



Council

Date and time	Thursday 7 July 2005 at 5.00 pm
Place	The Council Room, George Thomas Building
Present	Dame Yvonne Moores (<i>in the Chair</i>), Professor I T Cameron, Professor P J Curran, Dr S Duckworth, Professor A D Fitt, Professor A P Hamlin, Professor J K Hammond, Professor R Holdaway, Mr A J Jukes, Mr A S Kent, Ms V Lawrence, Mr B Purkiss, Dr B G Smith, Mr M J Snell, Dame Valerie Strachan, 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 Professor L Yardley
By invitation	Ms L von Alberti* (an observer) and Mr J Walsh*
With	The Secretary and Registrar, Director of Corporate and Marketing Services, Director of Finance, Director of Human Resources, Director of Student Services, Head of Planning and Ms C J Gamble

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

Unrestricted

Welcome

Dame Yvonne welcomed to the meeting Ms von Alberti, a doctoral student in the School of Management, who was observing the meeting as part of her studies into strategic management and planning, and Mr Walsh, a former student representative on Council who had been invited to present the President's report in his absence.

Dame Yvonne explained that a number of members of Council had not been able to travel to Southampton to attend the meeting because of a series of bomb explosions on the London Underground and on the bus network which had resulted in many deaths and had severely disrupted the transport system in the capital.

Turning to the agenda and papers which members had received on the day prior to the meeting, Dame Yvonne apologized profusely for the inconvenience that the late arrival of documentation had undoubtedly caused. A note of unreserved apology from the Secretary and Registrar had been sent with the papers, explaining the circumstances. Dame Yvonne invited members to accept the agenda of items for discussion, with the exception of Agendum 31 which proposed a timetable for the main University committee meetings. Dame Yvonne requested that the schedule be re-examined with a view to lengthening the intervals between the meetings of the main committees where they fell close together at the

end of each term. The Secretary and Registrar confirmed that he would bring forward a modified schedule for approval as soon as possible in July.

47 **Obituary**

Dame Yvonne announced with regret the death of the following members of staff and two former members of the University and asked Council to stand as a mark of respect:

Mr S C Brackenbury, a member of the Library staff: April 2005;

Mrs Georgina Pugsley, a member of clerical staff, School of Medicine: February 2005;

Mr Ken Dibben, former Treasurer of the University (1982-1997): April 2005;

Lord Roll of Ipsden, former Chancellor and Honorary Graduate: 31 March 2005

48 **Minutes (unrestricted) of the meeting held on 15 March 2005**

Resolution That the Minutes (unrestricted) of the meeting held on 15 March 2005 be approved and signed.

49 **Matters arising**

Review of the effectiveness of Council and compliance with the Committee of University Chairmen's guidelines (Minute 35)

The Secretary and Registrar reported that Mr Symons had agreed to chair the working group whose membership he outlined. The first meeting of the group would be held in July at which the approach to the review and the issues that would be examined, such as the size of the governing body, would be discussed. The views of members of Council would be sought as soon as the working group had agreed upon the way the review should be conducted but, at this early stage, members were welcome to forward any particular views they held on the effectiveness of the governing body to either Dame Yvonne or Mr Symons.

50 **The Vice-Chancellor's report**

The Vice-Chancellor was pleased to draw attention to the appointment of a new Deputy Vice-Chancellor from 1 September 2005: Professor Phil Nelson, currently the Director of the Institute of Sound and Vibration Research, would succeed Professor Curran who would take up the Vice-Chancellorship of Bournemouth University on 1 September 2005. (Members had been informed in writing in June 2005.)

The Vice-Chancellor reported on the following subjects:

Director of Development

Interviews would take place shortly for the post of the Development Director.

Royal Academy of Engineering summer soirée

The annual soirée of the Royal Academy of Engineering, held on 27 June 2005 at the National Oceanography Centre, Southampton, had been an enjoyable and an outstandingly successful event.

Graduation ceremonies

The annual graduation ceremonies would be held between 21 and 28 July 2005. Council members were warmly invited to attend the ceremonies.

National Oceanography Centre, Southampton (NOCS)

A two-day meeting had been organized in July to discuss revised governance and management arrangements for the Centre with a group of senior officers from the Natural Environment Research Council (NERC). A report would be made to a future meeting of Council relating to changes to the Memorandum of Understanding between NERC and the University.

European Union Framework 7

The future of Framework 7, the European Union's research programme, remained uncertain after the recent European summit failed to reach agreement on the overall EU budget.

