

Minutes Unrestricted

Meeting title: Council

Date: Thursday 4 February 2010

Time: 4.00pm

Location: The Council Room, George Thomas Building

Present: Dame Valerie Strachan (*iChair*), Professor I Cameron, Professor N H Foskett, Mr R Henderson, Professor R Holdaway, Mr P Lester, Mr M Killingley, Mr T O'Brien, Professor D Nutbeam, Mr S O'Reilly*, Professor W Powrie, Dr M Read, Ms R Rivaz, Mr M J Snell, Mr J Trewby, Professor A A Wheeler, Professor D Williams and Mrs J Wood

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

* not present for restricted business

Dame Valerie welcomed members to the meeting and also welcomed Mr Peatfield, the new Director of Communications, who was present 'in attendance'. On behalf of Council she congratulated Professor Foskett on his appointment as Vice-Chancellor of Keele University from 1 August 2010.

Section A: Presentations

Members received two presentations:

- (i) Dr Seth Bullock on 'Complexity Science at Southampton'
- (ii) Dr Jon Adams and Dr Graeme Earl on 'Science and Technology in Archaeology'

Section B: Minutes and Reports

Members were invited to declare any conflicts of interest. Mrs Wood had declared in advance an interest as she was affected by the changes at the National Oceanography Centre (See Vice-Chancellor's report, minute 50).

46. Obituary

There were no deaths of current staff or students to report on this occasion.

47. Minutes (unrestricted) of the meeting held on 25 November 2009

Resolved That, subject to the addition of Mrs Wood's name to the list of members present, the Minutes (unrestricted) of the above meeting be approved and signed, and may now be published on the SUSSED open access group site.

48. Matters arising (not covered elsewhere on the agenda)

48.1 Statement of Primary Responsibilities and review of governance structure (minute 19)
A paper on these issues would be brought to the next meeting.

48.2 University Financial Statements for 2008/2009 (minute 25)
The Director of Finance reminded members that at the last meeting Council had resolved that letters of continuing financial support should be issued to a number of subsidiary companies; however, as some of these companies had not yet held their Board meetings, the Auditors had asked that Council reaffirm support at this meeting.

Resolved To reaffirm that letters of support should be issued to Southampton Asset Management Limited, Southampton Innovations Limited, Photonics Innovation Limited and University of Southampton Consulting Limited.

48.3 Code of Practice to Ensure Freedom of Speech (minute 21.1)

The Head of Legal Services had not yet discussed this with Mr Henderson, so this would be carried forward to the next meeting.

48.4 University of Southampton Honorary Degrees and 'Fellowship of the University of Southampton awards' – criteria and process (minute 31)

Proposals for revised criteria for honorary degrees and for the 'Fellowship of the University of Southampton' award would be put to Senate in February and then brought to Council in March (subject to the pressures of other business).

49. Publication of papers

Resolved That the following papers on the unrestricted agenda should not be published on the open access site: Agendum 11 (circulated as commercial in confidence to members of Council).

50. Vice-Chancellor's report

Received A written report from the Vice-Chancellor, dated 4 February 2010 (tabled).

The Vice-Chancellor drew particular attention to the following items in the report:

HEFCE Budget cuts: On 1 February HEFCE had announced a significant reduction in universities' funding for 2010–11. The specific effects on Southampton would not be known until the individual funding settlement was received in March. There were some positives in the announcement, as there was a commitment to support research concentration and maintain the research quality budget. The Director of Finance commented that he anticipated that the impact would be broadly in line with the projections which Council had considered as part of the five year forecast.

Smith Review of Postgraduate Teaching: The remit of the Smith review had been expanded to cover both postgraduate research and postgraduate taught programmes. The University had made a submission to the review and also contributed to the Russell Group response. The review was due to report shortly and Council would be kept informed. The outcomes would be important in the context of the new University strategy, as Southampton was well placed to grow postgraduate education.

