

# Minutes Unrestricted

**Meeting title: Council**

**Date:** Thursday 08 July 2010

**Time:** 4.00pm

**Location:** The Council Room, George Thomas Building

**Present:** Dame Valerie Strachan (*Chair*), Mr M Burrow, Professor IC Cameron, Mr B Fitzjohn,\* Professor R Holdaway, Mr AJ Jukes, Mr MS Killingley, Ms V Lawrence, Professor B Makhoul, Mr A Morgan, Professor D Nutbeam, Mr T O'Brien, Dr MP Read, Mr M Snell, Mr G Spittle, Professor AA Wheeler and Professor DM Williams

**In attendance:** The Registrar and Chief Operating Officer, the Chief Financial Officer, the Director of Communications, the University Secretary, Professor AD Fitt, Professor D Humphris, Professor PA Nelson, and Dr KA Piggott

**By Invitation** Professor JW McBride and the Director of Corporate Services (for agendum 10)

\* not present for restricted business

The Chair welcomed Mr Billy Fitzjohn, the new President of the Students' Union, and Mr Michael Burrow, a new lay member (Class 2), attending their first meetings.

Members were invited to declare any conflicts of interest. Dr Read asked whether he should declare an interest given his role as an adviser to the Cabinet Office's Efficiency and Reform Group. The Chair indicated that she would not wish Dr Read to be excluded from any discussions but would give the point further consideration should the need arise.

To begin the meeting members received two presentations:

- Professor Steve Turnock, School, of Engineering Sciences: 'Every millisecond counts; engineering excellence for UKSport'.
- Professor Tim Leighton, Institute for Sound and Vibration Research: 'Bubble Acoustics'.

## 125 **Minutes (unrestricted) of the meeting held on 20 May 2010**

- Resolved**
- (i) That the Minutes (unrestricted) of the above meeting be approved and signed.
  - (ii) That the non-confidential minutes may now be published on the SUSSED group site.

## 126 **Matters arising (not covered elsewhere on the agenda)**

### 126.1 **Proposed changes to the University's Charter, Statutes and Ordinances: Second reading** (minute 102)

The Registrar and Chief Operating Officer (R&COO) reported that the proposed changes to the Charter and Statutes had been submitted to the Privy Council – it was hoped that these would be considered by the Privy Council at its meeting on 21 July although this could not be guaranteed.

## 127 **Publication of unrestricted papers**

- Resolved** That the papers designated as commercial in confidence/confidential should not be published on the open access site.

## 128 **University Strategy** (agendum 5)

- Received** The University Strategy, and its component parts the Research and Education strategic plans and the support plans for Human Resources, Infrastructure and Finance.

The Vice-Chancellor indicated that further changes had been made to the strategy document following the discussion at Council in March. The research and education strategic plans had been presented to

Senate in June, and minor modifications had been made in the light of feedback received. Further work had been undertaken on the human resources, infrastructure and finance support plans (previously presented to Council as 'work in progress'), in order to standardise presentation, to improve the connections with the strategy and strategic plans, and to make clear which elements were essential and which desirable. He emphasised that, of necessity, all elements of the strategy remained subject to change and adaptation in the light of experience and the changing external environment. He expected to report regularly to Council on progress.

It was agreed that it would be most appropriate to focus discussion on those elements previously presented to Council as 'work in progress' and comments were made as follows:

In respect of the **Infrastructure support plan** the Vice-Chancellor explained that, given the financial constraints on undertaking major capital works, attention was focussed on those projects which were regarded as 'essential'. In response to a query as to whether a constrained infrastructure plan was compatible with an overall growth strategy he emphasised that the University did not currently make optimum use of its infrastructure, and there was scope to improve this. In addition recent major investments, such as the Institute for Life Sciences and developments at the Southampton General Hospital had already created space for growth. One possible area of vulnerability was student accommodation, and proposals on this would be brought to Council once further work had been undertaken. Professor Humphris indicated that different models of delivering learning would also be explored, which would change the way the estate was used.

