

Minutes

| | | |
|-----------------------|--|--------------------|
| Meeting title: | Council | |
| Date: | Wednesday 13 November 2013 | Time 3.00pm |
| Location: | Building 54, Highfield | |
| Present: | Dr G Rider (<i>Chair</i>); Mr M Burrow; Professor J Falkingham; Mr D Gilani*; Mr M Killingley; Professor D McGhee; Professor D Nutbeam; Mr T O'Brien; Dr M Read; Mrs H Smith; Professor P Smith; Mr J Trewby; Professor A Wheeler and Professor J Vickers. | |
| In attendance: | Mr L Abraham (Clerk to Council); Mr M Ace (Chief Operating Officer); Mrs T Harrison (Registrar); Professor P Nelson (Pro Vice-Chancellor (Research)); Ms S Pook (Director of Finance) | |
| Apologies: | Mr P Greenish; Ms S Kumar; Dr D Price and Ms R Rivaz | |

* not present for restricted business.

The Chair welcomed members to the meeting.

Council received a presentation from the ENACTUS Team regarding two projects they had run in Kenya; production of fertilizer and personal hygiene products for women. The Team also outlined their entry into the World Championships which saw them win second place. Council members congratulated the team on their work and achievements.

13 Obituary

There were no obituaries.

14 Minutes of the meeting held on 2 October 2013

It was noted that Mr Mike Killingley was not at the formal Council meeting and the attendance list would be corrected.

RESOLVED That the amended minutes of the meeting held on 2 October 2013 be approved and signed and that the minutes be published on the open access SUSSED site.

15 Matters Arising

The Chair reminded Council that a report on Key Performance Indicators was due for consideration. It was now agreed that the report be brought to the January 2014 meeting.

16 Declarations of Interest

There were no declarations.

17 Publication of unrestricted papers

RESOLVED That the papers circulated that were not deemed “Commercial in Confidence” be published on the open access SUSSED site.

18 Vice Chancellor’s Report (Agenda Item 6)

Council considered the Vice-Chancellor’s report, dated 13 November 2013.

The Vice-Chancellor introduced his report highlighting the following:

Strategy Refresh – Particular attention was drawn to work being undertaken to revise the Education Strategy in light of changes to funding for higher education and the creation of a competitive market for talented home/EU students. A more substantial update on progress would be provided at the January meeting of Council.

Research – Council was pleased to note that the income recorded in the financial statements for research grants and contracts was the highest ever at over £100 million, and that in the first 9 months of 2013 £118 million of new research awards had been received.

Student Recruitment – Work was continuing on this to ensure that a high intake of students achieving the highest qualifications was sustained and it was noted that recruitment initiatives were underway year-round and that new student accommodation would potentially make the University more attractive. More marketing in the north of the UK was also underway and meetings with the faculties were to be arranged to specifically discuss increased recruitment in academic areas where student entry qualification was high. Recruiting plans outlining the next three years were being drafted to aid the University in creating new recruiting streams. The fine for exceeding the student quota was also highlighted as an issue to monitor.

THE World Rankings – Council noted that although the University had slipped in the rankings, so had many other institutions in the UK. Detailed analysis of the University’s performance was underway. A report back on this could be expected in March 2014.

QAA Review – It was noted that this had been postponed to 2015.

MOOC – The Web Science MOOC had achieved more than 10,000 subscribers in its opening week which was excellent news. It was agreed to bring a presentation on MOOCs to a future Council meeting.

Resolved To note the Vice-Chancellor’s report.

19 Finance Report (Agenda Item 7)

Council considered a report from the Director of Finance which set out the Financial Statements 2012/2013, the HEFCE Annual Accountability Returns – Financial Commentary and the Final Budget for 2013/2014.

Council noted that the Financial Statements had been considered by both the External Auditor and the University's own Audit Committee and no significant issues had been raised. Given the challenges of under recruitment in 2012/13 it was pleasing to note that a surplus had been achieved and both research income and student fee income had risen while the balance sheet position had improved significantly because of a decline in the pension schemes' deficits..

Council members reiterated that a larger surplus and cash generation were required to help sustain the University in the long term.

In relation to the Final Budget 2013/14 it was noted that with the extra students there had been additional costs associated with recruitment which meant that while the overall position was a healthy improvement on the budget presented in July 2013, not all of the additional income was being captured as increased surplus. Funding being released for various capital projects was also noted and further efforts to drive down costs were continuing. Staff pay awards were highlighted as a future cost risk.

