

Council

1 July 2014

Minutes

Present: Professor M Spyer (Chair)
Mr M Amer
Mr A Bicknell
Professor A Clark
Mr M Draper
Professor B Gusterson
Ms K Horvers
Professor P Hughes
Mr D Kennedy
Professor A Kent
Professor P Kopelman
Mr C North
Ms S Rimmer
Mr M Stevens
Mr G Turner
Professor J Weinberg
Professor N Wright

In attendance: Mrs W Brewer, Joint Director of Human Resources
Mr D Patel, SU President Elect.
Ms S Trubshaw, Clerk to Council & Head of GLAS
Mr J Unsworth, Financial and Commercial Director
Mr T White, Director of Strategic Planning

Ms A Harris for Minute 98

Apologies for absence were received from: Mr Mark Bery, Mrs Sophie Bowen, Mr Christopher Smallwood and Ms Catherine Swarbrick.

94. Minutes

Considered and approved:

- (i) The Minutes of the meeting held on 18 March 2014.

Paper Council/5/A

- (ii) The Minutes of the extraordinary meeting held on 11 April 2014.

Paper Council/5/B

- (iii) The Notes of the Council Away Day held on 11 April 2014.

Paper Council/5/C

95. Matters arising from the Minutes

Reported:

(1) Minute 74: Biological Research Facility

That a further report would be made to Council regarding the work and activities of the Biological Research facility.

The issue of core facilities had recently been considered at the Research Strategy Committee held on 25 June 2014, and a further report would be made to SPARC on 14 July 2014.

(2) Minute 80: CUC Code of Practice

That five responses to the Council Equality and Diversity Questionnaire were outstanding. These were all from male members of the Council. If the questionnaires were not received a further copy would be circulated to male members of Council for completion.

(3) Minute 82: NSS and the Student Experience

That it was proposed to hold a seminar before the meeting of Council to be held on 21 October 2014 covering all aspects of the Student Experience. The Seminar would commence at 4.00 pm. Topics to be covered were set out in Paper R ([Minute 110](#)).

96. Report from the Principal

Received:

A report from the Principal.

Reported:

Financial Improvement Programme

That SGUL had met with HEFCE to discuss the recent grant adjustments in relation to funding for old regime students. Although HEFCE had acknowledged that SGUL was different from institutions, it was implied that the HEFCE Board had scrutinised the impact of cuts on every institution and considered that the agreement was equitable in the difficult circumstances, and in the light of the limited funds available to the Board. SGUL had been informed that there was a grant appeal process, and appeal document had been submitted to HEFCE on 1 July 2014.

Thomas Jefferson University

That SGUL was continuing to extend its international network of university partnerships and had recently signed a memorandum of understanding with Thomas Jefferson University (TJU), Philadelphia. The TJU was one of the most prestigious medical schools in the USA. The Sydney Kimmel Medical College (SKMC) at TJU was founded in 1824 and offered medical education, nursing, and pharmacy. TJU was part of the Jefferson University Hospitals System which included three major specialist hospitals serving the population of Philadelphia. SGUL had approached TJU initially with regard to clinical placements. Following discussions it was felt by both institutions that there were a range of opportunities that could be explored with regard to partnership work, including curriculum development, student exchange programmes and leadership forums. It was also felt that there were synergies in research such as population health and infectious diseases.

Shape of Training

That the Shape of Training (SOT) recommendations for radical changes to postgraduate medical training were progressing. One of the recommendations of the SOT was that registration with the GMC should take place at the time of graduation which would have implications for SGUL. Separately this had raised the possibility of the current 'cap' on international medical student numbers being lifted. However, it was unlikely that this would happen before the General Election.

Paper Council/5/D

97. Students' Union Report

Reported:

That the Student Union (SU) had had a successful year on and off the sports field with a range of achievements from winning the 'Face-off Competition' of dance and music to sporting success in football and netball leagues.

An SU Accountant was now in post and this appointment was going well. The SU had also had its termly meeting the Kingston University Students' Union. There was also a drive to expand student social media and a number of new roles had been created to take this forward.

The SU elections had been held and Dheemal Patel had been elected as Student Union President. There had been a low turnout for the elections, largely due to only a few posts being contested.

Significant upcoming dates in the SU calendar were the Awards Ceremony on 27 June 2014, and the Summer Ball on 4 July 2014. There would be a Trustee Board meeting on 7 July 2014.

The Chair of Council thanked Mo Amer as the outgoing SU President for his diligent work throughout the year on behalf of the students.

