

## **Council**

Date and time	Thursday 12 December 2002 at 4.00 pm
Place	The Senate Room, Administration Building
Present	Dame Yvonne Moores ( <i>in the Chair</i> ), Ms W C Allanach, Ms C Brown*, Dr S Duckworth, Mr C Gordon, Professor A P Hamlin, Professor J K Hammond, Mr A J Jukes, Mr J B Kness, Ms V Lawrence, Professor K E McLuskie, Dr A E Mitchell, Mr J J R Pope, Dr M P Read, Professor H S Roe, Mr T Rowlandson*, Professor A F Rutherford, Dr B G Smith, Mr M Snell, Mr R H M Symons, Professor W A Wakeham, Mr A J Walker and Mr G Whitehead
By invitation	Ms Jan Dobson, Change Project Manager (for Item 15)
With	The Secretary and Registrar, Acting Academic Registrar, Director of External Relations, Director of Finance, Director of Human Resources and Ms C J Gamble

(\* Members not present for the Restricted Section of the Agenda.)

## **Welcome**

Dame Yvonne welcomed Ms Lawrence and Mr Snell to their first meeting of Council. She also welcomed Ms Dobson, the Change Project Manager, and Mr Smears, the Acting Academic Registrar.

Dame Yvonne reported that Dame Jill Macleod Clark and Professor Gregson were both ill and, on behalf of Council, she wished them a speedy recovery.

## **Unrestricted**

### **1 Obituary**

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

Samantha Howe, third-year Textile Design student, Winchester School of Art:  
8 July 2002;

Maxine Cotter, postgraduate Oceanography student: 26 July 2002;

Sam Mansfield, undergraduate, Faculty of Mathematical Studies: 2 August 2002;

Michael Ian Sait, part-time Master of Business Administration student: 7 August 2002;

Vanessa Hawker, member of staff, School of Medicine: 3 September 2002;

Professor Tim Reuter, Director of the Wessex Medieval Centre and Professor of Medieval History: 14 October 2002;

Michael Chrystall, e-Science Centre Manager, School of Engineering Sciences and part-time MBA student: 3 November 2002;

Mike Crowfoot, technician, School of Ocean and Earth Sciences: 10 November 2002;

Stephen Muchengeti, first-year Nursing student: 18 November 2002.

2 **Standing Orders of Council** (Agendum 2)

**Received** A copy of the Standing Orders of Council for the academic session 2002-2003, dated December 2002.

The Secretary and Registrar stated that there were no changes to the Standing Orders he was presenting to Council. He invited members to approve the document.

**Resolved** That the Standing Orders of Council be confirmed.

3 **Minutes (unrestricted) of the meeting held on 9 July 2002**

**Resolved** That the Minutes (unrestricted) of the meeting held on 9 July 2002 be approved and signed.

4 **Matters arising**

There were no matters arising from the Minutes of the meeting held on 9 July 2002.

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

*League tables*

The Vice-Chancellor was delighted to report that the *Sunday Times University Guide* had ranked the University eighth for the quality of its research and 13th for the quality of teaching. Furthermore it had been listed among the top 12 most popular universities, judged on the number of applicants per place. Overall, the *Guide* had placed the University in 11th position, a rise of ten places from the previous listing, and the highest ranking to date.

The Vice-Chancellor said that the results reflected the significant progress made in learning and teaching and research over recent years, the high quality of staff at the University and the strategic investments in subject areas and in new facilities. He congratulated all members of staff.

### *Student accommodation*

The beginning of the academic year had commenced with an unprecedented rise in the demand for places in Halls of Residence, for which some of the requests had arrived at a very late stage in the year. The increase in the number of students applying during the clearing period had been attributed to problems with the 'A' level marks and, in relation to overseas students, the terrorist attacks in the United States of America on 11 September 2001. Emergency action had had to be taken to place 500 extra students in University accommodation and arrangements made to explain the situation to the newly arrived students and their parents. (Other Russell Group universities had encountered similar difficulties.) The Vice-Chancellor congratulated the Accommodation Office on the speed with which it had dealt with the problems. He reported that a Review Group had been set up to investigate the matter and to bring forward recommendations to improve the service offered. It would be chaired by the Director of Academic Services.