Browne Review of Higher Education Funding and Student Finance: The review was not due to report until after the general election. The University had decided not to respond individually to the review, but had instead contributed to a Russell Group response. The position taken in this response was that the country needed a competitively-funded higher education system, which could be resourced through public funds or tuition fees (in some combination); cuts in public funding would inevitably increase pressure on tuition fees as a source of income. It was questioned when it would be appropriate for Council to take a view on tuition fee increases, and the Vice-Chancellor responded that wide consideration of the issues across the University would be appropriate after the election and once the direction of the review became clearer.

Discipline/programme Reviews: The Vice-Chancellor updated Council on progress in respect of academic reviews undertaken following the results of the 2008 RAE. It particular it was highlighted that UEG had agreed at its December meeting that the School of Education should be asked to withdraw from teaching programmes that were not underpinned by research excellence. This might require plans for a phased withdrawal from the provision of Sports Studies and Foundation degrees and consultation was ongoing with staff and students in this regard.

UEG decisions: In addition to the above UEG had also taken decision with regard to the formation of the University Systems Board, increases in international student fees, and the strategy to create a single University Graduate School.

In addition to the written report the Vice-Chancellor also advised members that, as of 1 April, the University would be a hosting partner of the National Oceanography Centre (NOC), formed by bringing together the Natural Environment Research Council (NERC)–managed activity at the National Oceanography Centre, Southampton (NOCS) and Liverpool's Proudman Oceanographic Laboratory. He highlighted briefly some of the implications of this important development.

Resolved To note the Vice-Chancellor's report

51. Report from the President of the Students' Union

Received The report from the President of the Students' Union.

The President presented his report and highlighted the following issues:

- Election campaign week was scheduled for the end of February, with hustings on 25 February; it was hoped that the turn out in the elections would exceed even that of last year, at the time a record in the sector.
- United Students' Unions, an alliance of non-NUS affiliated Unions, was making very good progress, and it was hoped to collaborate on training and on securing legal and financial advice.
- The first session with the student reference group as part of the Curriculum Innovation Project had taken place on 3 February and had been very well attended.
- The President extended to all members of Council an invitation to the Athletic Union Awards Ball and/or the Excellence in Volunteering Awards.

Dame Valerie also drew attention to the good financial report for 2009. The Director of Finance confirmed that there had been a detailed discussion of Students' Union finances at the Finance Committee in January.

Resolved To note the President's report.

Section C: Principal items for discussion and decision

52. Draft University Strategy (agendum 10)

Received The draft University strategy (version 23).

The Vice-Chancellor reminded members of the work which had been undertaken across the University leading to the development of the new strategy. The document now before Council was the first of a series - specific research and education strategic plans would sit underneath the overarching strategy, and these should be available in draft for the next meeting. There would also be separate support plans for finance, human resources, infrastructure and communications. The final version of the overarching strategy would be presented to Senate in February and to Council in March for formal approval.

He outlined the thinking behind the four key aims at the heart of the strategy, and invited comments: In discussion members highlighted issues relating to:

Extent of ambition: Did the strategy present the University's ambition in the most effective way? One member suggested specific changes to invigorate the statement of ambition. Others reflected that the strategy set major challenges for the University, the extent of which could not be over-estimated. The institution had changed significantly over the past few years, but a further step-change was required, particularly to be world leading in research in all areas. The Vice-Chancellor confirmed that the University had committed to excellence in all its activities and was pursuing this actively, including the possibility of ceasing activities where excellence could not be attained. This would necessitate painful decisions. It was intended that Southampton remain a broadly-based institution in terms of coverage of the major disciplines, but this did not mean all current activities would necessarily be continued.

Distinctiveness from other institutions in the Russell Group: Was it the intention that the strategy should position Southampton as 'similar to but better than' the other institutions in the Russell Group' or focus on its distinctiveness? It was explained that those drafting the strategy had worked hard to mark out Southampton as distinctive - for example, the University's proven track record for enterprise clearly distinguished us and gave a platform on which further successes could be built.

