



## Council

Date and time Thursday 20 September 2007 at 4.00 pm

Place The Council Room, George Thomas Building

Present Dame Valerie Strachan (*in the Chair*), Professor I T Cameron, Dr S J Deuchar, Dr M O Gobbi, Mr A J Jukes, Professor J D Kilburn, Ms V Lawrence, Mr P Lester, Mr M S Killingley, Ms S Moore\*, Professor P A Nelson, Mr B Purkiss, Professor M Ratcliffe, Mr M J Snell, Mr R H M Symons, Professor C A Thomas, Professor W A Wakeham, Mr A J Walker, Professor A A Wheeler, Professor D M Williams and Mrs J Wood.

With The Registrar and Chief Operating Officer, Director of Estates and Facilities, Director of Finance, Director of Human Resources, Dr H Harley (minute 5) and Dr K A Piggott.

(\* Members not present for the restricted section of the agenda.)

## Unrestricted

### Welcome and background

Dame Valerie welcomed members to the meeting, in particular Mr Paul Lester, attending his first meeting. She explained that, pending Privy Council approval of the proposed new composition of Council, the Committee would continue to operate with the composition as set out in the unamended Statutes. The membership of Professors Cameron, Kilburn, Wheeler and Williams had therefore been extended until 31 December 2007. Also under this arrangement there would continue to be two representatives from the Students' Union. Ms Claire Chappell was therefore welcomed to membership, although she was unable to attend on this occasion.

The Registrar and Chief Operating Officer advised members that, although the meeting was quorate in terms of overall attendance, less than half the members present were lay members. According to the Standing Orders this meant that a majority of the lay members present would be able to require that a decision on any item be deferred to the next meeting.

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

### Presentations

The Vice-Chancellor gave a presentation setting out current objectives and achievements for the Institution, and highlighting key strategic issues for the coming year.

### Business meeting

#### 1 Obituary

Dame Valerie announced with regret the death of the following member of the University and asked Council to stand as a mark of respect:

Maarten Richard Seward, a part-time student on the Postgraduate Certificate in Management, on 28 July 2007.

## 2 **Minutes (unrestricted) of the meeting held on 12 July 2007**

**Resolved** That the minutes of the above meeting be approved and signed.

## 3 **Matters arising from the minutes**

### 3.1 **Amendments to the Charter and the Statutes** (minute 72.2)

It was noted that a decision from the Privy Council was awaited. It was hoped that further information would be available at the beginning of October.

### 3.2 **14 – 19 Diplomas** (minute 73)

**Received** A paper dated 7 September 2007, prepared by Professors Ratcliffe and Thomas, updating members on the University's engagement with the 14-19 curriculum revisions.

**Resolved** That the paper be noted.

### 3.3 **Long term loan funding** (minute 77)

The Director of Finance reported that the formalities had been completed and the University had drawn down the funds on 7 September 2007.

### 3.4 **Key Performance Indicators 2007** (minute 79)

Members were advised that, as the September meeting was intended to focus on strategic business, regular reports on any 'red' items in the KPIs would begin for the December meeting. There were currently no issues causing significant concern.

### 3.5 **Creating a future source of early stage investment funding for University spin-out companies** (minute 84)

**Received** A paper from the Director of Finance, requesting delegated authority for Standing Committee of Council to consider and, if appropriate, approve, the terms of the investment for the establishment of the new company to provide early investment support for University spin-out companies; and proposing co-option of up to two additional lay members to Standing Committee for the consideration of this item.

It was explained that the proposal for additional lay membership was to take account of the fact that the Treasurer would be heavily involved in negotiating the terms, and therefore would not be in a position to provide further independent lay scrutiny as a member of Standing Committee. The arrangements proposed would ensure due scrutiny of the recommendations while giving the University flexibility to respond to commercial deadlines.