Visa changes

The Government had announced plans to withdraw the right of appeal to foreign students whose visa applications had been rejected. Universities UK, representing Vice-Chancellors and Principals, was continuing its lobbying of the Government on the issue of the increase in the cost of entry visas and visa extensions, and on the right of appeal. The Vice-Chancellor reported that the issue had been raised with local MPs in an effort to intensify the lobbying undertaken by UUK. He appealed to members to help support the University in this action.

Annual national negotiations on salary

Agreement had not yet been reached between the Employers' Association (UCEA) and the Trades Unions on the level of salary uplift for the forthcoming year.

Arts Council England grant

Arts Council England (ACE) recently announced an award of £5.75m to Southampton City Council to complete a new arts complex within the city. The John Hansard Gallery would be one of the leading players in establishing the venture and would

relocate to a new building in the 'cultural quarter' near the centre of the city where it would enjoy greater prominence. The Vice-Chancellor said the plans for the arts complex had been worked on for many years and the announcement of the funding from ACE was extremely good news.

51 **Report from the President of the Students' Union** (Agendum 5)

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

Mr Walsh presented the report in the absence of the President of the Students' Union.

Resolved (i) That the report be noted.
(ii) That Council record its thanks to Mr Wilson for his work as President of the Students' Union during the 2004/2005 session.

52 **Financial monitoring statements 2004/05** (Agendum 11)

Received The financial monitoring statement for the year ending 31 July 2005, together with a commentary prepared by the Director of Finance.

The Director of Finance presented the monitoring statement. He reminded members that the net result at year end had been modified earlier in the year: on a management accounts basis, the expected deficit at year end had been increased from £6.959m to approximately £9.82m because of a shortfall in fee income. Subsequently a number of favourable variances had been reported and the overall effect would be a reduction in the forecast deficit in the published accounts from £5.309m to £3.454m. He drew attention to the role that Heads of School, supported by the Deans of Faculty, had played in responding to the budgetary pressures during the year.

The Treasurer commented that the greater control Heads had over their budgets was evidenced by the lower level of variances between the planned and forecast positions in the financial statements, however, the deficit that had been set was not acceptable in the longer term.

Referring to the cash flow position, the Director of Finance stated that capital spending had been supported by the drawing down of a portion of the current loan facility rather than realizing a proportion of current assets.

In response to a query about the action that was being taken in respect of the recovery of tuition fees (paragraph 21 of the commentary), the Director of Finance said that his Department was working closely with Schools to ensure that students settled their tuition debts as quickly as possible. Changes would be made to the timing of the collection of fees from next year, with greater efforts being made to recover the money during the first term of the academic session.

Speaking in his capacity as Chair of the Audit Committee, Mr Symons said that the Committee had closely monitored the recovery of tuition fees for the 2003/04 academic session during the year and would continue to receive reports on the position throughout the forthcoming year.

Dame Yvonne thanked Heads of School, Deans of Faculty and Professional Services for their efforts in respect of budgetary control.

Resolved That the financial monitoring statements be noted.

53 **Strategic issues** (Agendum 12)

53.1 **Strategic planning statement, 2005-2010** (Agendum 12.1)

Received A report setting out a strategic overview for the period 2004/05 to 2009/2010.

The Vice-Chancellor presented the report, commencing with a summary of the six strategic themes that had been presented during the year and a recapitulation of the financial forecasts. He reminded members of the action that had been taken in respect of these themes, focusing particularly on student centredness, research, and the development of the Estate.

The following points were made in discussion:

- The plans that had been drawn up for Schools were challenging. It was vital that the strategic plan of the School of Biological Sciences enabled it to fulfil its pivotal role within the Vision for the University.
- Two areas would be concentrated on to enhance the employability of the University's graduates: the skills that would improve students' job prospects; and the development of the University's reputation with employers.
- In terms of the planned student numbers, the Home/EU numbers were forecast at a similar level to this year's intake. The level of overseas recruitment was approximately equivalent to the current level, however, the bias would be placed on undergraduate rather than postgraduate students.
- In the event that a School was prevented from following its plans owing to circumstances beyond its control, action would be taken in consultation with the Dean and with the University Executive Group. There was some flexibility, in practice, to defer planned expenditure, although it was important to emphasise that in certain areas, such as ICT, postponing the introduction of new systems could result in severe difficulties.
- What analysis had been undertaken of the division of resources between academic and non-academic activities? Was there a clear picture of the ratio of the two elements and the trend? The Director of Finance responded that the calculation was not a simple one, not least because of the difficulty in separating resources into two distinct categories. He suggested that the subject was a matter for the Finance

Policy Committee to discuss and to arrive at an appropriate method for calculating the ratio; thereafter the trend could be established year-on-year.

