

Minutes

Meeting title: Council

Date: Thursday 26 March 2009

Time: 4.00pm

Location: The Council Room, George Thomas Building

Present: Dame Valerie Strachan (*in the Chair*), Professor I T Cameron, Professor N H Foskett, Professor R Holdaway, Mr A J Jukes, Professor M H Kelly, Professor J D Kilburn, Mr M Killingley, Dr V Lawrence*, Professor W Powrie, Ms R Rivaz, Mr M J Snell, Professor W A Wakeham, Mr A J Walker, Professor A A Wheeler and Professor D M Williams

In attendance: The Registrar and Chief Operating Officer, the Director of Finance, the University Secretary, Professor D Humphris and Dr K A Piggott

* not present for items covered in minutes 101 – 109

Unrestricted

Section A: Presentations

Members received two presentations:

- 'Mainstreaming Equality' by Kamaljit Kerridge-Poonia, Diversity Manager, and Professor Nick Foskett, in his role as Diversity Champion.
- 'Global Graduates Initiative' by Professor Debra Humphris and Dr Janice Rippon, Head of Student Services.

Section B: Minutes and Reports

Members were invited to declare any conflicts of interest, but none were identified.

It was agreed that, in Ms Tanfield's absence and given the number of important items of restricted business, on this occasion the items in section C of the restricted agenda would be considered before the unrestricted items. (The minutes have however been structured in accordance with the numbering of agenda items).

76. Obituary

There were no obituaries on this occasion.

77. Minutes (unrestricted) of the meeting held on 26 January 2009

Dame Valerie advised that there was one amendment to the minutes - Mr Strike's name should be deleted from the list of those in attendance, as he was also listed under his title of University Secretary.

Resolved That, subject to the above amendment the unrestricted Minutes of the meeting held on 26 January 2009 be approved and signed.

78. Matters Arising

78.1 Textile Conservation Centre (minute 47.3)

This item was covered under restricted business agenda item 38 (minute 101).

78.2. Creating Our Future (minute 48)

Professor Wheeler reported that this would now be considered in detail at the May meeting which had been set aside primarily for this purpose.

78.3 University Enterprise Network (UEN) (minute 60)

The Vice-Chancellor reported that there was a meeting between the parties scheduled for 27 March;

however a lack of clarity remained about the purpose of the development and the potential benefits for the universities involved.

79. **Vice-Chancellor's report**

The Vice-Chancellor reported under the following headings:

UCEA/UCU/Pensions update: The Vice-Chancellor updated members on the position regarding national pay negotiations and on-going discussions regarding possible changes to USS, emphasising the potential seriousness of the situation.

Lloyds Register: A meeting with LR had been arranged during the Vice-Chancellor Designate's recent visit, but unfortunately had not been able to take place, for scheduling reasons.

Changes to EPSRC Peer Review Process: To reduce pressure on the peer review process the EPSRC had introduced a system whereby anyone submitting three or more funding bids that were ranked by the review panel in the bottom half of the prioritisation list, and who had a personal success rate of less than 25% in applying for research grants, would not be permitted to make a bid submission for a year, during which time they would have to participate in a mentoring scheme. This was causing significant disquiet in the scientific community and generating some negative publicity.

Knowledge Transfer Account (KTA) Funding: Along with other research intensive institutions Southampton University had failed to secure KTA funding, as we were unable to demonstrate a 'step-change' in knowledge transfer as required by the scheme (because our performance in this area was already very good). Funding had however been secured from elsewhere to continue the Engineering Doctorate and two Doctoral Training Centres (previously funded through the Collaborative Training Account, the predecessor to the KTA).

Student activities – Freedom of Speech: The Vice-Chancellor reported that (i) at the request of the Atheist Society the controversial film 'Fitna' would be shown on 22 April. Arrangements had been made to ensure there would be a debate (Chaired by Professor Humphris) to allow all sides of the issue to be heard, and security precautions had also been taken. (ii) Tamil students had wished to mount an exhibition regarding the treatment of Tamils in Sri Lanka. The University was seeking to make arrangements under the Code of Practice to Ensure Freedom of Speech for this to take place, similar to the arrangements above; this had caused some difficulties as the students were concerned that they had not been able to put on the exhibition immediately.

