

Council

Date and time	Tuesday 9 July 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*, Professor P J Curran, Mr B Davies, Mr R J Davies, Professor I D Diamond, Mr S Edwards*, Dame Rennie Fritchie, Mr C Gordon, Professor P J Gregson, Professor A P Hamlin, Professor J K Hammond, Mr A R Hodgson, Mr A J Jukes, Mr A S Kent, Mr J B Kness, Professor Dame Jill Macleod Clark, Professor K E McLuskie, Dr A E Mitchell, Mr J J R Pope, Dr M P Read, Mr T Rowlandson*, Professor A F Rutherford, Dr B G Smith, Mr R Symons, Professor W A Wakeham, Mr A J Walker, Professor A A Wheeler and Mr G Whitehead
With	The Secretary and Registrar, Director of External Relations, Director of Finance, Director of Human Resources, Director of Planning and Ms C J Gamble

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

Unrestricted

Welcome

Dame Yvonne welcomed to the meeting the recently elected representatives of the Students' Union for the year 2002/03, Ms Cat Brown, Vice-President, Education and Welfare, and Mr Tim Rowlandson, President.

49 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:

Mrs Gladys Phillips, Catering Assistant: 29 March 2002;

Claire Fitzgerald, Biochemistry Research Student: 27 May 2002; and

Professor Tony Davies, Electronics and Computer Science: 4 July 2002.

Dame Yvonne invited Council to endorse a proposal from the Department of Electronics and Computer Science that the High Voltage Laboratory, with which Professor Davies had been closely associated, should be named in his memory. Members warmly supported the proposal.

Resolved That the High Voltage Laboratory be named 'The Tony Davies High Voltage Laboratory' in memory of Professor A E Davies.

50 **Minutes (unrestricted) of the meeting held on 23 April 2002**

Resolved That the Minutes (unrestricted) of the meeting held on 23 April 2002 be approved and signed.

51 **Matters arising**

There were no matters arising from the Minutes.

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

Comprehensive Spending Review

The Vice-Chancellor said that he had hoped that he would have been in a position to report on the outcome of the Government's Comprehensive Spending Review (CSR). The announcement from the Chancellor of the Exchequer was now expected on 17 July 2002. He reminded Council that the results of the 2001 Research Assessment Exercise had not been funded in full and that news was expected on this matter in the CSR announcement.

CUC and HEFCE joint conference

Dame Yvonne reported on the recent conference which the Committee of University Chairmen and HEFCE had jointly hosted at the University of Sheffield. Together with the Vice-Chair of Council, she had attended this event whose focus was the Funding Council's Strategic Plans for the period 2003 to 2008; it had provided an opportunity for members of university governing bodies to explore the key policy directives. A number of areas had been identified under diversity of mission: excellence in learning and teaching, excellence in research, and closer links with business and the community. A new funding model ('Core plus') had been proposed which would fund institutions for the activities in these areas, together with additional support being provided for key strategic initiatives HEIs might develop. One of the matters highlighted at the conference was HEFCE's perceived need for institutions to strengthen their governance, leadership and management.

Research Assessment Exercise

HEFCE had announced that it would conduct a review of research assessment in partnership with the other UK higher education funding bodies. The review, which would be led by Sir Gareth Roberts, President of Wolfson College, Oxford, would take account of the impact of the 2001 Research Assessment Exercise.

'Partnership for Progression'

One of the Government's initiatives to increase the number of young people between the ages of 18-30 in higher education was a project entitled 'Partnership for Progression'. The partner institutions in the Hampshire and the Isle of Wight region were the University, the University of Portsmouth, Southampton Institute, and King Alfred's College. They were currently discussing how higher education might be delivered to students from different backgrounds. Funding amounting to £1m – distributed among the partners – would be made available from 1 April 2003.

Technology transfer

A group of academics at Southampton Oceanography Centre had recently established a new spin-out company, ACTIVE em Limited, with help from business managers in the Centre of Enterprise and Innovation. Investment in this geophysical survey and technology development company had been secured from SULIS (a DTI Challenge Fund shared with the Universities of Bath and Bristol) and Southampton Asset Management.

Golden Jubilee

The alumni weekend, the Golden Jubilee Reception and the Ball had all been held over the weekend of 6–7 July; all of the events had been a great success. Academic Departments had opened their doors, too, to students past and present. At the Reception, a Jubilee Mace had been presented to the University whose commissioning had been made possible by a generous benefaction from the John Henry Hansard Charitable Trust.

New College

The University had made excellent progress with developing plans for the integration of New College programmes into the revised structures of the University. Staff and students at New College had been kept fully informed at every stage of the process through college and departmental meetings, together with liaison with the student and staff unions. Staff from New College had met with staff from the proposed new Schools and Faculties to identify the 'best fit' for New College programmes in the future structures and broad agreement about suitable ways forward had been reached. Discussions had also taken place about the development of a Learning Centre on the Highfield campus.