The importance of measures of success: Broad statements had their value but it was vital to put in place clear success measures, and monitor their attainment. Currently there were 14 strategic objectives but five key measures of success, and it was not entirely clear how these linked to the objectives. It was emphasised that detailed performance/success measures would be a central part of the research and education strategic plans and the underlying support plans.

The possibility of developing 'regional clusters' of universities, (previously raised at Council but not in the strategy). The Vice-Chancellor said he would not rule out any possibilities in the current financial climate, but this was not part of his present thinking.

What it might mean to be an 'elite' institution: The Vice-Chancellor commented that he preferred to use the term 'excellent', which had a specific and measurable meaning in connection with research. The intention was also to include in the education strategy measurable goals for defining excellence in education. It was confirmed that the education strategy would include a focus on widening participation.

The Vice-Chancellor emphasised that there was a distinction between strategy planning and the operationalisation of those plans. There was a focus on the former at present, including consideration of the resources and the change management process required for implementation; however there was also a separate but connected process to develop three-year operational plans. Dame Valerie reminded members that Council's role was to approve the totality of the strategy. Operationalisation was the responsibility of the Executive, with Council playing a monitoring role. It was suggested that Council also had a role in ensuring the University was aware of, and effectively managing, its key risks.

- Resolved**
- (i) That members with drafting points or other comments should send these directly to the Vice-Chancellor.
 - (ii) To note that the final version of the University strategy would be submitted to the March meeting for consideration and approval.

53. **Update on Lloyds Register** (agendum 11)

[This item is commercial in confidence and a separate confidential minute is circulated to members of Council only.]

54. **Financial Matters**

54.1 **Financial monitoring 2009/2010: December 2009 Management Accounts** (agendum 12.1)

Received The December 2009 Management Accounts, with a covering paper from the Director of Finance dated 18 January 2010.

The Director of Finance commented that there had been a good start to the year. International student fee income should exceed the target of £34.6 million for the year. The 0.5% salary award was lower than that for which the University had budgeted, and strict controls on staff appointments continued to be operated. There was however some concern about meeting the target for research income, given increasing competition for new research funding. The position should be clearer by the next meeting as forecasts were entered for the first time in January. At the start of the financial year a deficit of £7.2million had been predicted (including recognition of exceptional depreciation) but based on experience to date it was reasonable now to expect a small surplus. (This might however alter if there was a further round of voluntary severance).

Resolved To note the University management accounts as at December 2009.

54.2. **Financial Comparison with other Russell Group Universities 2008/09** (agendum 12.2)

Received A report from the Director of Finance headed 'Comparison of Southampton and other Russell Group Institutions based on 2008/09 Financial Statements' dated 4 January 2010.

The Director of Finance presented the paper. In discussion the following key points were highlighted:

For financial performance Southampton was probably in the middle of the peer group. The environment was very competitive, and Southampton had improved its performance over time, others were moving forward at a quicker pace. It was however clear that the comparator institutions were facing similar challenges to Southampton.

The final table showed clearly what levels of research income the 'research giants' of UK Higher Education were achieving, and what level of performance would be required for Southampton to achieve its ambitions as set out in the strategic plan, and to be in a position to benefit from the Government's stated aim of improving research concentration.

In response to a query about the reduction in QR income Professor Nelson explained that the University had performed very well in the 2001 RAE, attaining a '5*' ranking in a considerable number of high volume subjects, which had a very positive impact on QR income. In RAE 2008 the

move to 'quality profiles' meant that not all staff returned in a given Unit of Assessment would attract the highest level of funding, as only the proportion of '4*' work in the quality profile would attract the highest funding level. It was almost inevitable therefore that our QR allocation would go down compared to that following RAE 2001.

Members discussed briefly the consequences of the University's past decisions not to increase home/EU undergraduate student numbers and thus increase the HEFCE teaching grant. It was emphasised that these decisions had been taken for good strategic reasons, and had helped to improve significantly the University's position in the marketplace and its A level entry scores.