80. **Report from the President of the Students' Union**

The Chair reported that in Ms Tanfield's absence there was no report from the President of SUSU on this occasion. (Ms Tanfield had intended to prepare a report even though she was unable to attend, but had been unable to do so because a number of significant internal SUSU issues had required her attention). The Chair commented that now that Council had only one student representative this meant that if the President was unable to attend there was no opportunity for student input. She suggested that, while alternates were not permitted at Council, it would be appropriate to make provision for the President to nominate a student representative to be 'in attendance' for unrestricted business in the event that the President was unavailable. Members welcomed this proposal.

Mr Snell was pleased to report under this heading that he had been appointed as Honorary Vice-Chair of the Students' Union.

Resolved That in the event that the President of the Students' Union is unable to attend a meeting of Council, the President may nominate one of the Sabbatical Officers to be in attendance at the meeting for unrestricted business.

Section C: Principal items for discussion and decision

81. **Development Activities (Agendum 11)**

This item was covered under restricted business (see minute 98).

82. **Annual Diversity Report** (Agendum 12)

Received The annual diversity report with associated monitoring data and action plans, prepared by Professor Foskett, Dean of Law, Arts and Social Sciences, University Diversity Champion, and Kamaljit Kerridge-Poonia, Diversity Manager.

Professor Foskett drew particular attention to:

- The success of the relaunched University Mediation Service
- The agreement with DisabledGo
- The establishment of the network of Diversity Champions
- The development of the Dignity at Work and Study Policy (*see also Agendum 21, minute 87).

It was emphasised that improving commitment to equality and diversity and implementing appropriate actions would assist the University in achieving its business objectives and must also therefore be central to discussions as part of the 'creating Our Future' project.

It was noted that addressing the diversity profile of Council was an issue for the Nominations Committee. The Chair, in her role as Chair of Nominations Committee, undertook to ensure that the Committee was mindful of such issues in making recommendations for membership; however she emphasised that the Committee must take cognisance both of diversity issues and the need to secure the appointment of members with the skills Council needed to enable it to carry out its role effectively. It was explained that possible mechanisms for increasing diversity in terms of representation on other committees had been considered by the University Executive Group, and would be discussed further. The Vice-Chancellor commented that to improve diversity it might be necessary to intervene in the democratic process; a more managed process was perhaps more likely to generate the optimum result.

It was agreed that it would be appropriate to have a presentation for Council again next year when the annual report was received; however, it might be interesting to focus on a specific activity, progress and developments, rather than on the generic issues.

Resolved (i) That the annual diversity report 2008/09 and the associated action plans be approved.
(ii) That the Chair would highlight to the Nominations Committee the need to be mindful of diversity issues in making recommendation for Council membership.

83. **Financial monitoring 2008/2009** (Agendum 13)

83.1 **January 2009 Management Accounts** (Agendum 13.1)

Received The January 2009 Management Accounts (including an analysis of the financial aspects of the Capital Plan, and the University cash flow and investment deposit) with a covering paper from the Director of Finance.

The Director of Finance presented the management accounts and highlighted that this was the first time in this financial year that a revised forecast had been produced for the full year to compare with the original budget figures. This confirmed that the University was achieving its key financial targets for the year, and he was confident that the overall position would be better than that agreed by Council in July 2008 in setting the budget. The overall prediction at present was for a loss of £7.3 million on normal operations; the loss largely resulted from the recognition of the exceptional depreciation charge for equipment purchased to replace that destroyed in the Mountbatten fire. Strong controls had continued on staff costs, and international student fee income had increased well above target. Research income had increased and should exceed slightly the target for 2008/09; however substantive real-term increases were needed year on year, and a big jump would be needed to meet the target for 2009/10, and this target would now be very challenging. He was pleased to report that the capital plan was currently operating within the agreed financial envelope of £252.4 million, although plans for accommodation for the School of Civil Engineering and the Environment, and developments relating to the Data Centre, would probably lead to this being exceeded (any expenditure on the Data Centre is additional to the scope of the capital plan and funding agreed by Council). Proposals would be brought back to Council about this in due course. In terms of cash balances the position was very healthy. It had also now been confirmed that the University would receive some capital funding from HEFCE in advance of profiled payments.