### *Cross-cutting review of Science and Research*

The Treasury had announced in July 2002 that the Science Budget, delivered through the Office of Science and Technology, would increase from £2b in 2002/03 to £2.9b by 2005/06. This would include an extra £400m over the period to fund an expansion in science and engineering research activities. The sector was awaiting the detail of the Government's plans for higher education which would be announced in January 2003 and which would include information on the future of fees, a graduate tax and widening participation.

The University had been invited to comment on a response, prepared by Universities UK, to a Government consultation document on the future of higher education. The Vice-Chancellor said that a copy of the University's response would be made available to members in due course.

### *Research Assessment Exercise (RAE)*

The Higher Education Funding Council (HEFCE) had announced that it would conduct a review of the RAE in partnership with other UK higher education funding bodies which would take account of the impact of the last exercise. Proposals in respect of the format of the next RAE were expected in March 2003 and the final arrangements would be circulated in the following September.

### *State-of-the-art Cancer Research Centre*

The £5.5 m Somers Cancer Research Building had been opened early in November by the Duke of Gloucester. The work carried out at the new Centre, which was a joint project between the University and Cancer Research UK, would include developing DNA vaccines and antibody-based treatments.

### *e-Science Centre*

The Southampton Regional e-Science Centre had opened on 11 October 2002. It was one of eight centres in the country and was based in the Faculty of Engineering and Applied Science. The initiative was aimed at exploring how Grid computing – the collaborative sharing of resources around the world – could help scientists carry out research where masses of data had to be studied.

### *Social Statistics Research Centre*

The new Social Statistics Research Centre had been handed over in October 2002. £1m of the total funding required for the setting up of the centre had been received from the Joint Infrastructure Fund.

### *Defence education*

A new partnership with the Ministry of Defence had been launched in October 2002. It offered University places to those wishing to pursue a technical career in the Armed Forces or wanting to work in the Ministry of Defence in a civilian role. The scheme (Defence Technical Undergraduate Scheme) provided sponsored places for students on selected engineering and scientific degree courses and built on the success of the Royal Naval Engineering Sponsorship Scheme.

## 6 **Report from the President of the Students' Union** (Agendum 6)

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

Mr Rowlandson presented his report, drawing attention to:

- the decision taken by the Union not to renew its affiliation to the National Union of Students. Procedures would be put in place to ensure that the transition ran as smoothly as possible. Within the Union a small group of students was lobbying to overturn the decision to disaffiliate.
- 'top-up fees' and the possible consequences of their introduction. There was strong opposition among students to any increase in the cost of entering higher education.
- the opening of the refurbished Students' Union Building. Members of Council had been invited to a tour of the new facilities.

**Resolved** That the report be noted.

## 11 Final Accounts for 2001/2002 (Agendum 11)

**Received** The audited accounts, which included the Treasurer's Report, for the University and its subsidiary companies for the year ended 31 July 2002, together with a covering summary of the financial information from the Director of Finance and a management letter prepared by the External Auditors.

The Director of Finance presented the final accounts. He stated that all the budgetary groups had worked hard to cope with the difficult financial circumstances which had prevailed at the outset of the year and had thus contributed to the better than forecast year-end position. He drew attention to the consolidated surplus of £4.2m of which £655k had flowed from the profits made by the University's main subsidiary company, Chilworth Science Park Limited. The surplus represented roughly two per cent of the annual turnover. With regard to the year-end financial monitoring statement, entitled 'Final financial out-turn for Budgetary Groups, 2001-02', he drew attention to an error: the surplus recorded in paragraph two should read £1.1m rather than £1.4m.

