing the recovery of full economic costing of research

- Introducing Semester 2 (January/February) entry cohorts for some programmes
- Reviewing academic activities and structures
- Sharing services with other universities or other public bodies, which, however, would require significant initial investment and achieve savings only in the medium to longer term
- Adoption of artificial intelligence in a range of processes. This would require significant investment over a number of years and, in the current circumstances, might be a longer-term ambition.

A number of lay members, drawing on their business experience, observed that a pre-requisite for sharing services was far-reaching standardisation of processes and that the benefits of moving earlier or later to shared services needed to be evaluated. Early membership of a consortium would allow the University to shape processes, whereas joining a consortium later meant that the University was to a large extent buying a pre-set service.

In response to questions, the Vice-Chancellor:

- confirmed that the scoping exercise in relation to academic structures and activities would include consideration of the breadth of the University's current provision and its possible rationalisation, together with identification of areas where student growth might imply expansion;
- explained that the University Executive Board was addressing the current financial position in a planned and managed way in order to provide students with the best possible student experience within the available resource. The greater risk to the student experience was the forced adoption of emergency efficiency measures, as had happened in a number of universities;
- Explained that the University was alert to issues around the capability and capacity necessary to achieve the planned outcomes. The University had learned from previous change exercises and had now invested in in-house project management support and professionalisation of change processes. There was greater realism in the development of timelines and more effective processes for communication across the relevant communities.

In response to further questions, the Pro-Vice-Chancellor (Academic Planning and Resource):

- Explained that the University was working with UPP to ensure that there was sufficient accommodation for the planned increase in student numbers;
- Indicated that the University, in planning growth in student numbers, was mindful of financial margins, and was focussing on academic areas where demand was strong and financial margins greater. Recruitment of international students continued to be a priority.

23/43 Financial Quarter 3 Report (Item 3.2)

The Council received the Financial Quarter 3 Report.

The Director of Finance explained that the Group deficit forecast at Quarter 3 stood at -£16.5m, which represented a significant improvement on the Quarter 2 forecast (-£22.0m). The University Executive Board's commitment to limit the deficit to -£13.7m would have been met, except for the unusual and unanticipated early implementation of the 2023/24 pay award (which amounted to £2.8m). He advised that, as part of its routine pre-audit review of central provisions held on the balance sheet, £1m of income

and £2.6m of provisions had been released to the income and expenditure account. He noted that the valuation of investment assets and accounting for USS had not been included in the forecast as these are annual exercises done after each year end.

Resolved:

“That the Financial Quarter 3 report, now submitted, be received.”

23/44 Budget 2023-24 (Item 3.3)

The Council received the Budget 2023-24.

The Director of Finance reported that, following Council’s discussion of the draft Budget at its meeting in March 2023, the figures and assumptions had been reviewed, but there had been no major changes. He explained that the University’s finances were not particularly sensitive to interest rates as the increased cost 4 was offset by a corresponding increase in investment income. [redacted Section 43]. He noted that, in response to a suggestion from Council, the budgeting process included a target that salaries amount to not more than 55% of income, which would be achieved through a combination of cost controls and income growth. He confirmed that testing the budget against a range of scenarios would now be a permanent feature of the process. The two key variables were staff pay awards and student numbers, and student recruitment in August/September would be an early indicator of performance against the budget.

Mr Corrigan, as Chair of the Scrutiny and Finance Committee, noted the importance of maintaining an appropriate balance between liquid and illiquid assets to ensure that sufficient capital was available to provide a cushion, if required. He assured Council that the Investments Committee and Scrutiny and Finance Committee had due regard to this consideration.

In response to questions, the Director of Finance and the Chief Strategy Officer and University Secretary noted that Council had previously approved an allocation in the range £40m-£50m for the Digital and Estates Strategies, and that the decision now to confirm an allocation of £40m reflected the University’s current financial capacity. This allocation would enable the critical elements of the strategies to be completed, and would mean that fewer discretionary enhancements would be pursued.

In response to further questions, the Vice-Chancellor and the Pro-Vice-Chancellor (Academic Planning and Resource) explained that the University Executive Board monitored key factors which represented risks to the Budget. The most significant factor was student numbers, which became clear in September for undergraduates and the end of October for postgraduates; lower than anticipated recruitment would trigger consideration of remedial budgetary measures. The Vice-Chancellor indicated that he was reasonably confident that the budget could be delivered; he confirmed that the budget had been developed in accordance with normal practice and subject to usual disciplines, and was untainted by undue optimism. The Director of Finance was confident that cash provisions were manageable, and, in particular, that covenants would not be breached and cash would be available, including during cyclical pressure points.

Resolved:

“That the University Budget 2023/24, now submitted, be approved.”

23/45 Addressing the financial challenge (Item 3.4)

The Council received a set of papers outlining proposals by which the University would address the financial challenge.

