

Minutes

Meeting title:	Council	
Date:	Wednesday 30 November 2016	Time 3.00pm
Location:	University Data Centre, Astro House, Brunel Way, Fareham	
Present:	Dr G Rider (<i>Chair</i>); Ms F Barnes, Mr G Berruyer, Mr P Greenish, Mr P Hollins, Mr A Hovden, Dr B Lwaleed, Professor M Niranjana, Mr T O'Brien, Dr D Price, Mr A Reyes-Hughes, Professor P Reed, Mr W Shannon, Professor Sir C Snowden and Professor J Vickers.	
In attendance:	Mr L Abraham (Clerk to the University Council), Ms C Atkins (Academic Registrar), Ms J Donaldson (Director of HR), Mr I Dunn (Chief Operating Officer), Ms J Fielder (Assistant Director of Finance), Professor A Neill (Vice President – Education), Ms S Pook (Director of Finance), Professor M Spearing (Vice President – Research & Enterprise) and Ms M White (Assistant Director of Finance). Mr G Bagshaw - Rothschild	
Apologies:	Professor C Grant, Mr G Hobbs, Ms S Kumar, Dr R Rivaz Hons DSc	

15 Minutes

RESOLVED That the minutes of the meeting held on Tuesday 27 September 2016 be agreed as a correct record and signed

ACTION: Clerk to Council

16 Actions and Matters Arising

RESOLVED that

(i) a report on Fee Capping Options be considered at the March 2017 meeting; and

ACTION: Director of Finance

(ii) an update report on Staff Mental Health be considered at the July 2017 meeting.

ACTION: Director of Health & Safety

17 Declarations of Interest

There were no declarations.

18 Publication of unrestricted papers

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

ACTION: Clerk to the University Council

19 President and Vice Chancellor’s Report

The President & Vice Chancellor presented his report to Council highlighting the following:

- Progress on the PREVENT Duty
- The emerging Teaching Excellence Framework (TEF)
- The latest position following Brexit and discussions with central government regarding student Visas
- University recruitment
- Results from the National Student Survey

RESOLVED that the report be noted.

20 10 Year Plan – Update and Fundraising

Council considered a report by the Assistant Director of Finance which provided an update on the current phase of the 10 Year Plan project and also focused upon the fundraising element.

Council noted that the 10 Year Plan had undergone thorough discussion and scrutiny at University Executive Board, the recently held “Deep Dive” sessions with Council members in October and been discussed by senior University members at a Strategy Colloquium. Cost reduction was at the forefront of discussions identifying potential for reducing costs in staff, IT, estate as well as general day to day University running costs. Data analysis was currently being undertaken and a more detailed forecast of costs would be presented in January.

In order for the estate elements of the 10 Year Plan to be realised, it was noted that funding was required. To enable funding to be sourced, Council considered the request for the University to obtain a credit rating. A representative from Rothschild then outlined the main funding options. The four main funding options outlined were European Investment Bank (EIB), Public Bond, Private Placement and bank debt.

It was noted that the EIB was the cheapest form of finance but would only lend up to 50% of the amount required. Capital and interest would need to be repaid over the full term of any loan. The EIB was inundated with applications and projects would be scrutinised deeply. Any loan would come with covenants which may restrict the University in the long term.

Public Bond would be a listed and tradable instrument. A fixed rate would be paid to the investors and only sums over £250m would be considered as ‘benchmark’ and therefore applicable for the best possible rates. A prospectus containing detailed information about the University, its history, current activity, achievements, governance and future

strategy would be required. Public bonds were long dated, over 40 years typically, and would require the University to have a credit rating.

Private Placements were private equity investments and not listed or tradable. Fund raising through this process was achievable without a credit rating although higher dividend rates were usually applied to reflect this.

Council agreed that obtaining a credit rating at this stage would be prudent, to enable all of the funding options to be considered. To begin the process, a 5 Year Financial Forecast was required outlining income and expenditure. It was agreed that the forecast be produced and presented to Council in January 2017. **ACTION: Director of Finance**

RESOLVED that:

- (i) the report be noted; and
- (ii) work be commenced in order that the University obtain a credit rating including the production of a 5 Year Forecast.

