



Council

Date and time	Tuesday 15 March 2005 at 5.00 pm
Place	The Senate Room, George Thomas Building
Present	Dame Yvonne Moores (<i>in the Chair</i>), Professor I T Cameron, Professor P J Curran, Dr S J Deuchar, Dr S Duckworth, Professor A D Fitt, Professor A P Hamlin, Professor J K Hammond, Professor R Holdaway, Mr A J Jukes, Professor J D Kilburn, Ms V Lawrence, Sir John Parker, Dr M P Read, 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, Mr J Walsh*, Professor D M Williams and Professor L Yardley
With	The Secretary and Registrar, Director of Corporate and Marketing Services, Director of Finance and Ms C J Gamble

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

Unrestricted

Welcome

Dame Yvonne welcomed everyone to the meeting, in particular Sir John Parker who was attending his first meeting of Council.

Dame Yvonne sought members' approval for the inclusion of two additional items to the agenda: the naming of the suite of offices in which the Centre for Enterprise and Innovation and SET^{squared} were housed on the Highfield Campus; and the proposed new titles put forward by higher education institutions in the region. Members agreed to the inclusion of these items in the unrestricted section.

28 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:

Alan Malcolm, postgraduate student, School of Engineering Sciences:
November 2004;

Mrs S A Allison, member of the clerical staff, Southampton Oceanography Centre:
January 2005.

29 Minutes (unrestricted) of the meeting held on 14 December 2004

Resolved That the Minutes (unrestricted) of the meeting held on 14 December 2004 be approved and signed.

30 **Matters arising**

8 July 2004

Towards on Estate Strategy (Minute 54.2)

The Vice-Chancellor outlined the background to the refurbishment of Boldrewood, a large sub-campus located close to the north-west of the Highfield campus that had been built early in the 1970s. It offered space approximately equivalent to 25 per cent of what was available on the main campus. The first phase of the refurbishment work had been completed in November 2004 and at that stage the full extent of the work that remained to be done had become evident. Refurbishment costs were estimated in the region of £80m to £90m while rebuilding work could amount to between £115m and £130m. The Vice-Chancellor stated that, given the cost of the undertaking, it was important to reconsider the academic purpose of the building. This exercise was likely to affect the strategic plans that had been drawn up to date. A high-level steering group had been established to deliberate the possibilities and consult on the options with urgency.

The Secretary and Registrar said that this development would delay the submission of the Estate Strategy to the end of the calendar year. He proposed that members be given the opportunity to engage with the process of debating the options at the meeting of Council that was scheduled to take place on 29 September 2005.

Members endorsed the proposal unanimously.

Resolved That the Secretary should arrange for a presentation on the options for the Boldrewood site to be included on the agenda for the September meeting of Council.

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

The Vice-Chancellor reported on the following matters:

Head of Winchester School of Art

The Vice-Chancellor was pleased to announce the appointment of Professor Bashir Makoul as the Head of the Winchester School of Art. Professor Makoul had taken up the post in February 2005. He was previously Head of the School of Media, Art and Design at Luton University and Director of the School's Research Institute.

Centre of Excellence for Teaching and Learning

The University had been awarded funding of £1.8m over the next five years by the Higher Education Funding Council for England (HEFCE) to establish a Centre for Excellence in Inter-Professional Learning in the Public Sector.

Portfolio Partnerships Initiative

Two research teams in NanoPhotonics and Photonics had received long-term funding support from the Engineering and Physical Sciences Research Council, amounting to £11.2m.

Tuition fees and bursaries

The Office for Fair Access in Higher Education (OFFA) had approved the framework of proposals put forward by the University regarding the level of tuition fees and the allocation of bursaries and outreach funds from 2006. The Vice-Chancellor invited members to join him in congratulating Professor Thomas, the Deputy Vice-Chancellor who had taken the lead in this area.