**Resolved** That the arrangements for scrutiny of the recommendations regarding the terms of the investment for the establishment of the new company to provide early investment support for University spin-out companies be approved as set out in the circulated paper dated 14 September 2007.

## 4 **The Vice-Chancellor's report**

The following items were reported:

- The dispute involving Offshore Hydrocarbon Mapping (OHM) had been settled, and the University would now be able to realise some of its shares. As a result of this

- dispute much had been learned about handling matters of intellectual property; a 'toolkit' was being issued to Heads of Schools.
- Negotiations with the potential external investor in INNOS Limited were now at a very crucial stage.
  - In the light of the current publicity regarding Northern Rock the Director of Finance advised members that the University had made an investment with Northern Rock on 6 September (£1 million for two weeks). It was emphasised that the University had very strict guidelines on credit ratings for investment, and Northern Rock was an A-rated entity. [*Post meeting note: it has been confirmed that the deposit, with appropriate interest, was received back on 20 September.*]
  - The University (with other local educational and voluntary organisations and local businesses) had been part of Southampton Education Trust, set up to bid to oversee the operation of two new trust schools in Southampton. The bid had not been successful and the schools would be overseen by the Oasis Trust. The Southampton Education Trust remained in existence and would be considering its future role.
  - The University had received an audit visit from HEFCE, and had been found satisfactory in all respects. A number of minor recommendations had been made, which the University was minded to accept. Related to this, it had become clear that where the University was engaged in major commercial activities it was often necessary for very quick decisions to be made, but current governance structures did not facilitate this; a proposal would be brought forward as part of the ongoing committee review to address the matter.

## 5. **Capital Plan** (agendum 11)

**Received** A paper from Professor Wheeler and the Director of Estates and Facilities, dated 17 September 2007, setting out the current progress with the Capital Plan and presenting options for Council's consideration.

Professor Wheeler presented the paper, supported by a PowerPoint presentation. He reminded members of the history of the development of the relationship with LR, as impacting on the capital programme, and explained that further analysis had determined that building the Executive Education Building on the Boldrewood site would be too expensive. Alternative options were being explored with LR. Outline Planning Permission for developing the Boldrewood site had been received, which was very valuable for the University, whatever the outcome of discussions with LR. Other key achievements associated with the programme were also outlined for members.

Work had now reached a critical stage and a decision was imperative as to how to proceed with the capital works associated with closing and demolishing Boldrewood. A decision was needed now because (i) construction inflation was high and was likely to increase; (ii) a delay could result in a lack of momentum/direction for the projects; and (iii) Boldrewood was potentially a growing risk. Future plans for the site were of necessity more fluid at this point because of the current stage of negotiations with LR. It would be possible to stop capital work at this point and undertake no new projects. This would however mean that the University could not meet any of its strategic objectives associated with the estates strategy, the LR relationship could not be taken forward involving Boldrewood, and the risks inherent in the Boldrewood building would still exist. Council was therefore being asked to authorise proceeding with those projects associated with the decant from, and demolition of, Boldrewood (Option B in the circulated paper). Approval was also being sought for works associated with the HSE Improvement Notice covering the Tenovus building. The proposal was that decisions on other significant elements of the estates strategy be postponed to a special meeting of Council to be held in October/November, when the position should be clearer with respect to LR.

The complexity of the projects associated with the move from Boldrewood was emphasised. It appeared that the cost of the overall programme of work had increased, while less was to be achieved as a result. This was because much detailed analysis had now been undertaken to cost each of the associated sub-projects, and what was presented was a more realistic estimate of the financial position. The figures presented were a 'worst case' scenario, and assumed no more additional income than had been assumed in setting the original financial envelope. Each project had also become much tighter in scope and a prudent approach taken, so there was less likelihood of cost variance as work proceeded.

In discussion the following points were raised:

No announcement had yet been received from HEFCE about the level of capital funding to be made available to institutions. The insurance claim was also not yet settled. If the University committed to spending more, and no additional income was forthcoming, the only option would be to increase borrowing. Paying back these loans would then necessitate further reductions in recurrent expenditure.