Members warmly welcomed the provision of this comparative paper, and requested that a similar report be presented again next year.

Resolved (i) To note the financial comparisons paper.
(ii) That a similar paper should be presented to Council in 2010/11.

54.3 **DBIS annual letter to HEFCE** (agendum 12.3)

Received A paper from the Director of Finance headed 'Annual Letter of BIS to HEFCE – Higher Education Funding 2010/11' dated 17 January 2010.

Resolved To note the report.

55. **Update on current capital programme (oral report)**

Professor Wheeler reported that:

- The current capital plan was on target to complete on time and to budget. Works were about to enter an intensive phase, looking to the completion of Building 85 and the commencement of a complicated decant from Boldrewood. The Mountbatten project was in the final weeks of completion and some of the associated portacabins were beginning to be demolished.
- Activity to develop the brief and specification for the data centre was well in hand. A number of options had been considered including outsourcing and remote sites but the currently favoured option was to redevelop the Faraday site. This project was not simply about the datacentre, as it raised issues such as power supplies, networks, long term maintenance and the resilience required of the system, in terms of cost/benefits.

Resolved To note the oral report.

Section D: Reports from committees

56. **Minutes of the meeting of the Audit Committee 12 November 2009** (agendum 15)

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

Resolved To note the minutes of, and decisions taken by, the above meeting of the Audit Committee.

57. **Report from the meeting of the Nominations Committee 4 February 2010** (agendum 16)

Received A report from the meeting of the Nominations Committee 4 February 2010 (tabled)

(Mrs Wood left the room for this item)

The Registrar and Chief Operating officer presented the paper, and in drawing attention to recommendations relating to reappointments to the Court, gave notice that it was the University's intention to bring forward proposals to remove the University Court from the governance structure.

[Post meeting note: since the meeting it has been identified that item 1 on this report should have been discussed under restricted business, as it related to a current member of staff. The outcome is therefore recorded in the restricted minutes. A proposal for an amendment to the Council Standing Orders, to clarify that Statute 17 (2)] shall not be interpreted as referring to appointments to University committees, will be put forward when these are next reviewed in September 2010.

Resolved That the following members of the Court in Class 10 be reappointed for a further term of three years, effective from the date of the expiry of their current membership: Dr Harris, Mr Blair, Professor Forbes, Mr Jay, Mr Mans, Mr Packham, Dr Sharland and Sir William Taylor.

Section E: Other items for note and formal approval

58. Health and Safety Policy Statement for approval. (agendum 16)

Received A paper from Professor Kilburn and the Director of Health and Safety setting out the revised Summary Statement of University Health and Safety Policy for approval, dated January 2010.

Mr Henderson proposed a number of amendments to the circulated statement:

- 'Operations' to be replaced with 'undertaking' throughout, as this was a wider term, covering, for example, buildings and systems, which 'operations' did not. Under the Statutory Duty the statement of policy was required to have this wider ambition.
- A general statement to be added in the first sentence of the second paragraph, to address the fact that the current list of bullet points did not cover all the ground required of a health and safety policy in the Statutory Duty.
- The penultimate paragraph to be amended to make clear that the prime legal responsibility rested with the Vice-Chancellor (not the Vice-Chancellor and members of UEG).

The Registrar and Chief Operating Officer welcomed this input and proposed that these changes be accepted in their entirety.

Mr Henderson emphasised the importance of completing the two remaining components of the health and safety policy (Organisation for and Arrangements for health and safety) as a matter of urgency.

Resolved That subject to the amendments proposed by Mr Henderson the revised summary statement of health and safety policy be approved for implementation with immediate effect. (A copy of the final version is attached to the minutes)

59. Key Performance Indicators: update

Received A paper from the Head of Corporate Planning headed 'Key Performance Indicators 2010 Update - January 2010' dated 20 January 2010.

Resolved To note the update on Key Performance Indicators.

60. Sealing of Documents

Received A paper listing the documents sealed since the meeting of Council on 25 November 2009.

Noted The list of sealed documents.