In response to a question about the feasibility of the planned contribution to savings from Henley Business School, the Dean of Henley Business School indicated that the target was challenging, particularly given that 40% of the Henley provision was non-standard, which implied higher costs. Its feasibility depended to a large extent on growth in student numbers in programmes with greater margins. She confirmed that Henley and the wider University were working together purposefully to achieve the targeted savings. The Vice-Chancellor referred to ongoing work to improve synergies between Henley and the wider University.

In response to a question about proposed changes in the fees for Postgraduate Research students, the Pro-Vice-Chancellor (Research and Innovation) explained that part-time Postgraduate Research students received the same support, access to resources, and supervision as full-time research students, and that, in consequence, it was appropriate that they were charged the same fee. The increase in the fee for Postgraduate Research students studying part-time reflected the costs and the higher overhead associated with part-time students.

In response to questions about teaching space and residential accommodation in the context of growth in student numbers, the Pro-Vice-Chancellor (Academic Planning and Resource) and Professor Strohfeldt advised that the University and UPP were working together to expand the number of residential spaces available to students, including the provision of additional spaces outwith the University's estate, that study space had been expanded over recent years, and that there was continuing work to rebalance space for staff offices and study space in favour of the latter. The Pro-Vice-Chancellor (Academic Planning and Resource) clarified that the University, due to its contractual obligations, could not compete with UPP in the provision of accommodation.

Resolved:

“That the papers relating to Addressing the financial challenge, now submitted, be received.”

23/46 Presentation on the Scoping Study on Agriculture and Food (Item 4.1)

The Council received an interim report on the Scoping Study on Agriculture and Food. The Deputy Vice-Chancellor and Dr Kate Hough, Strategic Project Lead, gave a presentation on the progress of the project.

The Deputy Vice-Chancellor noted that the Scoping Study on Agriculture and Food had been launched in Autumn 2022 and had now reached its midway point. The group would welcome Council's feedback on the direction of travel in order to inform the future development of the work.

Dr Hough explained that the purposes of the project were:

- to explore how to enhance the University's position as a global leader in agri-food research
- to understand the future research directions which would underpin sustainable agri-food systems that were healthy for people and the planet.

[redacted Section 43]

Dr Hough explained that, through a process involving workshops and consultation, informed by an external panel, and with reference to strategic challenges defined by the Biotechnology and Biological Sciences Research Council (BBSRC), the project had identified the long-term goal for agri-food research at Reading as to contribute to enabling everyone globally to consume a sufficient, healthy, sustainable, affordable diet that left the lightest possible footprint on the planet. The primary outcomes from this goal would be:

- Nature positive food production
- Net zero food system
- Affordable, safe and healthy diets
- Resilient food system outcomes
- Fair, transparent connected food system (which was a cross-cutting outcome).

Dr Hough reported that the project, having considered the expertise and capacity currently in the University and analysed the external research landscape, had identified four areas of opportunity:

- Resilient and regenerative agri-food systems, landscapes and habitats for achieving net zero and nature positive production of healthy food
- Influencing behaviour and choice across the food system using evidence-based nutritional and environmental sustainability guidance
- Food processing and agile supply chain networks that support human health and environmental sustainability
- Anticipatory modelling to predict impacts that disrupt supply and inform decision-making, adaptation and mitigating actions.

Each area of opportunity was being developed by a working group with ongoing input from a member of the external panel, and would produce outline propositions for action. Business plans for the short, medium and long term would be developed.

In response to questions, the Deputy Vice-Chancellor and Dr Hough:

- Spoke of the composition of the external panel and the active role external panellists played in designing workshops and engaging with Reading staff, which had been highly successful in stimulating ideas;
- Confirmed that the development of the areas of opportunity would include a strong commercial dimension and collaboration with industrial partners. The University had developed a strong network of commercial partners, including Mondelez and Syngenta;
- [redacted Section 43]
- Indicated that the areas of opportunity implied a need for a farm and for increased investment in laboratories, and that priorities would be identified in the light of the outcomes of the scoping review and resource available;
- Confirmed that the research themes being identified would have global reach and would serve as a strong draw for international students to study at Reading, including those from key growing markets such as India and Nigeria.

The President thanked the Deputy Vice-Chancellor and Dr Hough for a very helpful presentation. The Chief Strategy Officer and University Secretary advised that Council would receive an update on this work before receiving the final report and being asked to approve recommendations in March 2024.

Resolved:

“That the interim report on the Agrifood scoping project, now submitted, be received.”

23/47 [redacted Section 43] (Item 4.2)

23/48 [redacted Section 43] (Item 4.3)

23/49 Acting as Trustee of the NIRD Trust, to approve the allocation of NIRD Trust funds to support research (Item 4.4)

Acting in its capacity as Trustee of the NIRD Trust, the Council received a paper on a proposed allocation of NIRD Trust funds to support research.