RESOLVED that:

- (i) In relation to the Financial Statements 2012/2013:
 - (a) the Financial Statements for 2012/13 be approved; and
 - (b) the issuing of a letter of support from the University of Southampton be approved, committing the University's financial support for a period of 12 months from signing the accounts to the following subsidiaries:
 - University of Southampton Holdings Limited;
 - Southampton Innovations Limited;
 - Southampton Asset Management Limited; and
 - University of Southampton Malaysian Campus Sdn Bhd (USMC).
- (ii) In relation to the HEFCE Annual Accountability Returns – Financial Commentary the 2013/14 forecasts and commentary be approved for submission to HEFCE.
- (iii) In relation to the Final Budget 2013/2014:
 - (a) the Final Budget for 2013/14 be approved, resulting in a budgeted surplus for the University of £5.6m, including the proposals to invest in focused growth for 2014/15; and
 - (b) Council is asked to approve the addition of £4m funding to Capital Programme 2 to enable immediate work to create capacity for student growth on Highfield for 2014/15 and to approve the release of an additional £0.8m for feasibility work on Capital Programme 3.

20 Progressing Major Capital Projects (Agenda Item 8)

Council considered a report by the Chief Operating Officer which set out the plans to take

forward three of the specific proposals for capital investments discussed and endorsed at the Council AwayDays 1st/2nd October 2013 and which presented to Council the business proposals to support those projects.

It was noted that all of the projects had their own funding streams or plans in place and Council was pleased to see the detail of the three projects presented together to provide context to the overall capital projects portfolio.

It was stated that the Chamberlain Hall development had been granted planning permission and, with approval from Council, it was planned to have the development completed and open for 2015 entry students.

Block G on the Boldrewood site would be a large structures laboratory and would be used by students and by staff for major research projects. The new facility would enable substantial and long needed developments on the Highfield site, including the demolition of the Faraday Tower without fundamentally disturbing the work of the Faculty of Engineering and the Environment. Having a modern facility to work with research partners and students was vital to the long term expansion plans of the University.

In relation to the Cancer Immunology Centre it was recognised that it was Southampton's aspiration to remain at the forefront of developments. As previously reported to Council, the University had received a very generous donation of £10 million towards this project, and Council understood that the fund raising campaign would seek to provide a further £10 million towards the total project cost of almost £20 million. Council were pleased to note that there were good relations between the University and University Hospital Southampton NHS Foundation Trust and that prior to construction of the new Centre a construction/development contract agreeable to both organisations would be in place.

In response to comment, the Chief Operating Officer confirmed that the new accommodation at Chamberlain Hall would be used outside of the academic year for pre-sessional students and conferences and that the University had worked closely with the architects establishing the appropriate room size and design. Council requested a site visit once the Halls were complete.

RESOLVED that

- (i) Halls of Residence - capital expenditure of a further £19.3 million in addition to the £3 million already expended on the project (totalling £22.3 million) be approved, in order to deliver a further 356 halls rooms for the 2015/16 session, justified by maintaining and improving the relative competitive position of the University, the strong premium attached by students to the Glen Eyre site, the University's expectation of an expansion in new entrant students, the latent demand of returning students for good quality student accommodation and a solid financial plan showing repayment of the capital expenditure based on the costs of a notional 5% loan over the first 20 years of the hall's operation and long term financial sustainability thereafter;
- (ii) Boldrewood Engineering Centre of Excellence - as a result of the Research Partnership Investment Fund grant award of £10 million and the academic advantages to be gained, the inauguration of the re-masterplanning exercise and design and development of Block G on the Boldrewood Engineering Centre of Excellence campus be approved, on the condition that further cost and phasing updates would be

presented as work proceeds; and

- (iii) Cancer Immunology – the inauguration of the fundraising campaign and the development of the formal contractual framework with University Hospital Southampton NHS Foundation Trust for the delivery of the project be endorsed, with an anticipated cost of just under £20 million of which £10 million has already been received as a philanthropic donation.

21 Technology Transfer (Agenda Item 9)

Council considered a report from the Pro Vice Chancellor for Research which set out a refreshed strategy for technology transfer which aimed to:

- Further develop University enterprise and innovation;
- Strengthen and develop strategic relationships with leading national and international organisations;
- Develop collaborative research with industry and business; and
- Grow the University’s applied research and consultancy.