The Treasurer confirmed that the current situation was relatively positive and that the University had established a good cash position from which to work; however the future was extremely challenging and there was clearly considerable work to be done.

Resolved To note the Management Accounts January 2009.

83.2 **Update on the Capital Programme** (Agendum 12.2)

Received A report from Professor Wheeler on significant changes and developments in the capital programme since the January meeting of Council, dated March 2009.

Professor Wheeler presented the report, emphasising that the risk profile associated with the capital programme was now well understood. A master planning and feasibility study was being undertaken of the Northeast corner of Highfield campus with a view to providing new accommodation for the School of Civil Engineering and the Environment in this area in 2012, and also assessing the feasibility of establishing a Data Centre there. He confirmed that although specific figures had not been mentioned, those involved were aware that what was being sought was a 'value for money' solution.

It was noted that as a result of the current economic climate, LR had announced that they would delay commencement of their building works on the Boldrewood site until 2011, after the main Boldrewood building had been demolished.

Resolved To note the report.

84. **HEFCE recurrent grant allocation for 2009/10** (Agendum 14)

Received A report from the Director of Finance headed 'HEFCE grant letter 2009/10', dated 17 March 2009.

The Director of Finance presented the report and advised that, as expected, the grant settlement was very disappointing. The outcome on Teaching Funding was relatively positive, as the University's bid for additional student numbers had been approved before DIUS required HEFCE to cease its plans for growth. Research Funding was, however, extremely disappointing, with a reduction in mainstream QR of c. £3.3million. This was not a surprise, as considerable work had been done within the University to analyse the RAE results and likely funding implications. With regard to individual Units of Assessment the funding decline had affected not only Schools in FESM, as the University had predicted, but also in LASS, despite the fact that in a number of these areas Southampton was ranked among the top 5-10 academically in the country. The overall reduction in total research grant was £3.3million (£44.3million as against £47.6million in 2008/09). Southampton had been allocated moderation funding of £2.4 million, but HEFCE had made clear that this was a short term measure, to assist institutions in managing the transition to lower funding levels. It was not explicitly stated that moderation funding was for one year only, but this would be the only sensible assumption.

It was pointed out that the current economic climate also made it likely there would be further cuts in public spending in the future, with both science and universities being potential targets. The Minister's letter to HEFCE had not confirmed funding for Government Financial Year (GFY) 2010/11, and as the last 4 months of the University financial year 2009/10 were the first 4 months of GFY 2010/11, it was possible that HEFCE might need to revise the grant in the light of any announcements from DIUS in respect of funding for the 2010/11 GFY.

Attention was drawn to the circulated comparisons with other English Universities and with the Russell Group. In response to queries from members the Director of Finance explained again the basis of the current funding methodology, and how this had led to such a significant reduction in funding for Southampton. Of the Russell Group institutions which had benefited significantly this year, Liverpool had done so because they were starting from a poor position in 2001 and had then improved, and Nottingham had grown considerably, largely driven by student growth funding increases in academic staff producing a c. 30% increase in the volume of returnable staff (compared with Southampton's very respectable 18% increase). It was questioned whether, given the current climate and the likelihood of further funding difficulties, with a decreasing amount of money to spread across a large number of institutions, smaller institutions in urban or regional clusters might consider amalgamating with their neighbours. For Southampton such issues could be considered as part of the scenario planning element of 'Creating Our Future'.

The grant settlement would clearly have implications for Schools and Professional Services, which would now need either to increase income significantly or to substantially cut costs in order to meet budget targets in 2009/10. Internal discussions were ongoing, as part of the process of preparing University budget proposals for presentation to Council in July.

Resolved To note the report on the HEFCE recurrent grant allocation for 2009/10.

85. **InEx Update** (Agendum 15)

Received A report from Professor Wheeler headed 'Report to Council on Progress of the InEx Review' dated March 2009.