In response to questions, the Deputy Vice-Chancellor and Professor Gibbins advised that NIRD funding was important in leveraging large scale investment in research from external bodies and that a planned discussion of the Research Excellence Framework at Council in 2023/24 would provide useful context for understanding the role and impact of NIRD funding. The Deputy Vice-Chancellor noted that the charitable purposes of NIRD related to agriculture and food research and were not confined to dairying.

Resolved:

“Council, acting as Trustee of NIRD, RESOLVED that:

- a) A grant be made to the University of £2,000,000 to be used during 2023/24 to support research as detailed in the paper before it and in accordance with the objects of the Trust [subject to any views received from BBSRC. Should such views raise substantial concerns, this matter shall be referred back to the Council acting as Trustee of NIRD for its further consideration]; and
- b) Such grant be funded to support £1,000,000 capital and £1,000,000 revenue expenditure by the University as detailed.

23/50 Report of the Appointments and Governance Committee (Item 5)

The Council received a Report of the meeting of the Appointments and Governance Committee held on 6 June 2023.

The Chief Strategy Officer and University Secretary noted that there were two Council vacancies on the Honorary Degrees Committee and asked members to contact him if they were interested in joining the Committee.

Resolved:

“That:

- 1. Sian Butler and Sally Plank be reappointed as members of Council for a further period of three years to 31 July 2026, and that their membership of or attendance at committees be extended to the same date, namely:
 - a. Sian Butler: Audit Committee and Remuneration Committee
 - b. Sally Plank: Scrutiny and Finance Committee, Senate, and Fundraising Ethics Committee;
- 2. The Committee not advertise for a replacement for Lola Moses at this stage, with an expectation to advertise in Summer 2024 when a further vacancy will be pending;

3. The Investments Committee report directly to the Council and be renamed the Investments and Development Committee;
4. The membership of the Audit Committee be amended as follows:
 'Four lay members of Council and no fewer than two/no more than three further lay members appointed by the Council, not necessarily from its own number'
 be amended to read:
 'Four lay members and at least one further member appointed by the Council, not necessarily from among its own number'; and
5. The Report of the meeting of the Appointments and Governance Committee held on 6 June 2023, now submitted, be approved."

23/51 Report of the Senate (Item 6)

The Council received the Report of the meeting of the Senate held on 22 June 2023.

In response to a question on the implementation of the recommendations arising from the review of Senate's effectiveness, the Chief Strategy Officer and University Secretary advised that a review of their impact would be undertaken in 2023/24. Mrs Egan noted that one recommendation had been that two lay members of Council have rights of attendance at Senate; she had been serving in this capacity and had advised on which matters might be highlighted to Council. The President indicated that over the past year Council had been primarily focussed on business related to finance and planning, but intended that topics more directly related to Senate's work, including the Research Excellence Framework, would be more prominent in Council's consideration in 2023/24.

Resolved:

"That:

1. Amendments to Ordinances, now submitted, be approved;
2. The Concordat to Support the Career Development of Researchers, now submitted, be approved;
3. The Concordat to Support Research Integrity, now submitted, be approved;
4. Amendments to the provisions in the event that assessment marks are not available as a consequence of major disruption, now submitted, be approved; and
5. The Report of the meeting of the Senate held on 22 June 2023, now submitted, be approved."

Matters for report

23/52 Report of the Student Experience Committee (Item 7)

The Council received the Report of the meeting of the Student Experience Committee held on 21 June 2023.

Mrs Egan, who had chaired the meeting, noted that the Committee had proposed that a Council champion be appointed to support the University's and RUSU's work on Sexual Misconduct and Harassment. She also reported that the Committee had suggested the University's approach to artificial intelligence would be an interesting and helpful topic for a pre-meeting of Council.

Mrs Egan indicated that the Committee had enjoyed meeting the new RSU team and had been impressed by their priorities. She and Mrs Owen commended the energy, commitment and insight of the 2022/23 RSU team, their work and achievements.

Resolved:

"That the Report of the meeting of the Student Experience Committee held on 21 June 2023, now submitted, be approved."

23/53 Annual Report on Equality, Diversity and Inclusion (Item 8)

The Council received the Annual Report on Equality, Diversity and Inclusion (2021-22).

The Deputy Vice-Chancellor reported that the Council's feedback on the Annual Report last year had been valuable and hoped that Council found the changes in the approach to this year's Report helpful. The Council commended the changes and indicated that the Report supported Council in fulfilling its responsibilities more effectively. It was suggested that the quantitative data might usefully be complemented by qualitative information, such as commentary from students on their experiences at the University.

The Council acknowledged the continuing gaps and areas of improvement and the work to address these issues and commended the leadership of the Dean of Diversity and Inclusion.