People's Republic of China

A delegation from the University had recently visited China to promote and develop links with institutions of higher education and other organizations. During the visit, Professor Mizon, Head of the School of Social Sciences, had been awarded a Fellowship of the Chinese Academy of Social Sciences. Two alumni events had been held during the visit, one in Beijing and one in Shanghai. The Vice-Chancellor thanked all those who had been involved in the visit.

Seminar

The University and Southampton City Council had held a joint seminar at the beginning of March at which themes of common interest had been explored.

Royal Academy of Engineering summer soirée

The University would host the annual soirée of the Royal Academy of Engineering which would be held on 27 June 2005 at the Southampton Oceanography Centre. Members of Council had been invited to attend this prestigious event.

Proposals in respect of a dental school

The University was exploring with the University of Portsmouth whether the institutions would submit a joint bid to set up a dental school in response to the Government's announcement. Consultations were being held with the Work Force Development Confederation and the Health Authorities in the region.

VAT tribunal

The outcome of the VAT tribunal hearing had been announced: the University had not been successful. It would await the report from the tribunal before deciding whether to appeal.

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

Received The report from the President of the Students' Union which was tabled.

In the absence of the President, Mr Walsh presented the report on the recent activities of the Students' Union.

Resolved That the report be noted.

33 **Financial monitoring, 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 full economy monitoring statement for the year 2004/05, in addition to supplementary statements on budgetary group financial performance. He summarized the main points set out in the commentary, drawing attention to:

- The net result at year end had been modified: on a management accounts basis, the expected deficit at year end had increased from £6.959m to approximately £9.82m because of a shortfall in fee income.
- The lower than expected recruitment of UK/EU students had resulted in a holdback of £68k of HEFCE teaching grant in respect of additional student numbers.
- The level of recovery of research indirect costs was lower than estimated but was expected to improve during the year.

The Director of Finance concluded that, although it had been possible to offset, to some degree, the lower than expected tuition fee income, the overall result was disappointing.

Turning to the forecasts drawn up for the individual Schools, the Director of Finance reminded members that tuition fee income was allocated to budgetary groups a year in arrears. The Schools of Law and Management were taking steps to improve their financial positions as they were expecting a lower SRAM (Strategic Resource Allocation Model) income in 2005/06 because of the current downturn in demand in one-year Master's courses.

The main developments that had adversely affected the forecast for Professional Services were the high level of voids (unoccupied rooms) in halls of residence, the large increase in gas prices and the level of overspend in Information Systems Services.

The Treasurer reiterated the Director of Finance's comments about the disappointing year-end forecast. He underlined that the position was fully attributable to the lower than planned level of recruitment. He believed that the year-end result for the

forthcoming year would be break even, as set out in the strategic planning statements presented to Council in July 2004.

The Vice-Chancellor outlined the key factors that had affected the recruitment of UK/EU and international students. The sector as a whole had recruited fewer international students than had been planned. There would be a more cautious approach to forecasting the level of overseas recruitment in the next strategic planning round. In terms of other income streams, HEFCE had indicated that its grant for the next session would be approximately six per cent higher than the funding in the current year, after volume adjustments had been made, while the first step towards the full economic costing of research would be taken. At this stage it appeared unlikely that it would not be possible to achieve a break even position in 2005/06 in the management accounts.

Resolved That the financial monitoring statement be noted.

34 **HEFCE recurrent grant allocation for 2005/06** (Agendum 12)

Received A report on the HEFCE recurrent grant allocation for the academic year 2005/06, prepared by the Director of Finance.

The Vice-Chancellor introduced the statement on the Funding Council's recurrent grant allocation for the academic year 2005/06. Overall, the level of grant would increase from £83m to £89.623m. After various adjustments had been made to the figures, the funding for teaching would rise by 1.65 per cent, a decrease in real terms, while the research element would benefit from an uplift of approximately 12 per cent.

The Director of Finance highlighted the fact that the grant allocation was around £2m more than had been estimated. He drew attention to the changes that had been made to the funding for postgraduate research (PGR) programmes: it had been consolidated into one stream, with a transferral of £1.6m from the teaching element for first-year postgraduate research students into a new research degree programme supervision fund (RDP). Although the enhancement of the research element was to be welcomed, the distribution of the funding across the individual schools would not be uniform, for example, the School of Chemistry would receive less support this year compared with last year because of the changes to the PGR funding.