In considering **the Human Resources support plan** Mr O'Brien said he still had concerns about the language used – the terminology of 'workforce,' 'reward' etc was 'human resources' based, and perhaps not entirely appropriate to the context. The Chair highlighted that although there was now an explicit reference included to addressing underperformance this needed further clarification – it was not sufficient to state that underperformance would have 'reward consequences'.

With regard to the **finance support plan** Mr Jukes expressed concern that the economy could enter a significant downturn, which could impact on the institution in many ways (eg graduate employment) - the University would need to be prepared to handle the resulting risks. It was emphasised that the University would keep its strategic priorities under review in the light of changes to the external environment. This was one of the reasons why the strategy must be regarded as a 'living' document.

In response to a query as to whether the assumptions about growth in research income were realistic given recent performance it was explained that some of the anticipated growth stemmed from the broader overall growth strategy (additional student numbers would lead to the appointment of additional high-performing research-active staff); however strategies were also being put in place to improve the performance of existing academic staff.

Mr O'Brien suggested that at the next iteration it would be helpful to strengthen the focus on the international dimension (item 10 in the strategy).

**Resolved** That the University strategy, strategic plans for research and education, and support plans for human resources, infrastructure and finance be adopted, recognising that these are 'living' documents which must remain dynamic and flexible, and open to modification as required, in particular in response to changing external circumstances.

#### 129 **Transition management – update** (agendum 6)

**Received** A paper from the University Secretary headed 'Transition Management' dated 25 June 2010.

The Vice-Chancellor reminded members that the new Faculty structure would come into place on 1 August 2010. This would mark the beginning of the 'transitional year' during which changes would occur at different rates in different faculties, with the new structure being fully implemented by 1 August 2011. Over this year the University would also be working to achieve administrative efficiencies, with a target of reducing MSA staff costs by £7M. The paper set out progress and key milestones.

In discussion the following points were raised:

Mr Snell sought further information about the risks highlighted as red/amber, expressing particular

concern about the impacts on staff. The Vice-Chancellor commented that the risks had been clearly identified and highlighted, which he hoped was some reassurance in itself that the University was aware of the concerns. Lessons had been learned from previous restructures; there had been significant investment in communication with staff, in particular through open meetings where dialogue had been honest and constructive. It was recognised that there was a very delicate balance between seeking change quickly, to reduce uncertainty, and moving so fast that the institution had difficulties maintaining 'business as usual'. He did share the concerns about the potential impact.

The Chair sought comment on this matter specifically from the Senate members on Council. Professor Cameron indicated that the changes were unsettling at School level; however as the new Faculty teams became known and started to communicate with staff this should help to increase stability. Professor Makhoul echoed these views, and highlighted in particular concerns that key members of staff were perhaps not expressing concerns but were instead taking steps to seek employment elsewhere. He agreed that it was beneficial to move quickly, to reduce uncertainty. With regard to MSA staff the R&COO outlined arrangements which were being put in place for a more formal cascading and feedback structure for communications with staff. Members agreed that communication was crucial, and it was emphasised that effective communication required face to face interaction, not simply electronic delivery of information.

Members were advised that talks were beginning with the Trades Unions, but it appeared that, taking into account posts held vacant, planned retirements and the likely outcomes of applications for voluntary severance, the risk of compulsory redundancies would be significantly reduced, provided that staff were prepared to be flexible about their deployment. It was suggested that it would help to reduce uncertainties if this position could be explained to staff.

Mr Snell said that he would welcome ongoing opportunities to receive feedback, and asked whether there was any action which lay members might appropriately take to 'test the mood' of staff. The R&COO indicated that the feedback from the new Professional Services cascading process would be shared with UEG – he saw no reason why this could not be made available to Council if they wished it. The Chair said she would reflect on whether Council could, or should, be involved at this level – this was primarily an executive responsibility. Dr Read indicated that it would be important for members not to give the impression that they were in anyway undermining the process.

