

Minutes

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| Meeting title: | Council | |
| Date: | Wednesday 28 November 2018 | Time 2.15pm |
| Location: | The Senate Room, Building 37, Highfield | |
| Present: | Mr P Greenish (Chair), Ms F Barnes, Mr G Berruyer, Mr R Cartwright, Mr S Gore, Mr G Hobbs, Mr P Hollins, Professor J Holloway, Dame J Macgregor (Vice Chair), Professor R Mills, Professor A Neill, Ms H Pawlby, Dr D Price, Mr A Reyes-Hughes, Professor P Reed, Mr W Shannon, Professor Sir C Snowden and Dr A Vincent. | |
| In attendance: | Mr L Abraham (Clerk to the University Council & Senate), Ms C Atkins (Academic Registrar), Mr I Dunn (Chief Operating Officer), Mrs W Eley (Vice President – International), Ms B Halliday (Director of Legal Services), Professor M Spearing (Vice President – Research & Enterprise) and Ms S Pook (Executive Director, Finance & Planning) | |

18 Apologies

There were no apologies.

19 Minutes

Council considered the minutes of the last meeting held on 27 September 2018. The following corrections were made:

Action 14 – typo “statues” changed to “status”

Minute 14, second paragraph – removal of the word “be”.

Minute 13 – It was queried as to whether the financial support offered was unlimited. It was confirmed by the Executive Director, Finance and Planning that such support was offered within an appropriate budget.

Minute 7 – It was suggested that the second paragraph be amended to read:

“Discussion then focused upon a project being led by the SUSU President in response to a media article that suggested 75% of all females on a typical university campus had experienced sexual harassment of some kind. Several members challenged the statistic and sought further clarification on its source, reliability and relevance to Southampton. Council noted that cases of this kind brought before the Student Discipline Committee were a small handful of cases each year. Council also noted that the University operated a comprehensive student support network and had various sources of help and support for those who may become victims of harassment on campus. The President & Vice

Chancellor reassured Council that Southampton in no way reflected this statistic. The SUSU President undertook to carry out further investigation in this area and Council requested that it be kept fully informed by the Union President on the matter and to bring a full report once the work was underway. **ACTION: SUSU President**

Further to that amendment, Council noted the content of the article (<https://www.theguardian.com/commentisfree/2018/mar/02/universities-rape-epidemic-sexual-assault-students>) and the methodology of data collection. It was reiterated that the Student Discipline Committee only considered a very small number of such cases annually and that effective support was in place to help students should they require support and assistance. It was suggested that there could be unreported cases on Southampton campuses. The SUSU acting President undertook to continue the work with emphasis on trying to ascertain the true number of incidences taking place at Southampton, both reported and unreported, and would report back to Council on findings in due course. Assistance in this work could be provided by the Student Services team. **ACTION: SUSU President**

RESOLVED that the amended minutes of the meeting held on 27 September 2018 be confirmed as a correct record and signed.

20 **Actions and Matters Arising**

Council noted the Annual Calendar of Business.

21 **Declarations of Interest**

Richard Cartwright declared that, in relation to minute 27, he had received contact from colleagues at KPMG who had asked for advice about the University. Mr Cartwright explained that he only supplied already publicly available material.

22 **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.

23 **President and Vice Chancellor’s Report**

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

- International Students and Transnational Education
- Times Higher World Rankings
- USS Joint Expert Panel Report and Consultation
- Student Mental Health
- HE Participation Statistics
- Essay Mills
- Undergraduate Fees
- Research Funding
- TEF
- Brexit – Staff at UK Universities
- UCAS – Early applications for 2019 entry
- Office for National Statistics Report – “Value of a Degree”
- Local USS and PASNAS pension scheme updates
- Student Recruitment Update

- Meeting with the new Malaysian Prime Minister
- Careers Fair

Council was pleased to note that the University had achieved very strong employability outcomes and encouraged this news to be communicated as much as possible and used on marketing material, if appropriate.

Council further noted that the admissions team was now working well to clear the outstanding offers with the focus on PGT applications.

RESOLVED that the report be noted.