The Director of Finance stated that there were two audit and accounting issues which had arisen during the year: the VAT refund and the financial implications of the capitalization of a long-lease at Chilworth Science Park. The issues were discussed in detail in the Management Letter from the External Auditors, Mazars, who had concurred with the approach taken by the University.

Referring to Chilworth Science Park, Mr Pope highlighted the fact that the sums flowing from the capitalization of the lease would be re-invested in the Park.

Dr Read asked about the balance between the levels of deficit and surplus carried by individual budgetary groups. The Director of Finance explained that action was taken to improve the position of any group which operated under a deficit. The Vice-Chancellor commented that in some areas deficits had been built up over a number of years and in such cases it was unlikely that the financial position could be turned round in the space of one year; a longer period of planning was required. One of the particular financial problems faced by the sector was the rate of overhead return on research grants and contracts. The recovery rate did not match the level of income received. The Vice-Chancellor underlined that whatever the internal financial perturbations, where deficits would have to be managed, the overall year-end position must at least reach break even.

Ms Lawrence enquired whether risk assessments were undertaken when accepting contracts from the private sector. For example, if the company which commissioned the work reneged on the contract, was the University left to bear the staffing costs of the personnel employed on that particular project? The Director of Finance explained that in many instances the staff were already in the University's employment or staff were taken on for that activity on a fixed-term contract.

In concluding his presentation, the Director of Finance reiterated that all the budgetary groups had worked very hard during the year to curtail expenditure and, through their efforts, had contributed to surplus position at year end.

- Resolved**
- (i) That the External Auditors' Management Letter and the action in train be noted.
  - (ii) That the Audited Accounts and the Treasurer's report be approved for submission to the Court.
  - (iii) That the year-end financial monitoring statement for 2001/2002 be noted.

12 **Year-end financial monitoring 2001/2002** (Agendum 12)

**Received** The financial monitoring statement for the year ending 31 July 2002

The matter was discussed under Minute 11 above.

13 **Financial monitoring 2002/2003** (Agendum 13)

**Received** The financial monitoring statement for the year ended 31 July 2002 as at November 2002.

The Director of Finance presented the monitoring statement for the current academic year, stating that, at this point in the financial cycle, the position was more optimistic than expected. He reminded members of Council that the financial forecasts had allowed for a deficit this year which, at consolidated University level, was running at £2.2m.

Highlighting the information contained in Table 2A, the Director of Finance emphasized that most groups were working within the budgets that had been set. Close monitoring of the position in the Faculties of Arts and Science would continue during the year. With regard to the Faculty of Arts, the figures presented were an aggregation of the group's constituent parts. After examination, it was now clear where the particular difficulties lay and action would be taken to address the position. It was recognized that some groups were working under tighter financial constraints than others, nevertheless, each group was expected to meet at least their budgetary targets.

Mr Jukes asked whether minus amounts in the accounts against an individual group signified that the decision had been taken not provide a cross-subsidy to assist that group financially. The Vice-Chancellor acknowledged that the information, as presented, did not provide sufficient detail for members to understand either the exact financial position of each Department or School or whether those groups were meeting their strategic targets. He said that the changes which would be made as part of the reorganization of the University under the Vision would help clarify the financial position of each School rather than each Faculty.

**Resolved** That the financial monitoring statement be noted.

14 **Audit Committee: Annual report** (Agendum 14)

**Received** The Annual Report from the Audit Committee for the year ended 31 July 2002, together with the Annual Internal Audit Report, compiled by KPMG, dated 8 October 2002.

Mr Symons, Chair of Audit Committee, presented the Annual Report on behalf of the previous Chair, Mr Hodgson. He drew attention to section 4 of the report which recorded the change in internal auditors at the beginning of the financial period and to a number of VFM audits which had not been completed because of the change in the internal auditing arrangements. The Internal Auditors had concluded that, subject to the implementation of their recommendations, the University had in place a satisfactory framework of financial control.

On the subject of risk management, the Secretary and Registrar confirmed that a full report on the process would be submitted each year in line with the guidance from the Funding Council.