Work remained to be done on the details of the central New College Widening Participation Unit, on the integration of administrative and clerical services and on the detailed timetable for moving programmes into the new structures. It was hoped that it would be possible for New College to take part in the joint strategic planning exercise with the new Faculties in the 2002/03 session. There would be a formal period of consultation with staff before the plans were finalized. The Acting Director and all his staff were to be congratulated

on the energy and commitment that they had devoted to this complex exercise. Professor McLuskie was also thanked for all her hard work in respect of the integration process.

Potential industrial action

The Vice-Chancellor announced that there was the potential for industrial action this year. As part of the annual negotiations between employers and the Trades Unions, the Association of University Teachers had submitted a claim for a 15 per cent increase in pay while the employers had drawn up budgets which had allowed approximately for a three per cent uplift. The negotiations between the employers' association, UCEA, and the Unions were set to continue.

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

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

The outgoing President, Mr Edwards, presented his report. He highlighted a number of events in his report:

- The refurbishment of the Students' Union Building which was well under way and the planned opening which would launch the new facilities.
- The number of clubs and societies had grown during the last year. The Union now boasted 99 recreational clubs and 62 sporting ones. Both had contributed significantly through their activities to charitable organizations, such as 'Leukemia Busters'.
- For current students, the Golden Jubilee celebrations had culminated in the events organized on the Charter Day, 29 April, which had included a relay run to Buckingham Palace, a festival of sport, a campus party – the biggest that had ever been held on the Highfield campus, and a record-breaking attempt to load as many people as possible onto a single-decker bus.

On a closing note, Mr Edwards thanked members for their support of the Students' Union during his period of office.

- Resolved**
- (i) That the report be noted.
 - (ii) That Council record its thanks to Mr Edwards for his work as President of the Students' Union during the 2001/2002 session.

54 **Financial monitoring 2001/02** (Agendum 11)

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

In presenting the financial monitoring statement for the year ending 31 July 2002, the Director of Finance drew attention to an error in the paper: in Table 2A the entry in the first column against the Faculty of Mathematical Studies should read minus £109k rather than minus £159k. The total for the column would therefore improve by an amount of £50k.

The statement showed a general improvement in the financial position of the University. Since the last forecast in April, the level of expected deficit had moved again from £2.2m to a £1.1m overspend. The improved figures had resulted from an increase in overseas fees and VAT recovery of approximately £500k and from reduced expenditure across the budgetary groups of a similar amount.

Resolved That the financial monitoring statement be noted.

55 **Strategic Plans and Budgets, 2002/03** (Agendum 12)

Received A report on the process undertaken in the Strategic Planning Round for the year 2002/03, together with a summary of the discussion at the meeting of the Policy and Resources Committee, held on 3 July 2002.

In introducing the paper, the Vice-Chancellor reminded members that the aim was to integrate the planning and the budgetary processes with the setting of strategic objectives. The proposals contained in the paper covered only one year of planning because the Government's announcement on funding levels for future years was still awaited. The decision to plan for a deficit in the range of £1.1m to £1.5m had not been taken lightly but had been unavoidable if a measure of stability were to be provided for budgetary groups and to allow some developments to proceed. It was hoped that additional support would be forthcoming to fund the results of the Research Assessment Exercise, in particular for those units of assessment which had been graded either 4 or 5. Should this not materialize, drastic financial action would have to be taken.

Professor Diamond summarized the process in which all budgetary groups had taken part to establish the budget. The proposals included increased expenditure in a number of areas: the Strategic IT initiative, long-term maintenance, insurance costs and the Strategic Development Fund. This had resulted in a forecast deficit of £4.5m which had been reduced to approximately £1.1m for budgetary groups through their efforts to revise their targets. The aim was to move back to a break-even position at the end of the following year.

In response to questions about the level of maintenance of the estate, Professor Diamond assured Council that the current capital and maintenance programmes had been drawn up very carefully and that sufficient levels of funding were being invested in the University's infrastructure. The Secretary and Registrar added that, in the present funding climate, the University's level of maintenance compared well with the amounts spent by other institutions.

He pointed out that, while the holiday from the University's pension scheme had existed over the last ten years, it had been possible to use £1m annually for long-term maintenance. This option was likely to end in the near future and it would be necessary, if current levels of expenditure were to be kept up, to find an additional amount from other sources of income.

Professor Diamond emphasized that the expected increases in fees from overseas students had not been included in the forecasts because of the potential uncertainty of that area of recruitment. With regard to the appointment to key academic posts, the strategic planning process had identified those which should proceed. Recruitment would commence later in the year because of the need to manage the economy carefully.