Further information was provided on the current negotiations with LR. There were capital costs for the University associated with developing Boldrewood in partnership with LR. However, any development the University undertook on the site would incur the infrastructure costs which in the current proposal would be shared with LR. There were clear academic and reputational benefits to the University in making the relationship with LR work. It was almost impossible that a similar partnership could be developed with another company in which there would be such clear synergy with activities of major significance to the University. It was recognised that pursuing the LR option would mean that there was no space to house the International College in the medium term. This would make it imperative to pursue vigorously other options to sustain and increase international student recruitment (see minute 6).

The Data Centre (about which it was proposed to delay discussion until October/November) was business critical – however, there were potentially other ways in which the issues could be addressed (on the basis of revenue rather than as capital).

Would it be possible to decant from and close Boldrewood but not demolish it? This would be possible in theory, but in practice would be a potential risk to the University. Also, any other use for the site would ultimately require the building's demolition. The possibility of selling the site was raised, but it was explained that the site was zoned for educational use so the potential market was limited.

Members recognised that there were risks involved in proceeding with Option B (projects associated with the departure from and demolition of Boldrewood), but appreciated that it was essential to proceed if the University were to move forward with any further elements of the estates strategy.

- Resolved**
- (i) That Council authorises proceeding with the capital projects associated with Option B as set out in the circulated paper.
  - (ii) That a special meeting be convened in October/November to consider future options in regard to the development of Boldrewood, the School of Management, and the Data Centre, within the long term strategic development of the University and in the context of the overall funding plan.
  - (iii) That a budget of £1.3M be authorised for the Tenovus works required by the HSE Improvement Notice.

6. **International College** (agendum 12)

**Received** A paper from Professor Foskett and the Director of Finance, dated 14 September 2007, outlining the current position regarding the International College.

Members were advised that it was now clear, after an exploration of all the options, that if the Boldrewood development with LR proceeded, it would not be possible to find space on any of the campuses for the International College in the medium term. There were no other possible options in the City Centre. A decision on the International College was needed now, rather than being postponed until the LR position was finalised, because without the College alternative actions must be taken immediately to grow and sustain international student recruitment. In particular this would include growing existing foundation year programmes which were scheduled for closure if the International College proposal proceeded. It was emphasised that although the International College was not of itself mission critical, sustaining and increasing international student numbers was so. This would be harder without the International College, as there would need to be a greater number of strands to the activity, while with the partnership with Kaplan the risks were shared.

The possibility was raised that there might be space for the College at WSA if the decision were taken to close the Textile Conservation Centre (minute 7). Members were advised that Kaplan had previously indicated that they were not interested in locating the College outside Southampton; however, it had not been put to them in terms that this was the only option other than ending the partnership. It was also questioned whether Kaplan might be willing to delay implementation until the longer term space option became available. This was thought to be unlikely, as it would not fit with their business plan, and the proposals had already been in discussion for two years; however, the suggestion could be made. It could then be left to Kaplan to withdraw from the partnership if they did not wish to take up either of these options.

**Resolved** That the possibility of space in Winchester, or a delayed start to the project, be put to Kaplan, while recognising that a final decision on the future of the project could be delayed only by a few days.

7. **Textile Conservation Centre (TCC)** (agendum 13)

**Received** A paper prepared by Professor Foskett and the Director of Finance, advising Council on progress in exploring the future options identified for the TCC.

Professor Foskett presented the paper and explained, with regret, that none of the options identified to Council in March for the future of the TCC had provided a clear way forward, although discussions with the University of Winchester (UoW) about possible transfer were continuing. Detailed modelling of a future for TCC on the basis of the Trustees' financial offer, as raised at the July meeting of Council, had also not generated a plan that met the financial or academic criteria for viability. Under the circumstances the recommendation now being brought forward was to plan for closure of the TCC, if discussions with the UoW were not successful.