The Chair raised on behalf of Ms Smith, who was unable to attend, a concern about the timing of the issuing of the savings targets (before the principles for the delivery of professional services had been agreed), and the effect this would have on the University's ability to fulfil its strategic ambitions; there was a danger of severely reducing the areas which would drive income generation. In response it was emphasised that the budget for 2010-11 assumed no staff savings – the intention was to design and implement the new support structures over the transitional year, with savings effective from August 2011. Mr Morgan said that it was sensible that no savings were assumed in the next financial year – the University would do well to achieve the £7million savings by the specified date, as removing costs always took longer than expected. It would be important to keep moving quickly.

A query was raised about the timetable for performance management for academic staff. Professor Nelson indicated that this was already in hand. A Research Excellence Framework pilot was being undertaken, under which research outputs would be rated. It was likely that by the Autumn it would be clear where there were potential difficulties, and it would then be for the new Deans to manage this within their Faculties. Approximately 50 academic staff had so far sought voluntary severance – it would however be important to seek to ensure that high performing staff were retained.

The Vice-Chancellor commented that this was probably the most difficult time in the restructuring process, when there was greatest uncertainty, and real savings targets published. It was essential to maintain resolve in the face of these concerns.

**Resolved** That the report be noted.

130 **University budget 2010/11** (agendum 7)

**Received** A paper from the Chief Financial Officer headed 'University budget 2010/11' dated 25 June 2010.

The Chief Financial Officer presented the paper, highlighting that the budget showed a projection of an

accounting deficit of £1.4 million for the University. When the effect of the excess depreciation for the replacement equipment for the Mountbatten Clean Rooms was removed a surplus on normal operations of c. £8million was projected, and if the impact of a number of other major one-off items (such as the costs of the transition programme), was also removed the University would show an underlying surplus on normal continuing operations of £7.7 million. No net savings from administrative restructuring had been assumed in 2010/11, and the costs of the voluntary severance scheme had been included. Provision had been made for £1 million further cuts in HEFCE funding, which seemed reasonable at present, but it was always possible that further cuts would follow. There would also be additional costs as a result of the increase in VAT from January 2011. Income predictions included a further increase in income from international student fees of 18% on the current year, and an increase in research grants and contract income of 5% on the current year. The intention was to expand research active academic staff numbers, and it would be essential to ensure that those appointed were of the highest quality and could make a significant contribution to the University's strategic aims.

Dr Read had asked for information as to how the budget outcomes correlated with the broad Accounting Targets set out in the financial strategy. The Chief Financial Officer indicated that in respect of the Target Surplus of at least 2% of turnover, the surplus predicted would be just short of this (at £8million on normal operations). The target cash position was to generate a minimum inwards cashflow from normal operation of 5% of income from 2010/11 and the current prediction was 5.5%. The maximum net debt target was of 15% of income at any balance sheet date, and the prediction for 2010/11 was under 5% of turnover.

The Vice-Chancellor commented that some other institutions had sought to 'second-guess' possible further spending cuts and had taken pre-emptive action, which was very disruptive. Southampton was seeking to take a prudent approach, but not to overreact, particularly in the face of uncertainty. Mr Morgan said that the assumptions made in the paper were sensible. The University had a good track record of budgeting, and clearly understood the nature of its own business, even if it could not know all the possible change which might arise in the external environment.

Dr Read commented that the University was now clearly benefitting from much work which had been undertaken over the last few years. He asked that next year the budget proposals might include the specific links to the accounting targets, headcount information, and perhaps a balance sheet. The Chief Financial Officer agreed this should be possible, and pointed out that Council would receive the five-year projections in December, which would include the projected year end balance sheets for the projection periods.

**Resolved** That the University and individual budgetary units' budgets for 2010/11 be adopted, as set out in the circulated paper (agendum 7).

131 **Consequences of Government emergency budget and projections of University income and expenditure** (agendum 8)

**Received** A paper from the Chief Financial Officer headed 'Emergency Budget and Alternative Medium Term Financial Projections' dated 25 June 2010.