Health and Safety

98. Health and Safety Issues

Received:

A report from the Safety Management Committee, and any issues that have arisen since the meeting of Council held on 18 March 2014.

Reported:

(1) Safety, Health and Environment (SHE) Office Risk Register

That it had been agreed that the SHE Office risk register would be presented at every meeting of the Safety Management Committee and that the highest scoring risks would be discussed.

(2) SMC Sub-Committees

(a) Pathogen Management Committee and Genetic Modification Safety Committee

There had been discussion with regard to the long-term sustainability of the quality of the laboratories, and a related survey. Discussion had also centred on staff competency training and the need to demonstrate continuing professional development in training and to ensure that this training was recorded. Consideration had also been given to peer assessment.

(b) Safety Advisor Committee

The Safety Advisors Committee was surveying options for a chemical storage database to monitor toxic chemicals on site. This was required for both safety and economy.

(c) Environmental Committee

The Green League would be announcing a new methodology on 14 July 2014.

(3) Liquid Storage Facility

A report on the Liquid Storage Facility had been received which included costings, and also a recommendation that the installation of the facility should be in two phases. This would spread the cost over two years. The proposal had been included in the capital plan agreed by Finance Committee at its meeting on 12 June 2014.

(4) Fire Safety

The installation of vision panels was under way and progressing well. There has also been improved attendance at Fire Safety Training.

(5) Biological Research Facility

That health and wellbeing of the staff in the BRF had been raised by the Superintendent (as noted in [Minute 95 \(1\)](#) above). The problems had been alleviated with the recruitment of two temporary staff, and there were ongoing discussions with Human Resources.

Paper Council/5/E

Supporting the Strategic Plan

99. Refreshing the Strategic Plan

Received:

A report from the Director of Strategic Planning.

Reported:

That there had been further discussion with regard to the Strategic Plan at the Council Away Day held on 11 April 2014. A range of meetings had also been held internally to discuss the Strategic Plan including workshops, and reports at SPARC, Senate and Council. It had emerged that the current Strategic Plan remained relevant to the current environment but that a change of emphasis on activities was required from the perspective of 2014.

The continuing work on the Resource Allocation Model (RAM) had revealed a number of issues including:

- That education produced a surplus and SGUL should expand its student numbers
- That research overheads were currently not high enough to cover the cost of research
- That professional services costs were high relative to the sector
- That more income could be realised from the SGUL estate
- That SGUL should undertake more enterprise activity

These factors were also feeding into the Financial Improvement Programme ([Minute 101](#)) and reflected a change of emphasis to the 2010-2015 Strategic Plan.

Three themes had emerged during the strategic refresh:

- Translational Work – both Education and Research
- International Development
- Partnerships and Collaborations

In pursuing these themes successfully it was hoped that: SGUL would emerge at the end of the next five year period as the UK's leading provider of healthcare and medical education; that SGUL would be at the heart of a system that was defined by its collaborative relationships with partners from education and health, notably St George's Healthcare NHS Trust and Kingston University, and that SGUL would also be conducting research into global health issues which translated into patient benefit.

The following points were noted:

- (i) That there would need to be co-ordination between the vision and ambitions of the refreshed strategic plan and the Financial Improvement Programme. It was agreed that an underpinning operational plan would need to be developed to support the ambitions that had been articulated as part of the Strategic Plan refresh.
- (ii) That it was suggested the section on finance should be expanded to articulate how investment of resources would be undertaken to support the strategic aims.
- (iii) That it was suggested there could be more emphasis on the role that the Faculty of Health, Social Care and Education (FHSCE) could play in supporting the achievement of the strategic aims.
- (iv) That it was suggested the international ambitions could be more focussed with clear pathways to success.
- (v) That the performance measures for the next five years should be clearly articulated, and this should include an indicia for staff.
- (vi) That it was noted that the primacy of the student experience was built into all of SGUL's activities, and was a continuing area of work that went beyond a five year time period.
- (vii) That it was felt the aims for Research were ambitious, and it was not clear if SGUL had the capacity or quality of research staff to achieve the aims. In response to this it was noted that with the establishment of the Research Institutes, together with the management and support structures that were being developed, had already precipitated a change in ethos towards grant applications, with applications being made, in some cases successfully, for larger grants which carried greater overheads. It was felt that it would be essential to invest in additional research staff in order to carry forward this success, as soon as it was possible within the current financial climate.
- (viii) That it was suggested there should be a clearly articulated and explicit section on risks incorporated within the Strategic Plan refresh.