**Resolved** That the Annual Report from the Audit Committee for the year ended 31 July 2002 be noted.

15 **Corporate and Financial Strategy: progress to date**

**Received** A presentation entitled 'Corporate Strategy Update', given by the Vice-Chancellor.

The Vice-Chancellor reported that the all-day Policy and Resources Committee meeting had considered how best to undertake the delivery of the Vision, articulated last year. The following lead groups had been established:

- A Change Management Group which included the Deans-designate, two Heads of School and the Change Project Manager, Ms Jan Dobson, together with the Secretary and Registrar, and was chaired by Deputy Vice-Chancellor Professor Gregson. The role of the group was to determine the priorities for change, the co-ordination of change across the University and to ensure that the new structure was in place on time. Seven initial projects had been selected: student recruitment, student admissions, awarding degrees, quality assurance, interdisciplinary research projects, staff appointments and financial monitoring.
- A Corporate Strategy Group, chaired by the Vice-Chancellor, whose membership also included the Deans-designate. Its task was to integrate the University's key strategies for teaching and learning, research, enterprise and innovation, human resources, estates and information within an overall corporate strategy that was consistent with the Vision. It would produce a preliminary version of the Corporate Strategy by the New Year and would take into account the detail of the DfES White Paper 'The future of Higher Education' which was expected in January 2003. The Strategy would, thereafter, be modified by the outcome of the Schools' plans.

- A Financial Strategy Group which would give detailed consideration to the financial strategy necessary to support the core objectives embodied in the Vision.

The Vice-Chancellor informed members that a presentation on the Interim Corporate Strategy would be held in the New Year on 25 February 2003.

**Resolved** That the progress report on the work of the Change Management Group, the Corporate Strategy Group and the Financial Strategy Group be noted.

## 16 **Implications of the introduction of top-up fees** (Agendum 16)

**Received** A discussion document entitled 'The tuition fee debate', prepared by the Director of Finance.

In introducing the discussion document, the Vice-Chancellor suggested that the main issues could be examined from two perspectives: how the sector as a whole might react to the changes in the financing of higher education; and what the University as an institution might do. It was clear that the Government had accepted that the sector was not receiving an adequate level of funding and that future increases would be financed by those who attended University rather than by the public purse. He reported that the Vice-Chancellors of the Russell Group universities had agreed to indicate their support of the introduction of an income-contingent loan scheme to the DfES with separate arrangements for those who were not able to afford the scheme. The repayment of the loan would be linked to the payment of income tax and would commence at a certain level of annual salary. The proposal to increase the level of tuition fees for undergraduate courses and to allow institutions to charge up to a maximum of £3k a year would bring about fundamental changes to the sector because it would create a market environment.

The President of the Students' Union argued that the majority of students were struggling financially under the current system of loans for maintenance and tuition fees, albeit at a lower level than the ones proposed. He was concerned that potential students would be deterred from entering higher education because of the prospect of accumulating higher levels of debt and that this would affect the Government's stated target of widening participation to 50 per cent of 18-30 year olds. It would be essential to have in place a system which provided for those who needed financial support. He believed that if students were to bear more of the burden of the cost of their education, they would expect better facilities in return for the outlay.

The Secretary and Registrar added under the present scheme approximately sixty per cent of Southampton University students paid the annual tuition fee. The remaining students paid either a proportion of it, depending on the level of their parents' income, or were not required to pay it at all.

In conclusion, the Vice-Chancellor stated that once the White Paper had been published, and details of the proposals were known, the subject would be discussed again by Council.

**Resolved** That the discussion document be noted.



20 **Report from meeting of Senate held on 4 December 2002** (Agendum 20)

**Received** The report from the meeting of Senate held on 4 December 2002.

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

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

21.1 **25 September 2002** (Agendum 21.1)

**Received** The report from the pre-sessional planning meeting of the Policy and Resources Committee held on 25 September 2002.