Resolved That the budgets and related proposals in the paper dated 28 June 2002 be approved.

56 **Financial forecasts to HEFCE (Agendum 12a)**

Received A copy of the proposed annual financial return to HEFCE for the year 2002/03.

The Director of Finance explained the criteria which had been used to draw up the annual financial return. The document emphasized the difficulty of the current position facing the University and, indeed, the sector as a whole: a deficit in the region of £1.1m for next year. Thereafter, unless additional HEFCE funding for the RAE was forthcoming, there would be a further deterioration, resulting in a deficit in the region of £3.5m. Over the three years to 2006 this would have a very serious cumulative effect on the University's cash reserves.

The figures proposed for submission to HEFCE had been drawn up on this basis, assuming the additional financial support would not be forthcoming. The aim was to emphasize to the Funding Council the seriousness of the situation the University was facing potentially. The Director of Finance stressed to Council that, if the additional grant were not awarded, in practice, appropriate measures, which would be severe, would be taken to ensure the continued financial viability of the University.

Dame Rennie Fritchie expressed concern about the presentation of the information. Although she recognized that its purpose was to register with the Funding Council that the institution required more funding, she believed that the figures recorded for the period 2003-2006 should take into account the action which would be undertaken to avoid moving more deeply into deficit. Dame Rennie felt that the document should set out the alternative strategies the University would consider if additional support, particularly RAE funding, were not forthcoming from the Government. This might be a more effective way of impressing upon HEFCE the consequences of its funding policy. Furthermore, the statement in the introductory paper that, 'It is also a political document ...' suggested that the financial return might not list the same

figures which were used internally by the University for budgeting and planning purposes.

The Vice-Chancellor pointed out that the return did accurately reflect the projected financial position of the University. The figures did not include the estimated QR amount which might be received from 2003/04 and, as presented, portrayed a rather bleak picture. Clearly, drastic action would have to be taken to prevent a worsening of the situation during the following three years. A covering letter to the Funding Council would explain the context in which the figures were placed.

Mr Jukes asked whether the financial forecasts were too optimistic and whether the outlook described should not be more severe. If the level of resources continued to be insufficient, eventually the situation would become untenable.

The Secretary and Registrar added that the unit of resource had declined over the last twenty years or so; the sector had sustained cuts in real terms of approximately 40 per cent. Institutions had responded to the reduction by increasing the intake of students, by seeking alternative means of bringing in income, and by making savings. These so-called 'efficiency gains' had resulted in larger workloads for staff and, in his view, the point had been reached where it was simply not possible to introduce any further 'efficiencies'. More fundamental approaches would have to be considered if funding levels were not enhanced, such as changing the very nature of higher education.

After considering all the points raised, members agreed that the figures should be approved and that the context should be explained to HEFCE in the Commentary which would accompany the financial data.

Resolved That the form of the submission to HEFCE be approved as set out in the paper dated 3 July 2002.

57 **Framework for academic structures and management responsibilities under the new vision** (Agendum 13)

Received A paper entitled 'Framework for Academic Structures and Management Responsibilities under the New Vision', dated June 2002.

In presenting the document, the Vice-Chancellor said that the proposals it contained had been discussed carefully and thoroughly across the University. The framework was designed to achieve operational efficiency, provide clear lines of accountability and enhance academic freedom. Matters of governance, including a revised committee structure, had yet to be brought forward to Council for consideration. Moving to the new structures would entail some costs and a change management process would have to be adopted to help ensure that implementation took place smoothly and as quickly as possible.

A number of points arose in discussing the detail of the document:

- The period of office for Deputy Vice-Chancellors (DVCs), Deans of Faculties and Heads of School was five years. The periods of appointment would be staggered.
- Deputy Vice-Chancellors would be provided with support to assist them to continue their research activities while in post. It was relevant in this context that the career path for some DVCs led them to senior-ranking managerial posts at other institutions or organizations.
- The current roles of the Deputy and Assistant Deans would need to be taken into account in the new structure. It was possible that opportunities for career development might be overlooked. The Vice-Chancellor said that, when drawing up the proposals for the new two-tier structure, one of his concerns had been that the right interfaces were located within each academic grouping. At School level the focus of activity would be operational while at Faculty level it would be strategic.
- It was expected that the new structure would lead to savings in the amount of time spent deliberating policy issues through the committee structure and to lighter administrative workloads for academic staff, enabling them to devote more time to teaching and research.

Members supported the proposals for the new academic structures and management responsibilities.

Resolved That the proposals contained in the paper 'A Framework for Academic Structures and Management Responsibilities under the New Vision' be approved.

58 **Report from meeting of Senate held on 26 June 2002** (Agendum 20)

Received The report from the meeting of Senate held on 26 June 2002.