Resolved:

"That the Annual Report on Equality, Diversity and Inclusion (2021-22), now submitted, be received."

23/54 Report of the Vice-Chancellor (Item 9)

The Council received the Report of the Vice-Chancellor.

The Vice-Chancellor drew attention to the following matters:

- (a) The University had been awarded University of Sanctuary status, which recognised the wide range of the University's work in relation to sanctuary, including its Sanctuary Scholarship scheme and provision of English language and careers support for sanctuary seekers. The University continued to collaborate as a partner in Reading's work as a City of Sanctuary.
- (b) The University had achieved 169th place in the QS World University Rankings 2024, an improvement of 60 places. The University had benefited from changes in the QS rankings methodology, which reflected changes in the values, purposes and core themes of higher education globally, as well as improvements in citations and employers' responses to the QS survey. A secure position in the top 200 in global rankings was an important advantage in recruiting international students. In response to a question, the Vice-Chancellor spoke of the small drop in the University's position in the domestic Complete Universities Guide, explaining that institutions were bunched in that section of

the table and fractional differences could have a disproportional impact on the ranking.

- (c) *At this point, the Deputy Vice-Chancellor withdrew for this item of business due to a conflict of interest.*

The Hugh Sinclair Trust, of which the University was the sole Trustee, had been disbursing more than could be sustained in the longer term. It had been agreed that, in accordance with the University's broader investment strategy, the value of the fund should at least be maintained to ensure the continuance of the Trust and its work. It was therefore proposed that the responsibility for a small number of posts would transfer from the Trust to the University. The Council authorised the President, on its behalf, to consider and, if appropriate approve, proposals relating to this matter.

The Deputy Vice-Chancellor returned to the meeting.

Resolved:

"That the Report of the Vice-Chancellor, now submitted, be received."

23/55 Report of the Audit Committee (Item10)

The Council received the Report of the meeting of the Audit Committee held on 25 May 2023.

The Council noted that the Committee had approved the Internal Audit Plan for 2023/24, and that the Interim Audit had commenced on 12 June 2023.

The Chair of the Committee observed that Council tended not to engage intensively with risk management and that it would be timely to review how Council discharged its responsibilities in this area.

Resolved:

"That:

1. The draft Risk Register for 2023/24 and the Annual Report from the Risk Management Group, now submitted, be received; and
2. The Report of the meeting of the Audit Committee held on 25 May 2023, now submitted, be received."

23/56 Report of the Remuneration Committee (Item11)

The Council received the Report of the meeting of the Remuneration Committee held on 6 June 2023.

The Council noted that the University had recently started to develop a more consistent approach to the people aspects of change. The Council shared the concern about staff workload and wellbeing given the extent and pace of change in the University, and asked that the University Executive Board provide regular reports to Council on progress in developing this approach and on staff morale.

Resolved:

"That the Report of the meeting of the Remuneration Committee held on 6 June 2023, now submitted, be received."

23/57 Minutes (23/17-23/38) of the meeting held on 13 March 2023 (Item 12)

The Minutes (23/17-23/38) of the meeting held on 13 March 2023 were confirmed and signed.

23/58 Decisions taken by the President on behalf of the Council since the last meeting (Item 14)

The Council noted that:

- (a) The President had approved, on the recommendation of the Senate, the introduction of the degree of Master of Law.
- (b) The President had approved two separate requests to use the equivalent of 10,100 euros and 4,500 euros from the Beckett International Foundation (of which the University is Trustee) to purchase items for the Samuel Beckett archive.

23/59 Documents sealed and to be sealed (Item 15)

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."

23/60 Rolling update on topics for future Council meetings (Item 16)

The Council received an update on topics for future Council meetings. The Chief Strategy Officer and University Secretary invited members to contact him if they felt that a critical issue had been missed from the schedule. He also reported that it was intended to hold the September meeting at Thames Valley Science Park and to start at 10.30 am.

23/61 Ofsted inspection of apprenticeships provision

The Dean of Henley Business School (Professor Beleska-Spasova) advised Council that Ofsted, in its recent inspection of Henley Business School's apprenticeships, had judged the provision to be Good.

23/62 Dates of meetings of the Council in the Session 2023/24 (Item 18)

Meetings of the Council in the Session 2023/24 had been scheduled for:

Thursday 28 September 2023, 12.00 noon-5.00 pm
Wednesday 22 November 2023, 10.00 am-2.00 pm (preceded by an informal meeting and dinner the previous evening)
Tuesday 23 January 2024, 12 noon-5.00 pm
Monday 11 March 2024, 12 noon-5.00 pm
Monday 1 July 2024, 12 noon-5.00 pm.

23/63 Reflections on the meeting (Item 19)

The President invited members to share with colleagues on their table their reflections on the meeting.