Council was pleased to note that the University remained number one for consultancy and seventh for research income from industry in England and hoped that this excellent performance would continue.

It was suggested that Council members might be involved with the new University Enterprise Board that was to be established to help further the research business activities. It was agreed that successful spin-out companies supported by the University but essentially “owned” by the inventor were vital to the visibility and reputation of the University. It was also recognised that support must be given to those involved in not-for-profit activities including staff and students.

RESOLVED that

- (i) the University adopt a refreshed approach to the generation of new businesses that has the objective of maximising the economic impact of the University on the local economy and consequential publicity and reputational gain for the University. This would be achieved through encouraging the formation of new businesses by both taking either a permissive approach (within the framework of the existing consultancy policy) or by taking a more proactive approach where appropriate, depending upon the scale of the perceived opportunity;
- (ii) the process of new business generation be overseen by a newly constituted University Enterprise Board that would fulfil the role that has hitherto been fulfilled by the SAM Board, but without the constraint of the original agreement with IP Group;
- (iii) a new Entrepreneurship Advisory Network be formed whose members external to the University would be encouraged to assist in, and become involved in, the developments of new businesses based on the University’s research outputs;
- (iv) in the case of venture capital backed spin-outs, the split of shareholding between the University and inventors agreed prior to negotiations with venture capital

backers would normally be 33/67, and that this approach would be trialled for a three year period;

- (v) two new posts of Business Creation Manager be created within RIS, whose funding would be from within existing budgets, with the explicit intention of assisting in spin-out company generation; and
- (vi) that the process of new business formation be adopted from 1st January 2014.

22 Report from the President of the Students' Union (Agenda Item 10)

Council considered a report from the President of the Students' Union which provided an update on various matters since the last meeting.

Council was pleased to note that the five priorities outlined at the last meeting had progressed with the 'Feedback and Academic Support' aspect in particular becoming a great success. Council was reminded that the Pro Vice Chancellor for Education would be presenting the refreshed Education Strategy in March 2014 which would include reference to this priority.

RESOLVED that the report be noted.

23 Audit Committee Annual Report to Council (Agenda Item 11)

Council considered a report from the Audit Committee which set out the Committee's activity over the past 12 months.

The Chair of the Audit Committee stated that there were no significant issues to report to Council and that the Committee had received excellent support from the Vice Chancellor, Treasurer, Director of Finance, Chief Operating Officer and both the Internal and External Auditors.

It was noted that improvements had been made in many areas including risk management, although further work was needed in this area to ensure local risks at faculty level were identified and acted upon. Council was also pleased to note that a new approach was being used for ensuring value for money.

RESOLVED that the Annual report from the Audit Committee be adopted.

24 Report from the Nominations Committee (Agenda Item 12)

Council received a verbal update from the Chair of Council on the deliberations from the Nominations Committee held earlier in the day.

Council noted that the reduction in Council lay members to 8 and reduction in Senate members to 3 had been discussed and agreed together with a new structured approach to appointing and inducting new members of Council. Following a review of membership undertaken in 2010 it was now agreed that due to vacancies having arisen over recent times, now was the opportunity to reduce the membership. A list of potential names had been

considered for Council membership and a further list, mapped to actual requirements, was to be drawn up for consideration by Nominations Committee members in January prior to January Council.

It was noted that the Audit Committee membership was to be increased by one and both Dr David Price and Mr Stephen Freer were formally appointed.

RESOLVED that the update from the Nominations Committee be approved and noted.

25 Report from Senate (Agenda Item 13)

Council considered a report from Senate which had been circulated which set out the proposal to create the new role of Assistant Pro Vice Chancellor to assist the Pro Vice Chancellors.

RESOLVED that the report and content be noted.

26 Risk Register (Agenda Item 14)

Council considered a report by the Chief Operating Officer which set out the identified risks.

Members noted that the register would be presented to each Council meeting with discussion invited at every other meeting. This instance was for noting only.

RESOLVED that the report be noted.

Restricted Items

27 Restricted Report from Senate (Restricted Item 15)

Council considered a restricted report from Senate.

RESOLVED that the recommendations contained in the report be approved.

28 Restricted HR Matters (Restricted Item 16)

Council considered a restricted report by the Director of HR.

RESOLVED that the recommendations contained in the report be approved.

29 Report of the Senior Salaries Committee (Restricted Item 17)

Council considered a restricted report by the Senior Salaries Committee.

RESOLVED that the report be noted.

The meeting concluded at 6.12pm