The Chief Financial Officer indicated that the projections set out two alternative views of the University's medium term finances, to show the possible impact of spending reductions implied in the Emergency Budget if these approximated to 25% cuts in HEFCE funding rather than the 10% used in previous financial projections. Mr Snell asked whether what was presented in the 'as it could be' spreadsheet was the 'worst case scenario' and whether the University had considered the mitigation for the worst case. It was explained that clearly this was not necessarily the 'worst case' as there were so many uncertainties at the current time; the University would of course continue to keep the position under review and would pursue mitigation as necessary. For example, if numbers of international students ceased to grow, then fewer academic staff would be appointed; if there were further reductions in HEFCE funding then it might be necessary to scale back in certain academic areas, giving priority to resourcing core areas.

Reference was made to the potential impact of possible changes in student fees and the different type of market this would create, and to the private sector as a possible future source of research income. The Vice-Chancellor commented that if there were cuts in HEFCE funding with changes in the student fees structure to compensate then the University would need to respond accordingly, but an increase in fees would lead to changes in student expectations. The University already had a very enterprising

culture, and it was part of the strategy to develop this further, but there were limitations, and it would not be appropriate to assume that this could plug the funding gap. Mr Jukes again expressed concern that the economy could take a significant downturn, and that the University should therefore think through the possible consequences (for example the effect on the employability of graduates, the availability of industrial research funding, etc).

The Chief Financial Officer commented that while it was important to be prudent, and model potential scenarios at a high level, in his view the University should not invest considerable amounts of time in making more specific plans for an 'as it could be' scenario, or worse, until information was more definite, as this could prevent growth. Dr Read agreed that it was important not to spend too much time in speculation, while taking a realistic view. There would be time to plan strategically when more concrete information was available.

**Resolved** To note the report.

132 **Maritime Centre of Excellence Project (MCE)** (agendum 9)

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

133 **Education in South East Asia** (agendum 10)

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

134 **Key Performance Indicators and University Risk Register**

**Received** The University risk register, and the Key Performance Indicators (KPIs) 2010, together with a covering note from the Chief Financial Officer dated 25 June 2010.

The Chief Financial Officer advised members that the format of the risk register had been significantly revised, such that it should now be much easier to understand the risks and review relative risk importance. The risk register would be evaluated by UEG on a termly basis, and subsequent circulations would show whether a risk had increased or decreased in importance (although in this first report in this format all the movements were shown as 'static'). The KPIs document contained a wealth of information, at both a high and a very detailed level. It had significant value in clearly validating the key themes which Council had discussed over the year (including the slow growth in research income). The Chief Financial Officer paid tribute to Ms Jennifer Arkell and Mr Peter Staniczenko for all their work in preparing the risk register and KPIs document respectively.

Mr Morgan confirmed that the Audit Committee had discussed both documents in detail. He reminded members that the role of the Audit Committee was to ensure that the University had appropriate systems in place for the assessment and management of risk. The risk register was thought to be much clearer in its new format, and as such should provide a more effective management tool for UEG (which in future would also include the eight Deans). Mr Spittle said that the risk 'unavailability of computer systems' was not addressed by the stated mitigation 'new data provision planned...' as this was a long term solution not a mitigation for the immediate risk.

There was a brief discussion as to the primary purpose of the KPIs document and the extent to which the information was circulated. It was explained that the nature of the comparative information meant that the document was not appropriate for external circulation; internally circulation was limited to senior management (Heads of School and Professional Services), as indicated on the Council agenda.

**Resolved** (i) To note the University risk register and Key Performance Indicators document 2010.  
(ii) To thank Ms Arkell and Mr Staniczenko for their work in preparing the revised risk register and KPIs document respectively.

135 **Amendments to Ordinances** (agendum 12)

**Received** A paper from the University Secretary headed 'Ordinances: changes to be introduced' dated 25 June 2010.

It was noted that the circulated document showed how the former Statutes would be integrated into the existing Ordinances, and indicated where material needed to be amended or could be deleted as duplication. These revised Ordinances would come into effect once Privy Council approval had been

received for these sections of the Statutes to be moved into Ordinances (see minute 126.1). There were however a small number of changes to the current Ordinances which should be introduced immediately, covering the composition of the new Faculties, and Matriculation, Examinations and Awards. The proposed amendments had been endorsed by Senate on 16 June (See Council agenda 26).