Professor Wheeler presented the report and was pleased to advise that progress against the InEx review targets was steady in relation to both income and expenditure. With regard to 'closing the gap', the first tranche of £5M per annum savings was being implemented by UEG for 2009/10. The University was committed to achieving additional savings of £10M, but it was clear that this would necessitate a significant further restructuring of the University's management and administrative processes. There were concerns about the rate of progress with, and realisation of savings from, the Academic Administration Workstream, and this would shortly be reviewed by UEG. A number of reviews of specific areas were being implemented, and a new voluntary severance scheme was also being considered.

Members welcomed the report and were pleased to note the progress, while encouraging the University management team to continue its efforts. It was suggested that it would be important not to focus on £15million savings as the end of the process - it might be necessary to aim for further savings in the current climate.

Resolved To note the report.

86. **Feedback from internal reviews of RAE performance** (Agendum 16)

The Deans reported orally on the RAE performance of Schools within their Faculties, including internal reviews which had taken place where performance was not as good as expected. In a number of instances a review with external input would now be commissioned. It was suggested that it was also important to analyse where performance had been very good, to see whether there were lessons to learn which could be applied elsewhere. It was recognised that some steps needed to improve performance could be quite painful for those involved. It was also suggested that it would be important to continue to invest in growth in key areas, in preparation for the new research assessment regime, although it was recognised that this could be extremely difficult in the current economic climate.

Resolved To note the report.

87. **Health and Safety Issues** (Agendum 17)

Received A report from Professor Kilburn (the member of UEG with responsibility for health and safety) to update members on actions taken as a result of the discussion at Council in January on health and safety matters and the meeting of the Safety and Occupational Health Committee (SOHC) held on 2 February 2009; (Note: the report also included a report from Safety and Occupational Health Committee as an appendix).

Professor Kilburn was pleased to report that significant progress had been made with a number of issues, as outlined in the report, although there was clearly still much work to be done. Ms Rivaz commented that she had spent some time with the Registrar and Chief Operating Officer, the University Secretary and the Interim Director for Health and Safety to discuss the functioning of the Health and Safety Audit Committee and related issues.

It was noted that the full health and safety action plan had been presented to Council to show members that the 'Red, Amber, Green' system they had suggested had been adopted; however in future it would probably not be necessary to present this in full to Council as part of every health and safety report.

Resolved To note the report from Professor Kilburn.

88. **Report from the meeting of Senate 25 February 2009 (Agendum 21)**

Received The unrestricted report from the above meeting of Senate.

The Vice-Chancellor presented the report and drew particular attention to the new Dignity at Work and Study Policy, which was presented to Council for approval. The Vice Chancellor explained that the policy brought together a number of existing policies, and would now apply to both staff and students, replacing the current Harassment Policy. Senate had been pleased to endorse the policy for submission to Council, but had asked that more work be undertaken on implementation, particularly to provide more guidance and training on the investigative process, and this would be taken forward. Adoption of the policy would necessitate some changes to the Regulations governing student complaints, and these changes had also been approved by Senate (but did not require Council approval).

Resolved (i) That the Dignity at Work and Study Policy be approved.
(ii) That the report be noted.

89. **Reports from the meetings of University Executive Group**

89.1 **4 February 2009 (Agendum 22.1)**

Received The report from the above meeting of the University Executive Group

Resolved That the report from, and the decisions taken by, the above meeting of the University Executive Group be noted and endorsed.

89.2 **4, 5 and 10 March 2009 (Agendum 22.2)**

Received The report from the above meeting of the University Executive Group.

The Vice-Chancellor drew particular attention to the amendment to the Fitness for Study policy (Item 8 – Report from the Education Committee). The amendment had been introduced in response to Council’s suggestions in March 2008 that further work should be done on the policy to consider issues associated with more extreme cases of student behaviour (such as the “Virginia Tech” shootings in 2007).

He also highlighted a change agreed to the terms of reference for the Finance Committee (item 9), to amend these to include the provision ‘*To receive regular reports from the Development and Alumni Relations Office on its development activities, current and planned*’.