- Resolved**
- (i) That the Strategic planning statement, 2005-2010 be approved.
 - (ii) That the Director of Finance should arrange for the Finance Policy Committee to consider the most appropriate approach to calculating the division of resources between academic and non-academic activities.

53.2 **Five-year financial plan, 2005-2010** (Agendum 12.2)

Received A proposed operating budget for 2005/06, together with financial planning statements for 2006/07 to 2009/2010.

The Director of Finance presented the operating budget for 2005/06 and the financial planning statements for 2006/07-2009/10, drawing attention to the detailed work that had been undertaken to prepare the statements: Heads of School, Deans of Faculty, and senior officers of the University had all been involved in their preparation. For the forthcoming year a very modest surplus of £182k was forecast at year-end which was equivalent to a break even position, consistent with earlier budgetary assumptions. He highlighted a number of points that were set out in the paper: the projected number of overseas students had been revised downwards; the arrangements in respect of the access agreement had been finalized; the overall level of HEFCE grant was higher than the previous year by approximately £2m; and, after adopting the new pay and grading framework, the University would not be in a position to afford further substantial salary increases as part of the annual negotiations with the Trades Unions.

Referring to the financial summary of the academic budgetary groups, the Director of Finance underlined the position of the Winchester School of Art and the School of Biological Sciences. He confirmed that the only recognition of surplus from a capital transaction that had been included in the budgetary forecasts was the 'asset swap' between the University and King Edward VI School in respect of sports facilities. The University would retain the New College site until the end of the 2005/06 session thus the eventual sale of the campus would not affect the forecasts until later in the planning period.

Concluding the report, the Director of Finance stated that the proposals detailed under section 11 had been modified in discussion at the meeting of the Policy and Resources Committee on 29 June 2005 (Agendum 21.2, section 6 refers).

Dame Yvonne invited members to approve the proposals and thanked the Director of Finance and his team, and the Treasurer for the detailed report.

Resolved That the operating budget for 2005/06 and the financial planning statements for 2006/07-2009/10 be approved, in particular:

- The University should aim for a small surplus in 2005/06 of £182k which in effect represented a break even position;
- The University should maintain the targets for surpluses at consolidated level of at least £1.8m in 2006/07 and £6.5m thereafter, before taking account of the sale of assets;
- The targets for individual budgetary groups, set out in the paper, be monitored, and accordingly might be subject to modification;
- The detail of the new initiative investment funding, set out in section seven, be endorsed.
- The revenue from possible, future asset sales should be directed towards defined investments in the University rather than recurrent activities in the short-term.

54 **Report from meeting of Senate held on 22 June 2005** (Agendum 20)

Received The report from the meeting of Senate, held on 22 June 2005.

- Resolved**
- (i) That the honours and distinctions reported by Senate be noted with pleasure.
 - (ii) That the report from Senate be noted.

55 **Reports from meetings of the Policy and Resources Committee**

55.1 **11 May 2005** (Agendum 21.1)

Received The report from the meeting of the Policy and Resources Committee, held on 11 May 2005.

(Dame Valerie stated that it would not be appropriate for her to take part in discussions concerning the VAT Tribunal (Item 1 of the report) because of her former Civil Service role.)

The Secretary and Registrar drew attention to an error in the report from the Estate Policy Committee (Item 6.2): the name that was proposed for Blocks K, L and M at Glen Eyre was ‘Chancellors’ Courts’, rather than ‘Chancellors’ Court’.

- Resolved**
- (i) That the proposal to name Blocks K, L and M at Glen Eyre after the current and last two Chancellors (Selborne, Jellicoe and Roll) and that the Blocks be

known collectively as ‘Chancellors’ Courts’ be approved.

- (ii) That the report from, and the decisions taken by, the Policy and Resources Committee be noted.

55.2 **29 June 2005** (Agendum 21.2)

Received The report from the meeting of the Policy and Resources Committee, held on 29 June 2005.

A presentation by the Director of Corporate and Marketing Services on the Marketing Strategy for the University.

Vice-Chancellor presented the report, drawing attention to the developments in the appeal against the decision taken by the VAT Tribunal (Item 1); two other institutions of higher education were involved in the appeal. With regard to the bid for dentistry students (Item 2), the Vice-Chancellor reported that the University had been invited to proceed to the second stage of the bidding process.

Referring to the report from the Enterprise and Innovation Policy Committee (Item 8.2), Professor Curran outlined the background to the setting up of the University of Southampton Consulting Limited whose purpose was to promote and manage the provision of consultancy services. Comments on the draft policy on consultancy, which was discussed in the report, would be sought from Schools and senior managers before a final version was submitted for approval.