- Resolved**
- (i) That the deletion of the current Ordinances 2.1 to 2.4 and amendment and renumbering of 2.5, and the new text to be substituted as Ordinance 2.1 to 2.9 and the revisions to Ordinances 7.3, 7.4 and 7.6, be approved all of which should be introduced with immediate effect.
  - (ii) That the remaining revisions to the Ordinances be approved, subject to the University having received notification from the Privy Council that it formally agrees to the proposed changes to the institution's Charter and Statutes.
  - (iii) To note that further minor revisions might be necessary in the interim, and should this prove to be the case, they shall be presented to Senate and Council as soon as possible.
  - (iv) To note that revisions to the Ordinances Part 3 will be presented in due course.

### 136 **Governance and committee structure** (agendum 13)

**Received** A paper from the University Secretary, headed 'Proposed revised University governance and committee structure' dated 4 June 2010.

Members were reminded that the key principle behind the proposed new structure was to focus on personal responsibility and accountability - designated individuals would have authority/accountability for key areas and committees would exist only where there was a specific requirement for collective decision-making, or a statutory/good practice requirement.

Members broadly agreed that this principle was a helpful one. Mr Snell however raised a query about the role of Council in the governance of the University's education function, how this responsibility would be discharged in the revised structure, and the relationship between Council and Senate. What mechanisms would there be to hold the Vice-Chancellor and the wider executive to account in this area? He suggested there could be benefits in using the review of Council effectiveness (agendum 14) to consider such matters and what Council might like to see from the committee structure. The Vice-Chancellor commented that Lay members of Council were appointed as individuals, each with their own skills and experiences, and where appropriate, were asked to use these skills to engage with University business at a more detailed level (as had been the case for Mr Snell, through his involvement with the Education committee). The primary responsibility for the oversight of the quality of education and its impact on the University rested with the Senate, which reported regularly to Council. There were also six members of the Senate appointed to Council, which strengthened the connection, and these members could always be asked to give feedback. Ultimately in the new structure the 'pivotal role' would be that of the Vice-Chancellor, supported by UEG as his advisory group. Senate would continue to be chaired by the Vice-Chancellor, who would make reports to both Senate and Council.

The Chair reminded members that it had been specified that within the new structure individual lay members of Council would be designated as having particular involvement with a specific strategic area, and as such should be involved in discussions about major developments and decisions in that area with the designated UEG member. The issues as to how Council could best ensure that it had appropriate mechanisms to hold the executive to account might reasonably be considered as part of the effectiveness review.

A question was raised as to how the performance of those with delegated authority would be monitored, to ensure that timely and effective decisions were being made. The Vice-Chancellor said that this would be his responsibility - clear objectives would be set and he would be holding the senior team to account.

- Resolved**
- (i) That the proposed approach to and underlying structure of the revised governance and committee structure be endorsed; and that a formal proposal be brought to Council for consideration and approval in December 2010 for implementation on 1 January 2011.
  - (ii) To note that the existing committee structure will remain in place until the end of December 2010, with some amendments to membership to reflect new structures (to be approved by the relevant Chairs).

### 137 Council effectiveness review (agendum 14)

**Received** A paper from the University Secretary, headed 'Council effectiveness review' and dated 14 June 2010.

The University Secretary presented the paper, indicating that this set out a proposition for the scope of the review, and mechanisms to take this forward. Council had previously agreed to establish a small working group to conduct the review, comprising two lay members of Council and two internal members, one of whom was a Senate representative. Mr O'Brien and Mr Killingley, Professor Powrie and Professor Cameron had each agreed to serve. After a brief discussion it was agreed that the Chair should be taken by a lay member, and Mr Killingley kindly agreed to undertake this role.

The framework for review provided by the CUC/Leadership Foundation through the pilot project had three broad and related elements: the enablers of an effective governing body, working relationships and Board Room behaviours, and the outcomes of an effective Governing Body. As the University was in the process of adopting a new Strategy/support plans it would be premature to ask whether these had been achieved, and so it was suggested that the review should focus on enablers and behaviours.