Agreed:

That, subject to further discussion by management regarding the points raised above, that Council endorsed the aims and ambitions of the refreshed Strategic Plan.

Paper Council/5/F

100. Strategic Plan Monitoring (Key Performance Indicators)

Received:

The Key Performance Indicators.

Reported:

That, because of the nature of the KPIs and the reporting frequency, the KPIs did not change a great deal on a quarterly basis, and in some cases the KPI only changed on an annual basis. The key changes since the last report to Council, included the status of the Finance indicator moving from amber to red, and the status of the Health Innovation Network changing from Green to Amber in the light of the retirement of the Dean of the Faculty of Health, Social Care and Education, who had been one of SGUL's primary contacts for the HIN. It was noted that this area of influence would need to be restored.

It was also noted that the KPIs might change over the coming months in the light of the Financial Improvement Programme ([Minute 101](#) below). It was also noted that currently it was difficult to map the KPIs to the Strategic Risk Register, and that a review of the

Strategic Risk Register would be undertaken during the summer in order to improve the relationship between the KPIs and the Strategic Risk Register. This might also influence the current set of KPIs.

Paper Council/5/G

Financial Matters

101. Financial Budget for 2014-2015 and financial plans to 2017-2018 including the Financial Improvement Plan

Received and considered:

A report from the Financial and Commercial Director.

Reported:

That the target operating surplus for 2014-2015 was £0.5 million. Currently SGUL was adrift from this target, but the Financial Improvement Programme (FIP) Group were making good progress towards closing the gap, and a detailed programme of actions had been developed. The Finance Committee had reviewed the plans at its meeting on 12 June 2014, and had recommended that further targeted improvements of £0.7 million should be made in order to reduce the overall risk. These additional improvements had been included in the FIP. Further work would be undertaken in developing implementation plans for the outstanding actions and targets.

It was reported by the Chair of the Finance Committee, that the Finance Committee had reviewed the plans in detail and had noted that there were risks with all aspects of the budget and that it would take considerable effort by the whole institution to meet the targets. In particular it was noted that there would need to be resolution of the outstanding issues with SGHT with regard to utilities, facilities management and rent. The Finance Committee had recognised that there would be a the high level of anxiety within the Institution in relation to the further reduction in staff numbers.

Overall, the Finance Committee had agreed that significant thought had gone into developing the FIP, and although the numbers were challenging they were possible. The plan would need to be followed through and with some urgency.

The following points were noted:

- (a) That there would need to be a concerted effort to deliver the FIP within the timescales required.
- (b) That it was noted that there had been a thorough review of research activity as a key part of the Strategic Futures project. This had resulted in the creation of the three focussed Research Institutes, and reduction of 25 research staff who were not performing to the standards required. In addition the costs of research were now clearly understood via the RAM, and also the contribution of individual members of staff, all of which would be kept under review in relation to the affordability of research.
- (c) That further work was being undertaken in relation to SGHT and its outstanding debts, as well as developing agreements with regard to space charges as detailed above. With regard to the latter progress had been made in obtaining the appropriate information, the next step would be reaching a written agreement between SGHT and SGUL in relation to the charges.

Agreed:

- (i) That Council supported the financial target of an operating surplus of £0.5 million in 2014-2015 and the maintenance of cash balances at current levels through setting a capital budget with a £2 million cash limit.
- (ii) That Council endorsed the proposals in the paper and the accompanying Financial Improvement Programme including the proposals for staff reductions.

- (iii) That the implementation of the Financial Improvement Programme should be undertaken with urgency.
- (iv) That Council noted the provision of £400k within the budget to support future growth, and £500k as funding to support institutional restructures and changes in the way that SGUL operated.
- (v) That Council noted that improvements in later years would rely on significant financial improvements and that these would need to be sustained over the next five years in order to achieve a surplus in the range of three to five per cent.

Paper Council/5/H

102. Banking Covenants

Received:

- (i) Banking covenants

Reported:

That HEFCE had issued a new financial Memorandum (*'The Memorandum of Assurance and Accountability'*) which introduced new KPIs effective from 1 August 2014. These were cash based and replaced the previous annual servicing costs measure under which approval was required for borrowing above specified levels. As a consequence SGUL's lenders were proposing to refresh their covenants and replace current covenants with cash based measures that were broadly equivalent to HEFCE's, namely earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA was broadly equivalent to cash generated from normal activities that was available to pay bank interest and debt and capital expenditure. The Barclays' requirement to avoid a deficit in two successive years would be removed, although SGUL would still need to have a cash surplus to comply with the new covenants.

