

Minutes

Meeting title:	Council	
Date:	Wednesday 6 July 2016	Time 3.00pm
Location:	The Conference Room, The National Oceanography Centre, Southampton	
Present:	Dr G Rider (<i>Chair</i>); Mr G Berruyer, Mr M Burrow, Mr P Greenish, Mr P Hollins, Mr A Hovden, Ms S Kumar, Dr B Lwaleed, Professor M Niranjan, Mr T O'Brien, Dr D Price, Mr A Reyes-Hughes, Professor P Reed, Dr R Rivaz Hons DSc, Mr W Shannon, Professor Sir C Snowden and Professor J Vickers.	
In attendance:	Mr L Abraham (Clerk to the University Council), Professor Martin Broad (Head of the Southampton Business School), Mr I Dunn (Chief Operating Officer), Professor T Elliott (Pro Vice Chancellor – Research & Enterprise), Dr O Marnet (Southampton Business School), Professor A Neill (Vice President – Education), Ms S Pook (Director of Finance) and Professor M Spearing (Pro Vice Chancellor – International)	
Apologies:	None	

Prior to the meeting, Professor Martin Broad explained that he and colleague, Dr Marnet, were present to observe the Council meeting as part of an international research project examining higher education governance.

100 Obituary

Council was informed of the passing of 3rd year PhD student Johnathon Lau from the Faculty of Social, Human and Mathematical Sciences. Council spent a minute of quiet reflection.

101 Minutes

RESOLVED That the minutes of the meeting held on Wednesday 11 May 2016 be agreed as a correct record and signed

ACTION: Clerk to Council

102 Actions and Matters Arising

RESOLVED that

- (i) the action regarding the 10 Year Plan be noted on this agenda; and
- (ii) the action regarding Staff Mental Health be brought to the September meeting. (Post meeting note – subsequently agreed for the November meeting)

103 Declarations of Interest

There were no declarations.

104 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

105 President & Vice Chancellor’s Report

Council considered the President & Vice-Chancellor’s report, dated 6 July 2016.

The President & Vice Chancellor began by outlining the activity the University had undertaken and participated in, both locally and nationally, since the Brexit decision had been made on 23 June. Council noted that continental EU staff and students had received a letter from the President & Vice Chancellor making it clear that they were both welcome and valued at the University. It was further noted that confirmation had been received from the Minister that EU students for 2016/17 intake would have their fees covered for the duration of their courses, although staff applying for research grants were beginning to find difficulties dealing with European partners. The President & Vice Chancellor made it clear that any instances of xenophobia at the University would be dealt with swiftly, and that only a small number of minor incidents had occurred. Council noted that the university was involved in much sector-wide activity and lobbying.

The President & Vice-Chancellor then introduced his report highlighting the following:

- The Higher Education Bill;
- The Teaching Excellence Framework and the opportunity therein to increase student fees in line with inflation;
- OFFA – Monitoring of Access Agreements for 2014/15;
- HEFCE Quality Assurance and the core quality assessment approach to be implemented;
- HESA consultation on measuring graduate outcomes;
- The emerging student recruitment situation;
- An update on risk management; and
- The appointment of Professor Colin Grant, Vice President - International.

RESOLVED that the President & Vice Chancellor’s report be noted.

106 The 10 Year Plan

Council received a presentation from the President & Vice Chancellor which set out further information regarding the 10 Year Plan that he had introduced to Council at the last meeting in May.

The presentation sought to inform Council of the approach being taken and the progress that had been achieved to date. Council noted that in order to deliver the change that was required, a standard framework was being developed. Delivery would be via a number of different routes and many activities and strategies would be needed to ensure success.

A timeline of decisions was then set out. Council would be presented with an outline business case at the September meeting and then a further more detailed business case in November. The outline case would demonstrate sustainability and the delivery of a substantial surplus through increasing value generation from revenue streams and from reducing overall costs.

The presentation then moved to the infrastructure element of the 10 Year Plan, outlining where on the Highfield Campus potential development could take place and in what form. Potential developments of Avenue Campus and the Winchester School of Art were also shown.

RESOLVED that the presentation be noted.

107 Key Performance Indicators and Targets 2016/17

Council considered a report from the Chief Operating Officer which provided an update on the continuing activity in this area, namely:

- A summary of the definition;
- The most recently available results based on that definition;
- A time series chart showing the recent trend in performance;
- The proposed target for 2016/17;
- An indicative strategic 'Simply Better' target that reflected the aspirations, to be confirmed as the 10 Year Plan was developed and tested; and
- A summary of the rationale for the targets.

It was commented that it would be helpful if targets also displayed the percentage increase required to improve the outturn score. If the required increases were known, management steps could be taken to achieve an improved outturn.

Action: Chief Operating Officer

RESOLVED that

- (i) the KPIs and metrics be agreed;
- (ii) the targets for 2016/17 be agreed; and
- (iii) the indicative strategic targets be noted.