It was confirmed that possible incentives for the UoW in order to facilitate the transfer had been discussed. The key aspect would be an agreement from HEFCE to make a capital contribution and give recurrent funding for the additional student numbers, and the University and the UoW would wish to make a joint approach.

It was recognised that there were likely to be PR issues associated with the decision to close – for example, questions as to why it had not been possible to turn round the TCC in the same way as had now been successfully achieved at Winchester School of

Art. In response it was explained that at the point of transfer to the University the TCC business plan had been predicated on a significant increase in student numbers, which had never materialised. The market for conservation activity was now such that the University was unable to provide a cost effective yet competitive pricing structure, given salary levels etc; and the expectations about the nature of teaching in the discipline meant that if the curriculum and structures were changed to make programmes financially viable there would cease to be a market for our graduates. WSA had enhanced its position by moving into a different area of art, thereby capturing new markets – this option was not available to the TCC. The University had been working closely with the Trustees, who understood that all options had been explored, and where the particular problems lay. It was also recognised within the wider world of conservation that there were generic issues about the nature of programmes within the discipline which needed to be explored, and it was hoped to bring key colleagues together nationally to discuss these matters.

Ms Moore commented that from a student perspective the TCC made Winchester unique, and it would be valuable if this could be preserved; if this were not possible it would be important to have clarity about the reasons for closure.

- Resolved** expedited
- (i) That discussions with the University of Winchester should be to establish whether transfer of the TCC is feasible.
  - (ii) That if transfer is not possible the TCC should be closed formally in summer 2008, with a recognition that there will be a requirement for some 'teach out' of programmes beyond that date.

## 8 **New Staffing Plan** (agendum 14)

**Received** A paper from the Director of Human Resources, dated 31 August 2007, setting out a plan for the achievement of a goal to save £3M (and up to £7M) from payroll expenditure by 2010, with specific recommendations.

Members were advised that this item was now being presented for information only and would be brought back to Council in December for decision following further internal discussions. It was requested that the paper presented in December should spell out the risks in more detail, and include benchmarking with other institutions.

**Resolved** That the paper be noted and that a final version should be brought back to Council in December for decision.

## 9 **Health and Safety Issues**

### 9.1 **Vice-Chancellor's Annual Health and Safety Report** (agendum 17.1)

**Received** The Vice-Chancellor's annual health and safety report covering the period 1 January - 31 December 2006 together with supporting documentation.

The Vice-Chancellor drew particular attention to the increased emphasis on Council's statutory responsibility for auditing health and safety. Currently Council relied on this annual report for its assurances on health and safety matters, but it might be more appropriate for Council to undertake its own auditing, perhaps through a sub-committee with a lay Chair. There was strong support for this approach, which it was agreed should be pursued as part of the ongoing committee review.

It was suggested that what was particularly important was to develop a culture whereby staff felt empowered to identify health and safety issues before these became significant problems, and to take action as appropriate. Effective and wide-reaching training would be an important aspect of this. Professor Nelson emphasised that the University was very aware of these cultural issues, and the need for issues to

be 'owned', particularly at senior level. The training which had so far been provided for senior managers had been very effective in raising awareness and understanding of responsibilities, and this was now to be further cascaded.

Although the new health and safety manual was being taken forward very slowly, it was going through a detailed revision process with input from both the Safety Office and experienced School/Service Safety Officers; it was hoped this would ensure greater buy-in. The final version of the documentation should be approved at the end of October, after which there would be a formal launch and training.

A query was raised about levels of staff stress. The Director of Human Resources explained that the key issue was whether incidences of stress among staff were significantly different from those among the population at large – hence the need for more specific benchmarking. In the meantime work was being undertaken on related issues such as the mental health policy.