With regard to methodology it was agreed that it would be important for the views of all Council members to be sought. Referring back to the query from Mr Snell it was agreed that the review would provide a good opportunity to consider whether Council members were involved in ways which made best use of their skills and experiences, and whether there were appropriate mechanisms to enable Council to hold the executive to account. Consideration might also be given to issues such as members' ability to request information, and mechanisms for agenda setting.

- Resolved**
- (i) That Mr Killingley, Mr O'Brien, Professor Cameron and Professor Powrie be appointed to a working group of Council to conduct the review, with Mr Killingley in the Chair.
  - (ii) That the scope of the review should include enablers of effectiveness, working relationships and Board Room behaviours.
  - (iii) That the Working Group should ensure that as part of the review the views of all Council members were sought.
  - (iv) That the working group members should lead a discussion at the Council away-day in September and make a final report to the December meeting of Council.

### 138 Health and Safety Policy Arrangements (agendum 15)

**Received** A paper from the Director of Health and Safety and the Chair of Safety and Occupational Health Committee headed 'Health and Safety Policy Arrangements' dated June 2010.

The R&COO presented the paper explaining that the 1974 Health and Safety at Work Act required the University to have a documented Health and Safety policy, made up of three parts: 'Statement of intent', 'Organisation for Health and Safety' and 'Arrangements for Health and Safety'. The 'Statement of Intent' had been approved by Council in March 2010 and the 'Organisation for Health and Safety' document would be presented to Council later in the year, reflecting the new University structures. The 'Arrangements' document was now presented for approval.

**Resolved** That the Health and Safety Policy Arrangements document be approved.

### 139 Sport in the University (agendum 16)

**Received** A paper from the Registrar and Chief Operating Officer and Professor Fitt headed 'Sport at the University of Southampton', dated June 2010.

Members were reminded that when in March 2010 Council took the decision to approve closure of the University's undergraduate degree programmes in sport (minute 80) it had been agreed that the R&COO would undertake a review of the University's role in and commitment to sport, and report back to UEG and Council. The paper now circulated set out the outcomes of this review, for Council's information.

**Resolved** To note the report.

140 **Financial monitoring 2009/2010: Management Accounts May 2010 including an update on the capital programme** (agendum 17)

**Received** The May 2010 Management Accounts, with a covering paper from the Chief Financial Officer, including an update on the capital programme, dated 10 June 2010.

The Chief Financial Officer presented the paper, commenting that there were no significant changes in the overall position (or in the draft accounts for June, which were now available). The projected surplus was £4.5million, and there appeared to be little risk of not achieving a surplus of this order of magnitude. Slow growth in income from external research grants and contracts continued to be a concern. As requested at the last meeting Professor Nelson reported briefly on his discussions with those Schools which were significantly underperforming on their original 'InEx' targets for research income. Five out of seven Schools had now been visited. It was agreed that Council should receive a full report at its December meeting.

**Resolved** (i) To note the University management accounts as at May 2010, including the update on the capital programme.  
(ii) That a full report of Professor Nelson's analysis of Schools' research funding performance should be presented to the next meeting.

141 **The Vice-Chancellor's report** (agendum 18)

**Received** A written report from the Vice-Chancellor, dated 28 June 2010.

The Vice-Chancellor presented a written report under the following headings:

- Broadlands Archive
- Visits to the USA and Mexico
- Submission to the Browne Review  
The Vice-Chancellor's submission to the Browne Review was available to members of Council on request. A version would be appearing in the Times Higher Education next week. He would shortly be meeting Lord Browne to give evidence.
- Success in Good University Guides
- National Teaching Fellowships  
Two members of staff (Dr Kemp from the School of Civil Engineering and the Environment, and Dr Wald from the School of Electronics and Computer Science) had won National Teaching Fellowships.
- Development and Alumni
- Additional bids to funding bodies  
Although Government funding had been withdrawn for the Web Science Institute Professor Shadbolt had continued to pursue the matter, and there was every possibility that the project would be revived, although the sum of money involved would be less.
- New Research Awards
- Press coverage
- UEG decision log, covering the period 8 May to 22 June 2010.