24 **Report from the President of the Students' Union**

Council considered a report by the Acting President of the Students' Union which provided an update on recent SUSU activity. Fresher's weeks had recently been held with an emphasis on non-alcoholic events.

The Union was highly regarded for its clubs and societies and the Acting President had been busy finalising some new sport offers, including a campaign to encourage more women into sport and general participation of international students. The Sabbatical team had also been active including the Welfare team producing a starter pack for new students and improvements were underway to the SUSU website.

It was queried whether there were any barriers preventing international students participating more in SUSU activity. It was noted that some international students participated in sport, such as the Chinese students' football team. The focus was to integrate the international students into wider clubs, societies and events at SUSU. The Acting President undertook to investigate this and report back to Council.

ACTION: Acting SUSU President

RESOLVED that the report be noted.

25 **Finance Report**

Council considered a suite of reports by the Executive Director, Finance & Planning which comprised of five parts:

- i – Business Analysis and Financial Statements 2017/18
- ii – OfS Annual Accountability Return – Financial Commentary
- iii - Audit Committee Annual Report 2017/18
- iv - Final Budget 2018/19
- v – Management Accounts - September 2018

Together the reports set the picture of financial performance of the University for two years and proposed a summary update for OfS on the prior year changes since the forecast submission in July 2018.

(i) Business Analysis and Financial Statements 2017/18

The financial statements for 2017/18 were presented for approval subject to the final opinion by the external auditor. Following the audit during September and October, the

external auditor had produced an Audit Completion Report which was presented to the Audit Committee on 14 November 2018 alongside the draft financial statements. The Audit Committee was satisfied with the content of the letter and the presentation of the external auditor. The audit went well, no significant issues were identified and the financial statements would contain an unqualified audit opinion. The Letter of Representation to the external auditor would confirm responsibilities for the audit in line with previous years.

The report highlighted some of the main aspects of the financial performance and variations from budget. It set out the outcome of the impairment assessment of University of Southampton Malaysia (USMC Sdn Bhd) and the agreement to undertake a full impairment review with Finance Committee late in 2019/20, following consideration of the new strategy and business plan from the Chief Executive Officer by Council.

RESOLVED that

1. the financial statements for 2017/18 be approved; and
2. the financial performance for the year compared to budget be noted.

(ii) OfS Annual Accountability Return – Financial Commentary

The University was required by the OfS terms and conditions of funding to provide certain data returns and forecasts which together enable the OfS to form a judgement on the risk profile of the University. For the December returns, institutions were required to submit, by Monday 3 December, a financial commentary that explains:

- any material variances between the 2017/18 audited accounts and the forecast for the year that were submitted in July 2018, which was based on the May 2018 management accounts;
- any changes in financial commitments since the July 2018 forecast;
- whether any key assumptions within the July 2018 forecasts have changed and, if so, the impact on the financial performance and position. Where the changes have a material impact overall the commentary must explain the mitigations that will be made to address the impact.

RESOLVED that the 2017/18 financial commentary for submission to the OfS be approved.

(iii) Audit Committee Annual Report 2017/18

The Audit Committee had prepared an annual report on its work for the University Council for the period 1 August 2017 to 31 July 2018. The report would be submitted as part of the control documentation to OfS. While the report was based on work undertaken during 2017/18, it also covered the scrutiny of the University's 2017/18 Financial Statements in November 2018.

The OfS Terms and conditions of funding for higher education institutions sets out the requirement for the report to Council.

The audit committee was responsible for assuring the governing body about the adequacy and effectiveness of:

- risk management, control and governance
- Value For Money
- the management and quality assurance of data.

The committee produced the annual report for the governing body and the accountable officer. The report covered the financial year and included all significant issues up to the date of signing the report and its consideration of the financial statements for the year. The report was presented to and reviewed by the governing body before the audited financial statements were signed. The report included the committee's opinion on the adequacy and effectiveness of the HEI's arrangements for:

- risk management, control and governance
- economy, efficiency and effectiveness (VFM)
- management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE, the OfS, Research England and other bodies.

The final annual report to the governing body and the accountable officer must be shared with the OfS each year, and, on request, with Research England.