**Resolved** That the report from the Policy and Resources Committee be noted.

21.2 **23 October 2002** (Agendum 21.2)

**Received** The report from the meeting of the Policy and Resources Committee held on 23 October 2002.

The Vice-Chancellor drew attention to an error in Item 4: the reference to the *Times* League Table should read *Sunday Times*.

**Resolved** That the report from, and the decisions taken by, the Policy and Resources Committee be noted and endorsed.

21.3 **20 November 2002** (Agendum 21.3)

**Received** The report from the meeting of the Policy and Resources Committee held on 20 November 2002.

Referring to Item 1.1, Worldwide Universities Network, the Vice-Chancellor said that membership of this research-led consortium was helping the University to enhance its international presence at a rate faster than the University would have been able to achieve otherwise. He reported that consideration was being given to inviting a number of other European institutions to join the Network.

**Resolved** That the report from, and the decisions taken by, the Policy and Resources Committee be noted and endorsed.

22 **Report from the meetings of Standing Committee of Council held on 23 October 2020 and 20 November 2002** (Agendum 22)

Under Item 2, Dame Yvonne reported that the Better Regulation Task Force's report had been forwarded to the DfES. The Minister had sixty days to respond to its

recommendations which included easing some of the regulatory and bureaucratic burdens placed on institutions.

- Resolved** (i) That the election of Dame Yvonne to the Committee of University Chairmen as Deputy Chairman be noted with pleasure.
- (ii) That the report from Standing Committee of Council be noted and endorsed.

23 **Report from the meeting of the Nominations Committee held on 20 November 2002** (Agendum 23)

**Received** The report from the meeting of Standing Committee of Council held on 20 November 2002.

An outline *curriculum vitae* for Ms Hilary Chadwick which was tabled.

(Dame Yvonne handed over to the Vice-Chair of Council for Item 1 and left the meeting for that Item.)

Dr Smith invited members to accept the Nominations Committee's recommendation to extend the appointment of Dame Yvonne as Pro-Chancellor and Chair of Council to a second term of office.

The Secretary and Registrar presented Ms Chadwick's *curriculum vitae*. He explained that when the report from the Nominations Committee had been drawn up the consultations regarding the nomination to fill the vacancy on Council were in progress. The discussions had now been completed.

Dame Yvonne invited members to approve the appointment of Ms Hilary Chadwick to Council.

- Resolved** (i) That the appointment of Dame Yvonne as Pro-Chancellor and Chair of Council for a three-year period from 1 August 2003 to 31 July 2006 be approved by acclamation.
- (ii) That Ms Chadwick be appointed to Class 2 membership of Council for three years until 31 July 2005.

26 **Report to Council from the Southampton University Development Trust** (Agendum 26)

**Received** A report from the Director of the Development Trust on the work of the Trust.

Mr Reader, the Director of the Development Trust, presented the report which outlined the activities of the Trust which operated within the Department of External Relations. The Trust's objective was to raise funding in support of the University's key priorities, in particular its capital development plans. This year had been the most successful to

date with the Trust securing income in excess of £1m, the lion's share of which had been donated by Sir Michael Cobham.

Dame Yvonne thanked Mr Reader for his report and invited him to present one annually.

- Resolved** (i) That the report from the Southampton University Development Trust be noted.
- (ii) That the Director of the Development Trust be invited to present an annual report to Council.

27 **University Report for year ended 31 July 2002: Vice-Chancellor's Statement**  
(Agendum 27)

**Received** The University Report for the year ended 31 July 2002: Vice-Chancellor's Statement which was tabled.

The Vice-Chancellor stated that the document would be presented to Court at its Annual General Meeting.

**Resolved** That the Report for the year ended 31 July 2002 be noted.

28 **Annual Abstract of Statistics, 2001/2002** (Agendum 28)

**Received** The Annual Abstract of Statistics for the year 2001/2002.

**Resolved** That the Annual Statistics be noted.

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The meeting finished at approximately 6.30 pm.

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