The Vice-Chancellor was also very pleased to report that Dr Meek (School of Social Sciences) had been awarded a Fulbright Scholarship.

**Resolved** To note the report, including the UEG decision log.

142 **Report from the President of the Students' Union** (agendum 19)

**Received** A written report from the President of the Students' Union.

Mr Fitzjohn, the new President presented the report, which was prepared by his predecessor Mr O'Reilly, drawing particular attention to the following:

- The changes which had been made to put the Union on a firmer financial footing, including the closing of the Travel Centre, outsourcing of services such as cleaning, and other internal restructuring.
- The development of a new constitution, written from scratch, and designed to be clearer and more accessible to students.
- The project to improve the SUSU website, which was due to be completed over the summer in time for

the new intake.

- One of the highlights of the year was the SUSU elections, and associated live production. Mr Fitzjohn said that he would be building on the work of his predecessor in taking forward SUSU's five year strategy, and hoped to be able to report to the next meeting of Council on strategy development. The Chair reiterated the point made in the report regarding the role of the Students' Union as an important element in student recruitment.

**Resolved** To note the report.

143 **Report from the Meeting of Senate, 16 June 2010** (agendum 26)

**Received** The unrestricted report from the above meeting of Senate

The R&COO presented the report, and indicated that the issues discussed at Senate relating to amendments to Ordinances, the governance and committee structure, and the appointment of Pro-Chancellor were covered as substantive items on the Council agenda.

**Resolved** To note the report.

144 **Nominations Committee** (agendum 27)

**Received** A report from the Nominations Committee concerning the re-appointment of Pro-Chancellor, dated 25 June 2010

The R&COO reported that a meeting of the Nominations Committee had also taken place just before the Council meeting, at which a number of possible appointments as Class 2 members were explored. It was hoped to bring forward recommendations in September.

With regard to the recommendation for the reappointment of Sir David Cooksey as Pro-Chancellor he confirmed that Senate had supported this recommendation at its meeting on 16 June 2010.

**Resolved** That Sir David Cooksey be reappointed as Pro-Chancellor for a further term of three years from 1 August 2010 until 31 July 2013.

145 **Report from the meeting of the Audit Committee held on 5 July 2010 (oral report)**

Mr Morgan gave an oral report from the recent Audit committee meeting, highlighting the following:

- As previously indicated the risk register and KPIs document had been discussed in detail.
- A number of reports from the Internal Auditors had been received and considered; he was pleased to report that issues raised had all been regarded as low risk.
- The external audit strategy had been presented by Mazars, and approved.
- There had been a number of valedictions given: Mr Peter Dingley had now stood down from the committee, having served for two three-year terms. KPMG had been thanked for their work as internal auditors, as they had been replaced by PricewaterhouseCoopers from 1 August 2010. He had also announced that he would be standing down as Chair, because of personal time commitments, although he would be happy to continue to attend the committee in the short term, to support the new Chair, Mr Burrow. He emphasised that his decision to stand down was personal, and no reflection on the University or the Audit Committee, which he believed to be exemplary.

The Chair of Council pointed out that formally the appointment of the new Chair of the Audit Committee remained to be approved by UEG.

Under this heading the Chief Financial Officer also brought forward a proposal, following consultation with members of the Audit Committee by e-mail, for the reappointment of Mazars LLP as external auditors for the University, as the appointment had to be approved by Council on an annual basis.

**Resolved** (i) That Mazars LLP be re-appointed as the external auditors for the University for 2009/10.  
(ii) To note the oral report from the Chair of the Audit committee.

146 **Report from the meeting of the Finance committee, 21 June 2010** (agendum 29)

**Received** A report from the above meeting of the Finance Committee.

The Chief Financial Officer presented the paper, highlighting the proposal to revise the Treasury Management Policy to raise the level of cash deposits which could be held for a maximum period of up to five years from £35m to £40m. Mr Burrow expressed some concern about this, encouraging the use of break mechanisms. The Chief Financial Officer emphasised that deposits of more than one year were always placed with UK institutions with a long term Fitch rating of at least A+ and of sufficient economic importance as to be highly unlikely to be allowed to fail (deposits were currently with Barclays and RBS, as shown in the management accounts).