21 Finance Report

Council considered a report by the Director of Finance which presented the University Financial Statements 2015/16, Business Analysis of the Financial Statements, Annual Audit Report, HEFCE Annual Accountability Returns, Final Budget 2016/17 and October Management Accounts for Council approval.

(A and B) Financial Statements and Business Analysis of Financial Statements 2015/2016

The financial statements were presented to University Council for approval. The external auditor had produced a management letter which had been discussed with University officers and the Treasurer prior to presentation to the Audit Committee on 14 November 2016. The Audit Committee was satisfied with the content of the letter and the presentation of the external auditor. The financial statements contained an unqualified audit opinion.

Council was pleased to note the performance and thanked the Director of Finance and the finance team for their excellent work.

RESOLVED That:

- (A) the financial statements for 2015/16 be approved; and
- (B) the issuing of a letter of support from the University of Southampton committing the University's financial support for a period of 12 months from signing the accounts to the following subsidiaries:
 - Southampton Innovations Limited
 - Southampton Asset Management Limited
 - University of Southampton Malaysian Campus Sdn Bhd (USMC)
 - University of Southampton Holdings Limitedbe approved.

(C) Annual Audit Committee Report 2015/16

Council considered a report by the Chair of the Audit Committee which provided an annual update on its work for the University Council for the period 1 August 2015 to 31 July 2016. The report was submitted as part of the control documentation to HEFCE. While the report was based on work undertaken during 2015/16, it also covered scrutiny of the University's 2015/16 Financial Statements in November 2016.

RESOLVED that the report be noted.

(D) HEFCE Annual Accountability Returns – Financial Commentary

The University was required, by the Financial Memorandum with HEFCE, to provide certain data returns and forecasts which together enable HEFCE to form a judgement on the risk profile of the University. As in previous years, Council was asked to approve the suggested forecasts and commentary.

RESOLVED that the 2015/16 return and commentary submission to HEFCE be approved.

(E) Final Budget 2016/17

Council considered a report which presented the final 2016/17 budget, explained key variances to the original budget and updated the risk assessment.

RESOLVED That the Final Budget for 2016/17 be approved. The budget would continue to deliver a management accounts surplus of £3.2m, as per the original budget, but will absorb lost fee income of £12.2m, primarily due to lower than planned student recruitment and net additional 10 Year Plan expenditure of £3.0m. The budget includes a provision for £6.2m of savings that had yet to be specifically identified.

(F) October Management Accounts

Council received a report which set out the management accounts up to and including October 2016.

RESOLVED that the October Management Accounts be noted.

22 Annual Equality and Diversity Report

Council received a report from the Assistant Director of HR and the Equality & Diversity Projects Officer which provided an update on progress against 2015/16 objectives and also set out for approval further objectives for 2016/17.

Council was pleased to note that progress against the 2015/16 objectives had been generally good, and that the objectives for 2016/17 would focus on consolidating and embedding the equality, diversity and inclusion (ED&I) governance framework implemented this year. Furthermore, this framework would be used in 2016/17 to consult on how to maximise opportunities to progress all aspects of ED&I (beyond gender and to include BME and disability) through the 10 Year Plan.

Council welcomed the University's Athena SWAN Silver award and the retention of the HR Excellence in Research award - recognising commitment to developing Early Career Researchers (ECRs), with work to be further aligned to Athena SWAN in 2016/17.

Unconscious bias training was underway with the University senior executive and would be delivered to all promotions panellists by January 2017. Council members had also reserved places on forthcoming sessions.

For the second year running, the application rates for promotion from Level 6 to 7 was equal for men and women. Application rates for promotion for Level 5 to 6 was equal for the first year. However, it was highlighted that there was no room for complacency as current data indicated that black and minority ethnic (BME) academics were less successful than white academics in promotions; this trend was being investigated through focus groups of previous applicants.

Council also noted plans for the first Diversity Fortnight (20 February – 7 March 2017) and the recent activities in support of LGBT Awareness Week.

In response to a query, Council noted that joint activities were being explored between the University and the Hospital including an emphasis on mental health matters.