In response to a query about the provision of funding for capital expenditure from income streams, the Director of Finance stated, that because of the extent of the University's ambitions up to 2010, it had been agreed to secure loan finance for both academic buildings and residential accommodation (Agendum 19 refers). The development of Boldrewood had not been included in the current plans, as had been indicated. There were other streams of income, for example, the HEFCE Science Research Investment Fund (SRIF). The detail of the capital programme cash flow was set out in Table 4 of Agendum 11.

Resolved That the report be noted.

35 **Review of the effectiveness of Council and compliance with the Committee of University Chairmen guidelines** (Agendum 13)

Received A report, drawn up by the Secretary and Registrar, on a proposal to combine a review of the effectiveness of Council with consideration of the Committee of University Chairmen's Governance Code of Practice, together with a commentary on issues of compliance.

The Secretary and Registrar introduced the report, summarizing the background to document entitled 'Governance Code of Practice and General Principles', published by the Committee of University Chairmen (CUC), and the issues it discussed such as the size of governing bodies. The Secretary and Registrar stated that the majority of the University's governance arrangements complied with the Code. There were a number of areas where steps could be taken to address issues of good practice not fully reflected by the University and he referred to the commentary, attached to the report, which set these out. The report proposed that a working group be established to carry out the five-year review of the effectiveness of Council and to consider what action should be taken in respect of compliance with the CUC Code of Practice.

On the subject of the membership of Council, Mr Walsh offered the view that a reduction in the number of student representatives on Council was a restructuring the Students' Union would be unlikely to support. The Secretary and Registrar underlined the statement in the Code that 'A governing body of no more than 25 members represents a benchmark of good practice'. The only way to reduce the current size of Council, without losing the number of constituencies, would be to cut the numbers in each Class. The Secretary and Registrar confirmed that in order to carry out its task the working group would have to consult widely and consider other models for governing bodies and the match between the number of members and the range of roles and responsibilities.

Dame Yvonne invited members to endorse the proposal that a working group be set up and to consider whether they would wish to be involved with the group. Members approved the proposal. Dame Yvonne stated that she would consult with the Vice-Chancellor and the Secretary and Registrar on the selection of members and the choice of an external adviser.

- Resolved**
- (i) That a working group be established to review the effectiveness of Council and compliance with CUC guidelines.
 - (ii) That members should indicate their willingness to join the working group to Dame Yvonne who would consult with the Vice-Chancellor and the Secretary and Registrar on the composition of the group.

36 **Report from the meeting of Senate held on 2 March 2005** (Agendum 17)

Received The report from the meeting of Senate held on 2 March 2005.

In presenting the report, the Vice-Chancellor said that the announcement of the award to Professor Mizon, Head of the School of Social Sciences, of an Honorary Research Fellowship in the Institute of Technical and Quantitative Economics, Chinese Academy of Social Sciences had inadvertently been omitted from the list of 'Honours and Distinctions' (Item 2).

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

37 **Report from the meetings of Policy and Resources Committee**

37.1 **19 January 2005** (Agendum 18.1)

Received The report from the meeting of the Policy and Resources Committee, held on 19 January 2005.

The Vice-Chancellor presented the report. He drew attention to an error which appeared in Item 8, the report from the Enterprise and Innovation Policy Committee: an Annex was not appended to the report.

The Secretary and Registrar outlined the background to the inclusion of Block M as well as Blocks K and L in the major refurbishment scheme at Glen Eyre. The Policy and Resources Committee had supported the plans, having looked at the advantages and disadvantages of proceeding with the scheme, including a thorough review of the financial implications.

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

37.2 **16 February 2005** (Agendum 18.2)

Received The report from the meeting of the Policy and Resources Committee, held on 16 February 2005.