The Chief Financial Officer also drew attention to the need to revise the Financial Regulations and the Expenses and Benefits Procedures Manual to take account of the changes to the organisational and budgetary structures. The amended documents would be presented to the Audit Committee and to Council in due course.

- Resolved**
- (i) That the proposal to revise the Treasury Management Policy, increase the maximum amount of money that could be invested for up to five years to £40m be approved.
  - (ii) To note the need to update the Financial Regulations and the Expenses and Benefits Procedures Manual for the start of the 2010/11 academic session to reflect organisational and budgetary changes, and the Chief Financial Officer's intention to present the revisions to the Audit Committee and Council as appropriate, in due course.

147 **Code of Practice to secure freedom of speech** (agendum 30)

**Received** A paper from the Director of Corporate Services headed 'Annual report on the operation of the Code of Practice to Ensure Freedom of Speech' dated 1 July 2010.

The R&COO presented the paper reminding members that under Section 43 of the Education (No 2) Act 1986 the University was required to have a Code of Practice to Ensure Freedom of Speech within the Law. The Director of Corporate Services acted as the 'responsible officer' under the Code of Practice, and as such was required to submit an annual report to Council.

Work was ongoing on some amendments to the Code of Practice, which remained to be discussed by the Director of Corporate Services and Mr Henderson. The R&COO sought Council's agreement to submit the final version for approval on Chair's action, and this was agreed.

- Resolved**
- (i) That the annual report be noted.
  - (ii) That the amendments to the Code of Practice to Ensure Freedom of Speech currently under consideration should be agreed by Mr Henderson and the Head of Corporate Services and submitted to the Chair of Council for approval on behalf of Council.

148 **Students' Union: Review of Code of Practice** (agendum 31)

**Received** A report from the Director of Student Services, headed 'the Education Act 1994 - report to Council', dated 28 May 2010.

The R&COO presented the report, reminding members that under the Education Act 1994 universities were required to issue a Code of Practice which governed the way in which the requirements of the Act in respect of Student Unions were met. As part of the University's Code of Practice a number of responsibilities for monitoring were placed on the Director of Student Services, who was required to submit an annual report to Council on these matters. Since the report had been prepared the newly elected Vice-President Academic Affairs had resigned, and a further election had been run, with the result announced on Friday 18 June 2010.

**Resolved** To note the report, together with the oral update provided by the Registrar and Chief Operating Officer.

149 **Sealing of documents** (agendum 32)

**Received** A paper listing the documents sealed since the meeting of Council on 20 May 2010.

**Resolved** To note the list of sealed documents.

## 150 Valedictions

On behalf of all members the Chair thanked those members who were attending their last Council meeting for their service, and their valuable contributions to the work of the Council and the University:

Mr Andrew Jukes, who had offered many years of committed service to the University as a member of Council (since 2001), the Policy and Resources Committee and the Professorial and Senior Salaries committee. He had now completed the maximum number of years an individual might serve on Council.

Mr Paul Lester who had come to the end of his first three-year term of office, having joined the Council in 2007, but who was not seeking re-nomination, because of other commitments. He had also served on Professorial and Senior Salaries Committee

Mr Alan Morgan, who joined Council in April 2009, and had served as Chair of the Audit Committee, but was now standing down because of other commitments.

Professor Jeremy Kilburn, who had served as a Class 3 member of Council since July 2004, and had been Dean of the Faculty of Engineering, Science and Mathematics since August 2007; he was now leaving the University to take up a role at Queen Mary, University of London.

Professor Nick Foskett, who had served as a Class 3 member of Council since August 2005 when he became Dean of the Faculty of Law, Arts and Social Sciences, and who was now leaving the University to become Vice-Chancellor of Keele University

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CC9/3 KAP 14.07.10