Resolved That the report from the above meeting of the University Executive Group, including the amendment to the Intervention Policy for Students Causing Significant Concern and/or Presenting Risk (Fitness to Study), and the amendment to the terms of reference for the Finance Committee be noted and endorsed.

90. **Unconfirmed Minutes of the meeting of the Audit Committee 3 March 2009 (Agendum 23)**

Received The unconfirmed minutes of the above meeting of the Audit Committee

Mr Killingley, Chair of the Audit Committee drew particular attention to the committee’s discussions relating to student data management. This was an important issue for the committee now that HEFCE required Audit Committees to include in their annual reports an opinion on the ‘adequacy and effectiveness of the arrangements for the management and quality assurance of data submitted to [HESA], HEFCE and other funding bodies.’

He also drew attention to proposed minor changes to the University’s Financial Regulations. The Audit Committee had endorsed these but considered that final approval should rest with Council.

With regard to the report on the Audit Committee self assessment exercise, a question was raised about the Audit committee’s role in the oversight of corporate governance. Attention was drawn to the recent internal audit report on corporate governance, which had judged the current system to be ‘good’. It had been agreed that this report would be made available to members of Council in full for information but that, as such reports were not usually considered by Council but were regarded as the business of the Audit Committee, this would be done outwith the formal circulation for Council meetings.

Resolved (i) That the financial regulations be amended as follows (*amendments shown by italics*):

(i) Procurement limits

Section 19, sub-clause 19.14, (page 23) to be amended to read

In order to monitor expenditure likely to exceed the thresholds prescribed by EU directives all orders (contracts) exceeding £10,000 (excluding VAT) for goods or services must be sent to the Head of Procurement for approval.

(ii) Authorisation levels for expenditure

Authorised signatories table in Appendix 2 to be amended to read

Dean or Registrar & Chief Operating Officer or Director of Finance or Deputy Director of Finance PLUS Head of School or Professional Service or Head of Procurement. (NOTE: to ensure the separation of duties no more than one signatory shall be a member of the Finance Department.)	£200,000
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(iii) Research grant application approval limits

Para 10.2 table of delegated authority to be amended to read:

School Accountant	£500,000
Senior Management Accountant	£1,000,000

(ii) That the outputs from the Audit Committee self assessment exercise be noted.

(iii) That the minutes of the above meeting of the Audit Committee be noted.

91. **Report from the meeting of Safety and Occupational Health Committee 2 February 2009** (Agendum 24)

This item had been covered under agendum 17 (minute 86)

92. **Report from the meeting of the Nominations Committee 28 January 2009** (Agendum 25)

Received A report from the above meeting of the Nominations Committee.

- Resolved**
- (i) That Mr Alan Morgan and Mr Turlogh O'Brien be appointed to Class 2 membership of Council for an initial period of three years, to commence on 1 April 2009.
 - (ii) That Dr Dennis Gillings be reappointed as a Pro-Chancellor for a further three-year period.
 - (iii) That Mr Prest, the current Principal of Barton Peveril College, should be appointed to membership of Court under Class 7 ('Representatives of Institutions of Advanced or Further Education').
 - (iv) To note the Registrar and Chief Operating Officer's intention to invite Mr Trewby, Chair of the Southampton University Hospitals NHS Trust, to become a member of Court.
 - (v) To note the discussion relating to the role of the Court.

93. **Key Performance Indicators: update on 'red' KPIs** (Agendum 27)

Received A paper from the Head of Corporate Planning, dated 20 March 2009, to provide an update from the relevant Critical Success Factor owners for the measures flagged "red" (major issues to address) in the KPI 2008 report.

Resolved To note the update on 'red' KPIs.

94. **Annual Review, 2008** (Agendum 28)

Received The Annual Review 2008.

Resolved That the Annual Review 2008 be approved for submission to the Court.

95. **Sealing of Documents** (Agendum 29)

Received A paper listing the documents sealed since the last meeting of Council.

Resolved To note the list of sealed documents.

96. **Dates of future meetings** (Agendum 30)

Received A paper setting out the dates of Council meetings for 2009/10.

Resolved To note the dates of forthcoming Council meetings.

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