With regard to the Ethics Policy (Item 8.4), Professor Curran explained that all institutions of higher education were required to draw up such policies.

Dr Martin McCaig, the Director of Corporate and Marketing Services, summarized the detailed work that had been undertaken to arrive at a Marketing Strategy for the University, a review of which was attached to the report from PRC (Annex A).

Members welcomed the steps that had been taken and requested that more detailed material on all aspects of the Strategy be presented, preferably prior to a meeting of Council, in addition to a brief summary of how the success of the Strategy would be measured.

- Resolved**
- (i) That the principles set out in the Marketing Strategy Review be approved.
 - (ii) That consideration should be given to arranging a further presentation on all aspects of the Marketing Strategy, together with a summary of the measures of success, prior to a meeting of Council during the 2005/06 session.

- (iii) That the establishment of the University of Southampton Consulting Limited (USC) be approved.
- (iv) That the Ethics Policy be approved.
- (v) That the report from, and the decisions taken by, the Policy and Resources Committee be noted and endorsed.

56 Report from the meeting of Standing Committee of Council held on 29 June 2005
(Agendum 22)

Received The report from the meeting of Standing Committee of Council, held on 29 June 2005.

The Secretary and Registrar presented the report, highlighting two items: the bank loan and authorization of an overdraft facility and the development of the Chilworth Science Park.

Resolved That the report from, and the decisions taken by, Standing Committee of Council be noted and endorsed.

57 Report from the meeting of the Nominations Committee held on 29 June 2005
(Agendum 23)

Received The report from the meeting of the Nominations Committee, held on 29 June 2005.

Dame Yvonne sought members' approval of one nomination and four reappointments to Council. Members were pleased to approve the Committee's recommendations.

- Resolved**
- (i) That Ms Hilary Chadwick, Ms Vanessa Lawrence, Mr Bob Purkiss and Mr Mike Snell be reappointed to Council in Class 2 membership for a further three years from 1 August 2005.
 - (ii) That Mr Mike Killingley be appointed to Council in Class 2 membership for three years from 1 August 2005.

58 Summary of 'A' levels and targets, 2003-2006 (Agendum 25)

Received A summary of average 'A' level entry scores and targets for each School over the period 2003-2006, prepared by the Head of Planning, dated 4 July 2005.

Professor Thomas introduced the paper, stating that it illustrated the progress the University had made in improving the average entry scores of undergraduates. Although some subject areas had reported that the average score for entrants had dropped slightly, overall the total average score had increased. It was important that

the numbers recruited remained within the tolerance band set by the Funding Council otherwise resource was clawed back. If recruited numbers were cut too drastically in order to improve the average entry scores there was a danger that the numbers enrolled would fall outside the agreed band.

Members welcomed the information and requested that future reports list the actual against the target figures.

Resolved That the summary of 'A' levels and targets, 2003-2006, be noted. and that future reports would include both actual and target figures.

59 **Changes to the University's Instruments of Government (Agendum 26)**

Received A paper prepared by the Secretary and Registrar on amendments to the Instruments of Government in respect of the appointment of Deans and Deputy Vice-Chancellors, dated 14 June 2005, together with a covering note on the proposed changes.

The Secretary and Registrar presented a paper on the proposed amendments to the Instruments of Government. The changes that had been proposed would introduce greater flexibility in respect of the appointment process for Deputy Vice-Chancellors (DVCs) and Deans, allowing appointing panels to consider external candidates, if it did not prove possible to find a suitable candidate from amongst the professoriat. In addition, the period of appointment to both posts would be similar, namely, following an initial five-year term of office, DVCs and Deans could be reappointed for a second period of one, two or three years.

The Secretary and Registrar highlighted a modification to the proposals that had been agreed by Senate at its meeting on 22 June 2005 that University Directors of Education could also be considered for appointment as Deputy Vice-Chancellor or Dean (Agendum 20).