The Vice-Chancellor drew attention to Item 2, the Student Complaints Procedures. He reminded Council that, on matriculation to the University, students entered into a contract with the institution. This legal relationship did not include the parents of the students.

Referring to the proposed Data Protection Policy, the Vice-Chancellor explained that the Policy sought to balance the interests of students and staff with the requirements of the legislation.

Resolved (i) That the recommendation from Senate in respect of the Student Complaints Procedures be endorsed, and the monitoring report noted.

- (ii) That the Data Protection Policy be endorsed and adopted.
- (iii) That the honours and distinction reported by Senate be noted with pleasure.
- (iv) That the comments and information provided by Senate be noted.

59 **Reports from meetings of Policy and Resources Committee**

59.1 **15 May 2002** (Agendum 21.1)

Received The report from the meeting of the Policy and Resources Committee held on 15 May 2002.

Copies of staff newsletters prepared by the Department of Personnel on the HEFCE initiative 'Rewarding and Developing Staff in Higher Education' which were tabled.

The Vice-Chancellor drew attention to Item 4, Modernising Pay and Grading Arrangements in the University. A new national framework for pay structures in the higher education sector had been negotiated between the employers association, UCEA, and the national unions. Work was under way to simplify the existing pay structures by using job evaluation schemes, two of which had been considered: HAY and HERA. The aim was to implement a new pay and grading system from August 2003. Staff were being kept informed of developments by means of regular newsletters.

Professor Gregson highlighted the other projects which were part of the larger Funding Council initiative 'Rewarding and Developing Staff in Higher Education': staff development activities; equal opportunities projects and workforce planning (the details of all the activities were set out in the newsletter.) The programme would, of course, take into account the staffing structures agreed under the new Vision.

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

59.2 **12 June 2002** (Agendum 21.2)

Received The report from the meeting of the Policy and Resources Committee held on 12 June 2002.

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

59.3 **3 July 2002** (Agendum 21.3)

Received The report from the meeting of the Policy and Resources Committee held on 3 July 2002.

Professor Diamond reported that planning permission for the construction of the Indoor Sports Complex had been received and that appropriate arrangements were in place to re-locate a number of wildlife species currently inhabiting the proposed site.

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

60 **Report from the meeting of Standing Committee of Council held on 12 June 2002** (Agendum 22)

Received The report from the meeting of Standing Committee of Council held on 12 June 2002.

The Vice-Chancellor reported that, from this year, Standing Committee of Council would undertake the scrutiny of the Annual Accounts of the Students' Union on behalf of Council.

- Resolved**
- (i) That the change in the composition of the Academic and Research Staff Committee be approved.
 - (ii) That the change to the effective membership of the General Staff Committee be supported.
 - (iii) That the disestablishment of the Welfare Services Committee be approved.
 - (iv) That the report from, and the decisions taken by, Standing Committee of Council be noted and endorsed.

61 **Report from meetings of Nominations Committee held on 15 May 2002 and 12 June 2002** (Agendum 23)

Received The report from the meetings of the Nominations Committee held on 15 May 2002 and 12 June 2002.

A copy of brief biographical information about Mr Snell which was tabled.

- Resolved**
- (i) That Mr A J Walker be appointed as Treasurer of the University with effect from 1 August 2003.
 - (ii) That Mr J J R Pope be re-appointed to Council Class 2 for a further three-year period from 1 August 2002.

(iii) That Ms V Lawrence, Mr B Purkiss and Mr M Snell be appointed to Council Class 2 for three years from 1 August 2002.

(iii) That the following persons be invited to become a member of the Court and, if willing, be so appointed:

Mr A Julian Thould; and
Mr R Keightley.

62 **Code of Practice to Ensure Freedom of Speech** (Agendum 28)

Received The annual report from the Director of Corporate Services on the operation of the Code of Practice to Ensure Freedom of Speech within the law.

Resolved That the report be noted.

63 **Students' Union: review of code of practice** (Agendum 29)

Received The annual report from the Academic Registrar 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.

64 **Dates of main committee meetings during 2002/03** (Agendum 30)

Received An extract from the University *Almanac* listing the dates of the main Committee meetings during the academic year 2002/03.

Resolved That the dates of the main committee meetings for the academic year 2002/03 be noted.

65 **Valediction**

On behalf of Council, Dame Yvonne thanked the following members, who were attending their last meeting of Council, for their contributions to the work of the governing body: Mrs Judith Round, Mr Bryan Davies, Mr Richard Davies and Mr Robin Hodgson. The knowledge and expertise which they had brought to bear in their activities for the University had been greatly valued.

Dame Yvonne also thanked Mr Rex Knight, the Academic Registrar for his significant contribution to the University during his period of office of eight years. Mr Knight would leave the University at the end of August to take up the post of Deputy Vice-Chancellor and Registrar at Oxford Brookes University. Council wished him well in his new position.

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