RESOLVED that

- (i) the focus for 2016/17 is to consolidate and embed the successful work begun in 2015/16 to establish Equality, Diversity and Inclusion (ED&I) Committees in faculties and across Professional Services, and consult on long-term ED&I priorities that emerge as the 10 Year Plan is developed.
- (ii) in order to achieve this, Council endorse seven equality objectives for 2016/17:
 1. Identify opportunities to embed equality, diversity and inclusion throughout the 10 Year Plan by conducting equality impact assessments on its programmes as they are developed;
 2. Faculties and professional services to deliver on the objectives set by University Executive Board;
 3. Continue to develop and deliver activities that build on our Athena SWAN successes and support for departmental teams to apply for awards and progress their action plans;
 4. Identify actions to achieve at least 30 per cent female representation in all University committees and other key activities by 2020;
 5. Continue to improve gender equality in key processes and begin work to identify potential equality issues for BME staff in the academic promotions process;
 6. Continue to raise awareness of ED&I via events and activities, including a high-profile 'Diversity Fortnight', Black History Month, International Women's Day, LGBT History Month and an annual programme of employee network events; and
 7. Identify ways for the Concordat for the Development of Researchers Working Group (CDRWG) and University Athena SWAN Committee to work together more closely and ensure that objectives and activities are aligned between the two groups.

ACTION: Assistant Director of HR

23 Annual Report on the Operation of the University Quality Monitoring & Enhancement Framework

Council considered a report by the Vice President (Education) which provided assurance on academic governance matters. HEFCE now required Council to complete an Accountability Return which provided assurance of the quality of academic governance arrangements as set out in the Higher Education Code of Governance. In addition to quality and standards processes, the submitted return to HEFCE would also include assurance regarding continuous improvement of the student academic experience and of student outcomes, and on the reliability of degree standards.

Council noted that academic governance matters underwent strict scrutiny via the Academic Quality & Standards Committee and via Senate. The Vice President assured Council that the accountability return could be submitted to HEFCE with confidence.

RESOLVED That the assurance statements related to academic governance within the Annual Accountability Return to HEFCE be endorsed and submitted.

24 Nominations Committee Matters

Council noted that the meeting due to be held earlier in the day had been cancelled.

25 Outturn Report 2015/16 KPIs

Council received a report by the Head of Strategy which set out the University's performance against the KPIs that were agreed in July 2015 for the academic year 2015/16.

RESOLVED that the report be noted.

26 Risk Management

Council received a report by the Director of Health and Safety which provided an update on the strategic risk register, risk management practices and the risk management process.

RESOLVED that the report be noted.

27 Student Recruitment Update

Council received a report by the Vice President (Education) which provided an update on the performance of the 2016/17 entry.

Council noted that the commitment to reduce intake in order to increase quality had been a success. This enabled the estate to be better utilised and demonstrated that elements of the 10 Year Plan were being achieved.

RESOLVED that the report be noted.

28 Audit Committee Annual Report

This item had been dealt with under minute 21(C).

29 Report from the President of the Students' Union

Council received a report from the President of the Students' Union which outlined current activity, including:

- Union Branding
- The implementation of the Teaching Excellence Framework (TEF)
- Forthcoming changes to the Union's constitutional articles (which was noted would require Council approval)

30 Senior Salaries Committee Update

Council received a verbal update from the Chair on the meeting of the Senior Salaries Committee which had been held earlier that day.

It was noted that the Committee used the most recent Key Performance Indicator outturn information to assess University performance for the past year and examined both base pay and performance pay for individuals. It was further noted that a discussion was held as to the usefulness of performance pay as a motivational tool. Council noted that the Committee worked with diligence to ensure that the top executive team were motivated to deliver agreed strategic outcomes, especially now that the 10 Year Plan delivery was underway.

RESOLVED that the update be noted.

31 Sealing of Documents

Council received and noted a report detailing the documents sealed since the last report to Council.

RESTRICTED MATTERS

32 Restricted Human Resources Matters

Council considered restricted reports from the Director of Human Resources that outlined an appeal against dismissal and two cases of redundancy.

RESOLVED that the reports be approved.

33 Restricted Senate Matter

Council considered a restricted report from the Senate which set out the proposed list of recipients of the title of Emeritus Professor.

RESOLVED that the list be approved.

34 Honorary Degree Recommendations

Council considered a restricted report from the President and Vice Chancellor which set out the proposed list of recipients for conferment of an honorary degree.

RESOLVED that the list be approved.

The meeting concluded at 5.54pm