The Vice-Chancellor stated that the matter of the Triple E Building was the subject of two reports from the Policy and Resources Committee (PRC). It would be discussed as part of the March report from PRC (Agendum 18.3).

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

37.3 **9 March 2005** (Agendum 18.3)

Received The report from the meeting of the Policy and Resources Committee, held on 9 March 2005, which was tabled.

The Secretary and Registrar summarized the reports that had been produced on the inaccurate costing of the Triple E Building, focusing on the reasons for the error, and the action that had been taken to rectify the matter. The Internal Auditors were currently reviewing the financial monitoring procedures that were in place. He highlighted the fact that the project remained one of value for money under the revised estimates. The Vice-Chancellor commented that it was with regret that the University had accepted the resignation of the Project Co-ordinator responsible for the scheme. He believed that there had been no other option under the circumstances.

Dame Yvonne drew attention to the changes that had been agreed to the appointment process for Deputy Vice-Chancellors and Deans. Amendments to the instruments of government would be presented to Council in due course, allowing the appointment of external candidates in the event it was not possible to appoint internally.

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

38 **Report from the meeting of Standing Committee of Council held on 9 March 2005** (Agendum 19)

Received The report from the meeting of Standing Committee of Council, held on 9 March 2005.

In seeking members' endorsement of the decisions taken by Standing Committee of Council, Dame Yvonne drew attention to the resolution in the matter of the bank loan and authorization of an overdraft facility. The funding was intended to cover the University's needs to around 2010 for both academic buildings and residential accommodation.

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

39 **Report from the meeting of the Nominations Committee held on 9 March 2005** (Agendum 20)

Received The report from the meeting of the Nominations Committee, held on 9 March 2005.

Dame Yvonne drew attention to the items on the appointment of Class 2 members of Council, to the end of her period of office as Chair in July 2006, and to the nomination of a member to the Court.

Resolved That the nomination of Mr Keith Mans to the Court, in Class 10 (b), be noted.

40 **Annual Review, 2004** (Agendum 24)

Received A copy of the University's Annual Review for the year ended 31 July 2004.

Resolved That the Annual Review for the year ended 31 July 2004 be approved for submission to the Court.

41 **Naming of offices of the Centre for Enterprise and Innovation and SET^{squared} on the Highfield campus**

The Vice-Chancellor invited members to approve the proposal that the suite of offices in which the Centre for Enterprise and Innovation and SET^{squared} were housed in Building 27 on the Highfield campus be named the John Fairclough Centre because of the former Vice-Chair of Council's close involvement with the work of the Centre. Sir John had devoted a considerable amount of time to encouraging the development of technology transfer activities and to promoting the University generally over a long period of service. The naming of the Centre after Sir John would be a fitting way by which to remember him. Members unanimously supported the proposal.

Resolved That the suite of offices in which the Centre for Enterprise and Innovation and SET^{squared} were housed on the Highfield campus should be named the John Fairclough Centre in remembrance of Sir John.

42 **Proposed titles of new universities**

The Vice-Chancellor reported that as part of preparing for formal approval of full university status, the following institutions had proposed to the Privy Council the following change to their title:

Kent Institute of Art & Design and the Surrey Institute of Art and Design University College, that were planning a merger, had proposed 'University of the Creative Arts';

Southampton Institute had proposed 'Southampton Solent University';

University College Winchester had proposed 'University of Winchester' or 'University of Hampshire'.

The Vice-Chancellor explained that other universities in the region were invited to comment on the proposals that were submitted to the Privy Council and to raise any objections. An initial discussion among senior officers of the suggestions put forward indicated that the University would object to the approval of the 'University of the Creative Arts', 'Southampton City University' and the 'University of Hampshire'. The Vice-Chancellor invited members to consider the titles and to forward any objections they might have about their use. Those views would be forwarded to the Privy Council.

Resolved That the Vice-Chancellor should arrange for the objections raised in respect of a number of the titles proposed by the institutions of higher education above be submitted to the Privy Council.

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The meeting finished at approximately 7.10 pm.

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