The proposed changes, highlighted in italics below the current text, to the Ordinances were as follows:

'1.3 The Deputy Vice-Chancellors

1. The Deputy Vice-Chancellors shall be appointed by the Council, on the nomination of the Vice-Chancellor after consultation with the Senate, from among the Professors of the University or those members of the academic staff holding (or having held) the office of Dean of a Faculty or Head of a School in the University.
1. *The Deputy Vice-Chancellors shall be appointed by the Council, on the nomination of the Vice-Chancellor after consultation with the Senate, from among the Professors **and Directors of Education** of the University. Where such an appointment is not made, an appropriately qualified external candidate may be appointed, following external advertisement and open competition. The Vice-Chancellor shall, before making a nomination, seek the advice of six members of the University drawn from the members of Senate and Council.*

2. The arrangements for the tenure of office by the Deputy Vice-Chancellors shall be: an initial appointment for a normal period of five years (which shall be subject to confirmation by the Vice-Chancellor by the end of the first year), with the possibility of reappointment for a second period of one, two or three further years.
3. The Vice-Chancellor shall designate one of the Deputy Vice-Chancellors to act during his or her absence from the University. The Chair of Council shall if need be designate one of the Deputy Vice-Chancellors to so act in the case of the inability of the Vice-Chancellor to make a designation through illness or any other cause, or during a vacancy in the office of the Vice-Chancellor.
4. The Deputy Vice-Chancellors shall assist the Vice-Chancellor in such matters as the Vice-Chancellor may from time to time decide.

1.4 The Deans of the Faculties

1. The Dean of each Faculty shall be appointed by the Council from among the Academic Staff of the Faculty on the nomination of the Vice-Chancellor following consultation with the Senate, for a normal period of five years (which shall be subject to confirmation by the Vice-Chancellor by the end of the first year).
 1. *The Dean of each Faculty shall be appointed by the Council on the nomination of the Vice-Chancellor, following consultation with the Senate, from among the Professors **and Directors of Education** of the Faculty. Where such an appointment is not made an appropriately qualified external candidate may be appointed following external advertisement and open competition. The Vice-Chancellor shall before making a nomination seek the advice of members of the Faculty.*
 2. *The arrangement for the tenure of office by the Dean shall be: for a normal period of five years (which shall be subject to confirmation by the Vice-Chancellor by the end of the first year), with the possibility of reappointment for a second period of one, two or three further years.*
 2. If the office of Dean becomes vacant before expiry of the period prescribed by the Council, arrangements shall be put in hand to appoint a new Dean in accordance with these provisions.

(The above section to be renumbered 3; the text remains unchanged.)

3. During any such vacancy and pending the appointment of a new Dean, the Vice-Chancellor may appoint an acting Dean from among the Academic Staff of the Faculty.

(The above section to be renumbered 4; the text remains unchanged.)'

Members approved the changes to the Ordinances, as set out above.

Resolved That the proposed changes to the Ordinances be approved, subject to the inclusion of the modification agreed by Senate at its meeting on 22 June 2005.

60 **‘A day in the life’** (Agendum 28)

Received A collection of articles on members of staff at the University, brought together as a series entitled ‘A day in the life’.

Professor Curran stated that he was very pleased to present the series because it showed the diversity of the staff at the University and informed people of the wide range of jobs that were undertaken that were all part of the academic endeavour of the institution.

Resolved That the publication ‘A day in the life’ be noted.

61 **Code of Practice to Ensure Freedom of Speech** (Agendum 29)

Received The Annual Report on the operation of the Code of Practice to Ensure Freedom of Speech within the law, prepared by the Head of Legal Services.

The Secretary and Registrar presented the report, drawing attention to the fact that it had not been necessary to use the procedures during the academic year because no activity had been classified as ‘designated’.

Resolved That the report from the Responsible Officer, as defined in the Code of Practice to Ensure Freedom of Speech, be noted.

62 **Students’ Union: review of Code of Practice** (Agendum 30)

Received The Annual Report from the Deputy Director of Student Services on the operation of the Code of Practice which governed the way in which the requirements of the Education Act, 1994 in respect of Students’ Unions were met.

Resolved That the report be noted.

63 **Dates of main committee meetings during 2005/06** (Agendum 31)

Received A summary of the provisional dates of the main committee meetings for the academic year 2005/06.

(This item was withdrawn. The Secretary and Registrar would reconsider the schedule and bring forward a revised timetable.)

64 **Valediction**

Dame Yvonne announced that Professor Curran and Mr Kent were attending their last meeting as members. On behalf of Council, Dame Yvonne thanked them for their contributions to the work of the governing body. Professor Curran had served on Council since 1998 as a representative of Senate, and more recently as a Deputy Vice-Chancellor. His contribution as an academic member of staff however extended over

a much longer period and his expertise and commitment to the University had been valued. He would take up the Vice-Chancellorship of the University of Bournemouth in September 2005.

Mr Kent had been appointed to Council in 1996 and had served on the Nominations Committee since 1999. His involvement in the work of the University had been greatly appreciated, particularly the role that he had played in promoting the institution locally and regionally.

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The meeting finished at approximately 7.50 pm.

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