The Chair of the Audit Committee presented the annual report highlighting the following areas:

- Committee membership changes
- The recent review of the Committee Terms of Reference
- New processes the committee adopted in order to provide Council with the governance assurance it required.

Council thanked the Committee for its continued hard work.

RESOLVED that the Annual Report of the Audit Committee be endorsed.

(iv) Final Budget 2018/19

The report provided an update to the 2018/19 budget presented to Council in July 2018. The budget was approved with the knowledge that a final budget would be submitted in November, following the results of student recruitment being known in October. The volatility of student recruitment results in material impacts to the income levels of the University. The final budget incorporated the impact of actual recruitment on tuition and accommodation fee receipts together with additional investment income and a number of other changes.

The report presented the final 2018/19 budgets, explained key variances to the original budget and provided an updated cash flow forecast.

The Finance team were congratulated on their excellent work in producing the budgetary reports. Council was pleased to note the increased surplus together with the reduction in operating costs. It was noted that additional areas of cost saving were now under investigation with emphasis on a new procurement programme and the "Spend Wisely" campaign.

Slippage of capital spend associated with the 10 Year Plan was noted to be due to delays in planning rather than delivery. With regard to risk, it was noted that UEB monitored risks regularly and improvements to reporting and action planning were continuously monitored.

RESOLVED that the final budget for 2018/19 be approved. The budget update exercise had resulted in a planned surplus of £1.4m, which was an increase of £1.0m from the July 2018 budget. The Barclays loan covenant headroom had been maintained at £12.7m of adjusted cash flow as per the original budget.

(v) Management Accounts – September 2018

The report presented the management accounts for financial year 2018/19 as at September 2018. It was difficult to get a clear view of overall financial performance at this early stage of the year so the report focussed on the key aspects, including tuition fee income and staffing spend compared to the original budget, as well as reporting on cash flow monitoring for the University.

RESOLVED that the Management Accounts for September 2018 be noted.

26 Annual Assurance Return

Council considered a report by the Academic Registrar which set out the requirement for all OfS-funded higher education institutions to submit an annual assurance return. The OfS used the information submitted in the annual return as part of its assessment of accountability for public funding and compliance with the terms and conditions of funding for higher education institutions.

In Part 2 of the annual assurance return, Council was asked to confirm that:
“It has received and discussed a report and accompanying action plan relating to continuous improvement of the student academic experience and student outcomes.”

This included evidence from the provider’s own periodic review processes, which fully involve students and included embedded external peer or professional review. The methodologies used as a basis to improve the student academic experience and student outcomes were, to the best of its knowledge, robust, and appropriate. The standard of awards for which the University was responsible have been appropriately set and maintained.

Council noted that the assurance return had been through a rigorous process having been compiled and drafted by the Academic Quality and Standards Committee and presented to Senate. Senate had considered the return and endorsed it for final sign off by Council.

RESOLVED that the report be noted and the requirements of the annual assurance return be confirmed. The return to be signed by the accountable officer on behalf of Council before 3rd December 2018.

27 Recommendation from the Audit Committee – Internal Audit

Council received a report from the Executive Director, Finance and Planning which informed Council of the outcome of the internal audit tender which would lead to a

contract award to KPMG LLP for a period of three years with an annual option to extend up to a maximum of five years subject to satisfactory performance. Council was asked for approval to appoint KPMG LLP as internal auditor from 2019/20.

RESOLVED that the appointment of KPMG as internal auditor from 2019/20 be approved.

28 Financial Regulations

Council considered a report by the Executive Director, Finance and Planning which provided an update on the project to update the Financial Regulations. Whilst the University had regularly updated its Financial Regulations it had not undertaken a major review of the Financial Regulations or Expenses & Benefits Manual since 1996. A review of Financial Regulations across the sector saw a move to an overarching framework with individual policies sat underneath. Finance Committee had approved the move to a similar framework approach in February 2016 and had been kept informed as the project progressed.

Finance Committee approved Finance Policies 1 to 26 at its meeting on 7th November 2018 and recommended the Financial Regulations to Council for approval. Audit Committee reviewed the Financial Regulations at its meeting on 14th November and recommended them to Council for approval.

RESOLVED that the Financial Regulations be approved.