108 Business Planning

Council received a cluster of reports related to business planning. The Chief Operating Officer introduced the item and invited colleagues to summarise each element and take any questions from Council members.

- (1) Business Planning Outcomes 2016

The Director of Finance presented the first report which provided outcomes from the University's Business Planning round. The outcomes formed the basis of the University's operational plan for 2016/17, and recognised that further work was underway to develop a 10-year transformation plan to deliver the new strategy.

RESOLVED that

- (i) the outcomes of business planning and the bridge they form to development of the 10-year plan be noted; and
 - (ii) the progress that has been made in the planning process with faculties and professional service areas delivering plans which prioritise actions aligned to delivery of the sharpened strategy and 10 Year Plan be noted.
- (2) Business Plan 2016/17 and 2017/18 Budgets

The Director of Finance presented a report which set out the budget and financial forecasts from the University's business planning for 2016/17 – 2018/19.

RESOLVED that

- (i) the budget and financial forecasts be approved, noting that 2017/18 and 2018/19 figures are indicative and will change as the 10 Year Plan was developed over 2016;
 - (ii) the budget for 2016/17 resulting in a surplus of £35.1m under new FRS102 reporting standards be approved. (This was a £3.2m surplus for management accounts purposes, and would be a surplus of £10.9m under previous reporting standards); and
 - (iii) the progress that had been made this year in the financial budget process be noted. Faculties and professional services areas delivered budgets that adhered to the guidance as approved by the University Executive Board. In addition faculties offered additional surpluses through delivery of £2.0m non-staff cost savings via the baseline budget review and a further £1.1m following the business plan review process.
- (3) Annual Treasury Management Strategy

The Director of Finance presented a report which set out the Treasury Management Strategy for the University and focused upon the funding requirements for 2016/17. The report fulfilled the requirement of the Treasury Management Policy (TMP) to present to Council the Annual Treasury Management Strategy which was also included as an appendix to the report.

RESOLVED that

- (i) the Treasury Management Strategy (TMS) be approved; and
 - (ii) the changes to the Treasury Management Policy as outlined in section 8 to the report be approved.
- (4) Capital Projects

The Director of Estates and Facilities presented a report which provided an update on Capital Projects with indications of the logic being currently developed for a future Capital Projects further to the 10 Year Plan.

Council considered an additional recommendation received from the Finance Committee which detailed the proposed release of funding for various capital schemes. The recommendations were approved.

Discussion then focussed upon the development of Boldrewood Blocks D/G. Council noted that the total anticipated cost was £47.4m which was above original estimates. It was suggested that savings could be identified relating to the fixtures and fittings but that any savings identified be transferred to a contingency budget which currently did not exist for the project. Council noted that any delay could put the government funding on offer in jeopardy and that the building, when completed, would be part of the university's world class facilities.

It was made clear that cost saving reductions should be pursued from the building specification. Approval was given on the strict condition that should the £26m from government towards the build not be forthcoming, the project would be immediately halted, thus not exposing the university to any financial expenditure beyond that point.

RESOLVED that

- (i) the additional (CP3 Element 12) Glen Eyre Block L (Residential Estate for initiation of Refurbishment Projects) sum of two million pounds in addition to £1m previously authorised in order to progress the delivery of approximately 90 refurbished bedroom units be approved;
- (ii) progress on many of the subsidiary projects under CP3 be noted, including delivery of STEM refurbishments, learning and teaching enhancements and creation of independent study spaces;
- (iii) it be noted that the creation of the 10 Year Plan which would address significant and neglected infrastructure matters as well as a major renewal of key buildings, would require considerable planning for which resource would need to be considered. New projects and initiatives be paused until such time as the new plans to deliver the 10 Year Plan are in place.
- (iv) the Finance Committee recommendations to Council be approved for projects as follows:-

Element 1

Release of additional £2.5m for the provision of short term Learning and Teaching enhancement and library (Highfield) rationalisation;

Element 3A

Release of final £100k for enabling projects for delivery of medium term Learning and Teaching provision: John Hansard Gallery;

Element 12

Release of £2m for Residential Estate for initiation of Refurbishment projects;

Element 14

Release of £10m for long term maintenance; and

Carbon Management Programme

Further £500k be released for investment in the Carbon Management Programme.

- (v) For Boldrewood D/G, an overall project budget of £47,393,558 inclusive of £1.5m contingency and VAT) be approved on a 118 week programme but with a direction to the Director of Estates to identify further and substantial savings, if possible. Thereafter, to enter into contract with Wates Construction at no greater than a total project budget of £47,393,558. Should the UKCRIC funding from government not be forthcoming, at the point at which this may become known, the project be immediately halted. **Action: Director of Estates & Facilities**

- (5) HEFCE Annual Accountability Returns

Council considered a report by the Director of Finance which set out the financial elements of the annual accountability returns to HEFCE, which were completed in two stages. In December 2015, the university was required to submit actual data for 2014/15. By 29 July 2016, draft restated figures for 2014/15 must be submitted to provide comparator information under the new FRS102 accounting standard and new HE/FE Statement of Recommended Practice (SORP) which applied to all institutions from 1 August 2015. The institution must also submit full financial forecasts for 2015/16 to 2018/19, produced in accordance with the new accounting standards and provide a commentary.