- (ii) Proposals for new covenants

Considered:

The proposals for new covenants were considered as set out in **Paper I**. It was noted that the Finance Committee, at its meeting on 12 June 2014, had considered the new covenants and recommended them to Council for approval.

Agreed:

- (i) That Council noted that SGUL had remained compliant with its lending covenants in 2013-2014.
- (ii) That Council approved the lending covenants with Barclays in conjunction with the budget proposals approved at Minute 101 with effect before 31 July 2014.
- (iii) That Council authorised the Chair of the Finance Committee, Principal and Finance and Commercial Director, to make any detailed and minor changes required to agree the covenants with Barclays, to sign the legal documentation and to approve any new covenants with Santander as long as they were no more onerous than Barclays.
- (iv) That in the event of any material changes emerging or requested, that these would be reverted to Council for consideration and approval.

Paper Council/5/I

103. Financial Forecasts

Considered:

The five year financial forecast tables to 2016-2017 and Financial Commentary.

Reported:

That the draft commentary was received and it was noted that there was some detail to be added to the document before it was submitted to HEFCE on 31 July 2014.

It was suggested that there should be more emphasis on the Financial Improvement Programme within the commentary.

Agreed:

- (i) That further comments should be made to the Finance and Commercial Director as soon as possible.
- (ii) That the final version would be circulated to Council before submission to HEFCE.

Paper Council/5/J

104. Financial Report

Received:

A report from the Chair of the Finance Committee.

Reported:

That the Finance Committee meeting held on 12 June 2014, had devoted the majority of its time to reviewing the proposed budgets for 2014-2015 and later years, alongside the Financial Improvement programme. The Committee also reviewed matters relating to enterprise and innovation activity, the financial results to 30 April 2014, banking arrangements, INTO and the University of Nicosia, Cyprus.

It was noted that in relation to enterprise and innovation the Finance Committee were monitoring this activity closely. A draft Intellectual Property Rights Policy had been discussed and this Policy would be considered further at a future meeting of the Finance Committee.

Paper Council/5/K

Partnerships

105. International Reports

Received: The following reports:

- (i) INTO SGUL

Reported:

That an SGUL INTO Task group met on a weekly basis to monitor and resolve issues relating to the INTO SGUL activity. The current primary focus of discussions with INTO centred on recruitment and admissions, programme recognition, clinical placement development and financial matters.

A key issue for recruitment to the medical programmes was securing high quality clinical placements. This activity had now been taken over by SGUL and work was progressing with the development and confirmation of contracts with Marshall University, Huntington, West Virginia. Representatives from the Sidney Kimmell Medical College, Thomas Jefferson University, Philadelphia (Minute 96 above), had visited SGUL on 23-25 June and discussions around partnership activities had taken place.

It was noted that application numbers and firm acceptances had increased significantly for all programmes (at 19 June 2014) compared to a year ago. It was felt that once a complete offering was available this would transform the recruitment of high quality students to all of the SGUL INTO programmes.

Paper Council/5/L

(ii) University of Nicosia, Cyprus

Reported:

That the Finance Committee had approved the extension of the current MBBS franchise agreement with the University of Nicosia beyond the current end date of August 2015 for a further 25 years, subject to appropriate amendments to the agreement and to the income to SGUL.

Agreed:

That reports on INTO SGUL and the University of Nicosia should be presented in the same way particularly with regard to the Student Experience and any financial information, and that the financial information should concur with any other financial reports received by Council.

Paper Council/5/M

106. St George's Joint Implementation Board

(i) The Terms of Reference and Constitution of the Joint Implementation Board

Considered and approved:

The Terms of Reference and Constitution of the Joint Implementation Board.

Paper Council/5/N

(ii) Report from the meeting held on 24 June 2014

Reported:

That the issues discussed at the first meeting of the Joint Implementation Board held on 24 June 2014 included:

- Research
- Education
- Estates Issues
- Communications and Branding

A number of actions had been agreed including the establishment of a Sub-Group to consider branding which included Mr Chris North, Independent Member of Council; further work on the utilities, facilities and space charging as detailed elsewhere in the minutes and the establishment of task and finish groups to consider joint areas of research.

The current proposal with regard to the joint branding between SGUL and SGHT centred on each organisation retaining its own branding for distinct areas of working (for example patient communications for SGHT, and student communications for SGUL) but where a joint identity might be useful, an overlying joint brand could be applied. Additionally it was likely that SGHT would align its new logo, after achieving Foundation Trust status, with that of SGUL.