29 Senate Matter – Amendment to the Ordinances

Council considered a report by the Clerk to the University Council & Senate that presented for approval some minor changes to the University Ordinances which have been endorsed by Senate.

In addition to those outlined in the report, Council also noted the following additional changes:

- (i) 2.9.1 Para 3 – The following sentence be added “The President and Vice Chancellor shall not be a member of the Remuneration Committee”;
- (ii) 2.4 – The Institute of Life Sciences be added.

RESOLVED that the proposed changes be approved.

30 Research Performance and Progress Against Strategy in 2017/18

Council received a report by the Vice President (Research and Enterprise) which provided an overview of key elements of research and enterprise performance at the University of Southampton over the period August 1st 2017 to July 31st 2018 and its progress against the Research and Enterprise Strategy.

Prior to the Council meeting the Vice President had given a thorough presentation to Council which outlined the research and enterprise eco-system, the grant system, the method making successful grant applications, success rates, the impact on the university of a thriving research culture and aspirations for the future.

RESOLVED that the University's performance in research and enterprise and its progress against its research and enterprise strategy be noted.

31 Research Excellence Framework (REF) 2021 – Progress Report

Council considered a report by the Vice President (Research and Enterprise) which presented the provisional results of the 2018 outputs assessment exercise, and an overview of the University's preparations to deliver a successful outcome in REF2021.

Council noted that everything possible was being done by the team to ensure a good outcome to the REF in 2021. As part of the presentation prior to the Council meeting, Council was fully updated on the preparations for REF 2021. Council questioned the Vice President and was content with the work that was being put in place for the REF submission.

RESOLVED that the report be noted.

32 Education Strategy and NSS Strategic Plans 2018/19

Council considered a report by the Vice President (Education) which updated council on the Education Strategy and on planned NSS-related activity for 2018/19. In addition to the report, Council received a presentation prior to the meeting from the Vice President (Education) on progress and work being undertaken throughout the institution.

Council noted that the major projects being driven under the Education Strategy were designed to have a positive impact on the experience of students, and so will have a positive impact on the University's NSS scores. Faculty NSS action plans were in place which were not only bringing improvements but helping to keep track of progress overall. Faculty Boards also had student representatives to ensure that effort was targeted in the most appropriate areas.

Council was pleased to note the progress.

RESOLVED that the report be noted.

33 Risk Register

Council considered a report by the Director of Health, Safety and Risk which provided the latest iteration of the University Risk Register and associated action plan for review by Council.

The various changes were noted and it was stated that forthcoming department business planning would trigger a further review of all risks.

In response to a query, Council noted that the results of the latest staff survey would be presented in either January or March 2019. **ACTION: Chief Operating Officer**

RESOLVED that the report be noted.

34 Key Performance Indicators – Retrospective Report on 2017/18 Performance and 2018/19 Targets

Council considered a report by the Chief Operating Officer which summarised the University's KPI results for the academic year 2017/18. Council approved these KPIs in July 2017. The report also presented the University KPI targets for the academic year 2018/19.

Council noted the method used to set the baseline and strategic targets for 2018/19, was:

- To maintain the strategic target for 2021, as set in July 2017, which broadly aligned to the ambition to be top 10/top 100 and achieve the 5 year forecast. For strategic targets, assume a straight line trajectory to the 2021 target or as quoted in 5 year forecast (as at January 2017)
- The baseline targets represented the desire to always improve performance, and therefore is set as a minimum to maintain the previous year's performance or achieve the agreed budget position. It was noted that meeting the targets would not necessarily achieve the strategic target for 2021.

It was further noted that the target values were to be used as a guide to assess performance. However, the strategy to be 'simply better' meant it was the relative position in the external environment which was important and therefore the actual target value may move year on year to match the intended external position.

RESOLVED that

- (i) the universities retrospective KPI performance be noted; and
- (ii) the 2018/19 targets be approved.

35 Annual Report from Remuneration Committee

Council considered a report by the Chair of the Remuneration Committee which set out the first Annual Report for the year that ended on 31 July 2018. This first annual report was made following the publication of the Committee of University Chairs' (CUC) Higher Education Senior Staff Remuneration Code in June 2018.