Regarding safety in buildings with multiple occupancy it was confirmed that the development of emergency plans was now well in hand; updates would be presented to Safety and Occupational Health Committee in October.

- Resolved**
- (i) That the Vice-Chancellor's Annual Health and Safety Report be noted.
  - (ii) That the Registrar and Chief Operating Officer should, as part of the ongoing Committee Review, give further consideration to the establishment of a sub-committee of Council to audit the University's handling of health and safety matters.

#### 9.2 **Outcomes from Environment Agency Inspection of NOCS** (agendum 17.2)

**Received** Two letters from the Environment Agency drawing to the University's attention non-compliance with the provisions of the Radioactive Substances Act 1993 identified during a recent inspection; an action plan drawn up within the University to address the issues identified.

It was noted that the main concern identified during the inspection related to documentation of the management system. Safety and Occupational Health Committee would consider these issues at its next meeting, and the implementation of the action plan would be monitored through that committee over the coming months.

**Resolved** That the report and action plan be noted with concern; and that a report on progress be brought to the December meeting.

#### 10 **Threshold for Long-Term Borrowing: HEFCE consent** (agendum 18)

**Received** A letter from HEFCE, dated 20 July 2007, confirming HEFCE's consent to an increase in the University's threshold for long-term borrowing.

It was noted that it was a HEFCE requirement that the content of this letter be drawn to the attention of Council.

**Resolved** That the letter from HEFCE be noted.

#### 11 **University submission to Quality Assurance Agency for Institutional Audit** (agendum 19)

**Received** The University's draft submission to the Quality Assurance Agency for Institutional Audit.

Members were reminded that the Institutional Audit would take place in February 2008. Members commended the document, and all the efforts made by Professor Thomas and colleagues to bring the submission to this point. It was recognised that considerable work was still needed to ensure that everyone was fully prepared for the Audit, which was of crucial importance to the institution. It was noted that some minor changes to the document had been suggested at PRC, particular as related to the role of Council, and these would be incorporated in the final version.

It was questioned whether Council should be exercising a greater leadership role in the education area than was the case at present. The Vice-Chancellor suggested that if members felt that they had a particular contribution they could make, their input would perhaps be more valuable at an earlier stage in discussions. The Registrar and Chief Operating Officer could perhaps reflect on this point in his review of committees.

Ms Moore commented that the Students' Union was developing its submission, and she was confident that this would be clear and concise.

**Resolved** That the University's submission to the Quality Assurance Agency for Institutional Audit be noted; and that all colleagues involved in producing the submission be thanked for their work.

12 **Arrangements for December Council meeting** (Agendum 20)

The Registrar and Chief Operating Officer reminded members that procedures would need to be put in place shortly to begin the process for identifying Professor Wakeham's successor as Vice-Chancellor, and he invited members to consider how Council might best contribute. One possibility would be to have an additional, more informal meeting alongside the December meeting of Council, to consider issues such as what roles the new Vice-Chancellor might need to perform, given changing external contexts.

**Resolved** That members should give further thought to this issue and feed back any suggestions to the Registrar and Chief Operating Officer.

13 **Safeguarding children and vulnerable adults: policy and procedure recommendations** (agendum 21)

**Received** A paper setting out policy and procedure recommendations relating to safeguarding children and vulnerable adults, developed by the Safeguarding Working Group, and previously endorsed by Human Resources Policy Committee, Education Policy Committee and Policy and Resources Committee.

It was noted that, although the September meeting of Council would not usually take items from committee reports, this had been brought forward because approval was required urgently so that the arrangements proposed could be implemented with immediate effect. Members agreed that it would be appropriate for Council to exercise a monitoring function and requested a short annual report on the implementation of the policy and procedures.

**Resolved** (i) That the safeguarding children and vulnerable adults policy and procedures be approved and adopted with immediate effect.  
(ii) That a brief report on the implementation of the policy and procedures should be presented annually to Council.