RESOLVED that the completed financial forecast tables and financial commentary for submission to HEFCE by 29 July 2016 be approved. **Action: Director of Finance**

109 Nominations Committee - Update

Council received a verbal update from the Chair on the recent work and deliberations of the Nominations Committee. It was noted that the Committee had identified a stream of potential candidates and that a new candidate, Mr Graeme Hobbs, had been through a rigorous selection process and considered to be an excellent candidate as Class 2 Lay Member of Council and also Chair of the Audit Committee.

Council was also extremely pleased to note that the BBC News USA correspondent, Mr Jon Sopel, an alumnus of the University, had been contacted and was pleased to accept the position of Pro Chancellor.

RESOLVED that

- (i) Mr Graeme Hobbs be appointed as Class 2 member of Council from 1 August 2016 until 31 July 2019;
- (ii) Mr Graeme Hobbs be appointed as the Chair of the Audit Committee from 1 August 2016 until 31 July 2019; and
- (iii) Mr Jon Sopel be appointed as Pro Chancellor of the University from 7 July 2016 until 31 July 2019

ACTION: Clerk to the University Council

110 The Education Act 1994 – Report to Council on the Code of Practice Monitoring Responsibilities

Council considered a report by the Director of Student Services which provided an update on the Students' Union's compliance with the Code of Practice drawn up by the University in response to the requirements of the Education Act 1994. The Code placed a number of annual monitoring responsibilities upon the Director of Student Services. An annual review of the Code was also stipulated.

RESOLVED that

- (i) the report, as closing all recommended actions from the academic year 2014-15 and as discharging the responsibilities of the Director of Student Services for the academic year 2015-16, be noted;
- (ii) the following recommendations be approved:

Recommendation 1: As Council are required by the Education Act to “satisfy themselves that the elections are fairly and properly conducted” it is recommended that the Union are asked to gain formal approval from the Director of Student Services to their elections process changes.

Recommendation 2: To accept the proposed amends to section 7 of the Code of Practice (highlighted in red text) to ensure that it is clear how Council will disburse their legal responsibility to approve the Union's budget and monitor its expenditure.

Recommendation 3: That the Student's Union is asked to amend its articles to ensure that it is clear that Associate Members who are students will not be charged a fee, and that (as a minor change) Council delegate approval of this change to the Director of Student Services. **Action: Director of Student Services**

111 Annual Report on the Operation of the Code of Practice to ensure Freedom of Speech

Council received a report by the Director of Legal Services which set out the annual update on Freedom of Speech matters. Section 43 of the Education (No 2) Act 1986 required the University to have in place a code of practice to ensure freedom of speech within the law. The principal purpose of the code was to establish procedures to be followed by the organisers of any activity which was 'designated' by the Responsible Officer as one where there is a reasonable expectation that freedom of speech within the law may be compromised. The annual report to Council set out the operation of the Code of Practice.

RESOLVED That the report be noted.

112 April Management Accounts

Council received a report by the Director of Finance which presented the management accounts for financial year 2015/16 as at April 2016. A full review and update had been made of income and expenditure forecasts following the initial projections in the January

2016 management accounts. The report focused upon variances between the forecasts and the final budget but also considered changes to the forecasts since January.

RESOLVED That the report be noted.

113 Report from the President of the Students' Union

Council received a report by the President of the Students' Union which outlined his aspirations for the coming year together with activity that had occurred following the Union AGM, including:

- Final implementation of the Union rebranding;
- A review of governance;
- Building plans; and
- Initiatives to encourage more students to register to vote and participate in elections.

RESOLVED That the report be noted.

114 Senior Salaries Committee - Update

Council received a verbal update from the Chair regarding the discussions at the Senior Salaries Committee held earlier in the day.

Council noted that the committee had considered the connection between the key performance indicators and the remuneration of the executive team. It was further noted that following the introduction of the 10 Year Plan and new key performance indicators, the committee would be following progress carefully, fine tuning and highlighting issues as appropriate.

RESOLVED that the verbal update be noted.

115 Sealing of Documents

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

116 Chair's Actions

Council noted the following Chair's Actions taken since the last meeting:

- (i) Redundancy determination – LLAS Faculty of Humanities;
- (ii) Approval of amendment to the ordinances – 'Centre for Biological Sciences' to be renamed 'Biological Sciences'.

Restricted Items

117 Restricted Human Resources Matters

(i) Heads of Academic Unit Appointments

Council considered a restricted report regarding the appointment of Heads of Academic Units.

RESOLVED that the appointments be approved.

118 Restricted Senate Matters

Council considered a restricted report which set out matters for approval following recommendation from Senate.

RESOLVED that the report be approved

The meeting concluded at 5.54pm