Council noted that it had been a year of considerable and legitimate public interest and scrutiny in the remuneration of senior staff in Universities. As a Committee and as a University, this was welcomed and the university remained fully supportive of the Code. Amongst other things, it provided a common platform in reports such as this, to set out the wide range of factors that shape and influence the decision making of higher education remuneration committees.

The report aimed to increase the transparency of the committee's work by describing the approach to the remuneration of senior staff, setting out the principles and practices that were applied in the pursuit of fair and appropriate remuneration in support of the overall objectives of the University as a whole.

Council noted one amendment, that UEB members expenses would be published quarterly from January 2019. It was further noted that the annual report would be published on the university website.

RESOLVED that the annual report of the Remuneration Committee be approved.

36 Annual Update on PREVENT

Council considered a report by the Director of Legal Services which provided an update on the forthcoming submission of the University's accountability and data return to the Office for Students ('OfS') confirming that the University had appropriate policies and processes in place in response to the Prevent statutory guidance and was following those policies and processes in practice.

The report also sought Council's consideration and approval of the Accountability and Data Return demonstrating that the University had continued to have due regard to the Prevent Duty.

Council sought further information on the actual events held and external speakers hosted on campus, the training that had been undertaken for university staff and the welfare provision that was available. The Director of Legal Services undertook to circulate the further detail to Council after the meeting. Council agreed to send any comments to the Chair of Council and the Clerk by Friday 30 November and further agreed to delegate action to the Chair of Council to approve and sign off the declaration in time for submission to OfS on 3 December 2018.

RESOLVED that

- (i) the report be noted;
- (ii) once further detailed information had been circulated, any comments would be sent via email to the Chair of Council and the Clerk by 30 November 2018; and
- (iii) the Chair of Council be delegated to approve and sign the declaration within the annual report to the OfS.

37 Nominations Committee Matters

Council received a verbal report from the Chair of Council on the discussion held at the Nominations Committee earlier in the day.

Council noted the work that was underway to secure a new University Chancellor and also the efforts to fill the lay vacancy on Council.

The Nominations Committee had considered a potential Pro Chancellor candidate. Dame Veronica Sutherland had been put forward by the Vice Chair of Council. Dame Veronica had been a UK diplomat for much of her career undertaking diplomatic postings in Copenhagen, Paris, Africa and the Republic of Ireland. Dame Veronica had also served as the President of Lucy Cavendish College, University of Cambridge. The Nominations Committee considered Dame Veronica an ideal candidate for the role of Pro Chancellor and proposed to Council her appointment for a 5 year term.

RESOLVED that

- (i) the update be noted: and

- (ii) Dame Veronica Sutherland be appointed Pro Chancellor from 29 November 2018 until 31 July 2023 (a period of 5 years).

38 Joint Committee (VC Recruitment) – Update

Council considered a report by the Chair of Council which provided Council with an update on the work of the Joint Committee on the VC Recruitment.

RESOLVED that the report be noted.

39 Sealing of Documents

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

40 Chair’s Action

None.

41 Committee Minutes

Council received and noted all the Committee minutes from meetings that had been held since the last meeting.

Restricted Items

42 Restricted Senate Matters – Emeritus Professors

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

RESOLVED that the list be approved.

43 Honorary Degree Recommendations

Council considered a restricted report by the Honorary Degree Advisory Group which set out the proposed list of recipients of honorary degrees.

RESOLVED that the list be approved.

The meeting concluded at 6.31 pm

Actions

| Minute No. | Minute Title | Action Summary | Owner | Report Back Date |
|-------------------|---|--|--|-------------------------|
| 83 | USMC Update | To report back to Council on USMC Governance | PVC (Malaysia/COO/Director of Legal Svs | Autumn 2018 |
| 7 | SUSU Report | Union President to report back on Sexual Harassment on Campus | SUSU President | |
| 14 | Standing Order and Primary Responsibilities | Clerk to review the status of the Genetic Modification and Biological Safety Cttee | Clerk to the University Council and Senate | March 2019 |
| 33 | Risk Register | Bring results of Staff Survey to Council | Chief Operating Officer | March 2019 |