Agreed:

That a further report on all activities would be made to the meeting of Council on 21 October 2014.

Human Resources

107. Human Resources

Received:

A report from the Joint Director of Human Resources.

Paper Council/5/O

Audit and Risk Management

109. Audit Committee

Received:

(i) Internal Audit Report

A report from the Chair of the Audit Committee (meeting held on 19 June 2014).

Reported:

Analytical Unit

That as reported to the Audit Committee, a meeting had been held between the Chair of Council, the Principal and the Directors of the Analytical Unit (ASI) on 24 June 2014. As a result of the meeting it had become clear that there was further work to be undertaken particularly in relation to the contribution that SGUL has made to the company over the years that it has been operating.

It was proposed that a further review of financial matters should be undertaken by SGUL's internal auditors Deloitte.

Risk Management and Efficiency

That it was noted that the Risk Management and Efficiency Committee had escalated the Risk Q4: Failure to manage our finances for improved financial control and sustainability to **20**, to reflect the current financial situation.

Paper Council/5/P

(i) Risk Management and Efficiency

Received:

- The Summary Risk Register
- The Key Risk Indicator Table
- The commentary on changes to the risk scores following the meeting of the Risk Management and Efficiency Committee on 22 May 2014.

Paper Council/5/Q

Education and Research

110. Seminar on the Student Experience for Council

Reported:

That a Seminar on the Student Experience would be held at 4.00 -5.00 pm prior to Council. All members of Council were invited to attend (Minute 93 (3)).

Paper Council/5/R

Matters for Approval and Report

111. Award of Title

Approved:

- (i) The appointment of Professor Ross Anderson as Emeritus Professor of Epidemiology and Public Health with effect from 1 October 2014.

- (ii) The appointment of Professor Michael Patton as Emeritus Professor of Clinical Genetics with effect from 1 October 2014.

112. Nominations – Council and Committees

Considered:

That the Chair acting on behalf of the Nominations and Honorary Awards Committee had recommended the following:

- (a) The reappointment of the following members of Council for a further term from 1 October 2014 until 30 September 2017:
- Mr Chris North
 - Mr Christopher Smallwood
 - Ms Catherine Swarbrick
 - Professor Julius Weinberg
- (b) The appointment of Mrs Sue Rimmer to the Audit Committee with immediate effect and for a term of three years from 1 October 2014 until 30 September 2017.

Approved:

- (i) The reappointment of Council members for a further term as set out at (a).
- (ii) The appointment of Mrs Sue Rimmer to the Audit Committee as set out at (b).

113. Chair's Action

Reported:

That the Chair acting on behalf of Council, agreed to a reduction in support staff within the Student's Union in accordance with the Redeployment and Redundancy Policy (Support) Sections 5 and 6. Consultation with recognised staff representatives had begun.

114. Minutes of Meetings

Committee	Date of Meeting	Available from:
Audit Committee	19 June 2014	By email from s.trubshaw@sgul.ac.uk
Risk Management & Efficiency Committee	22 May 2014	By email from s.durkin@sgul.ac.uk
Finance Committee	12 June 2014	Paper/Council/5/S
SPARC	26 March 2014 14 May 2014 29 May 2014 16 June 2014	By email from s.trubshaw@sgul.ac.uk
Senate	9 June 2014	By email from d.baldwinson@sgul.ac.uk
Human Resources Committee	TBC	By email from mbentley@sgul.ac.uk

HEFCE and other External Matters

115. HEFCE Letters and Consultations and other External Consultations for Information

Received:

A report on HEFCE letters and consultations and other external consultations, with responses to date.

Paper Council/5/T

116. Any other business

Extra Council Meetings

Reported:

By the Chair, that two additional meetings of Council would be scheduled in 2015. These would be opportunities to discuss matters in more detail, and allow for any urgent decisions that needed to be taken in relation to the Financial Improvement Programme.

1117. Dates of meetings 2014-2016

Tuesday 21 October 2014
Tuesday 25 November 2014
Tuesday 16 December 2014
Tuesday 17 March 2015
Friday 24 April 2015 – Away Day
Tuesday 7 July 2015
Tuesday 20 October 2015
Tuesday 24 November 2015
Tuesday 15 December 2015
Tuesday 15 March 2016
Friday 22 April 2016 – Away Day
Tuesday 5 July 2016
Tuesday 18 October 2016
Tuesday 22 November 2016
Tuesday 13 December 2016

ST/25 September 2014