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| **Meeting title:** | | Council | | |
| **Date:** | | Wednesday 8th July 2020 | **Time** | 12.30pm |
| **Location:** | | Via Microsoft Teams | | |
| **Present:** | | Mr P Greenish (Chair), Prof. Dame M Atkins, Ms F Barnes, Mr R Cartwright, Mr G Hobbs, Mr P Hollins, Professor J Holloway, Dame J Macgregor (Vice-Chair), Professor R Mills, Ms H Pawlby, President & Vice-Chancellor, Dr D Price, Professor P Reed, Mr A Reyes-Hughes, Mr W Shannon, SUSU President, Vice-President (Research & Enterprise), Dr A Vincent and Mr S Young. | | |
| **In attendance:** | | Clerk to the University Council & Senate, Chief Operating Officer, Executive Director - Finance & Planning, Vice-President (Education). | | |
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| **101** | **Apologies**  The were no apologies. | | | |
| **102** | **Minutes**  **RESOLVED** that  (i) the minutes of the meeting held on 13th May 2020 be confirmed as a correct record and signed; and  (ii) the notes of the informal Council meetings held on Tuesday 26th May 2020 and Wednesday 17th June 2020 be noted. | | | |
| **103** | **Actions and Matters Arising**  Council noted the Annual Calendar of Business.  A full update on the outstanding actions was then noted as follows:  (i) 109/1819 – International Strategy: In abeyance  (ii) 33/1920 – Annual Academic Assurance - Report back to Council on degree awarding analysis and assignment ghost writing - on this agenda.  (iii) 58/1920 – Student Recruitment – on this agenda as part of the International update.  (iv) 79/1920 – Awayday Outcomes - Executive to consider developing a dashboard of key info for Council – Ongoing Action  (v) 94/1920 – SUSU Report – SUSU President meet with those most appropriate, identified by the VC, to discuss tuition fees during COVID – a constructive meeting had taken place.  (vi) 98/1920 – Response During COVID - Council to receive a presentation of the BlackBoard system – Presentation undertaken in June 2020 and well received by Council.  (vii) 98/1920 – Response During COVID – Any comments from Senate on the OfS Report passed to Council – there were no comments from Senate.  (viii) 98/1920 – Response During COVID – Comms to Students – Comms had continued throughout the last few months and comprehensive information relating to the University direction and next academic year had been well received.  (ix) 99/1920 – Council Operation During COVID - Proposals for Changes to Council Operation During Covid – A full report to be developed.  An update on actions from the last Council Effectiveness Review was then noted with progress largely complete on all actions. The Council Responsibilities document was then briefly discussed and amendments suggested.  The Chief Operating Officer provided a verbal update on the project to modernise and streamline the University Charter, Statutes and Ordinances. The project, which has yet to start, requires a significant level of resource from HR which is currently being prioritised to work on cost saving measures. It is expected that this project and the resource required will now start in January and will take 15 months to conclude. The update was noted. | | | |
| **104** | **Declarations of Interest**  No specific declarations were made. Council was reminded of bond price sensitivity information and the insider register. | | | |
| **105** | **Publication of unrestricted papers**  RESOLVED That no papers be released. | | | |
| **106** | **President and Vice-Chancellor’s Report**  Council noted highlights from the last monthly Vice-Chancellor and Executive report.  The Vice-Chancellor thanked staff for their continued hard work under difficult circumstances and highlighted that the exam boards were now finishing their work as the summer term drew to a close. More University regulations and procedures had been amended to take account of the new ways of working and thorough scrutiny of those changes had taken place.  A student number cap was to be introduced for the next academic year. If all of our firm acceptances meet the conditions of their offer then, at this point, Southampton would have reached, and exceeded, the cap number allocated for home under-graduates. However, this is unlikely. A bid for just under 170 additional places has been made under a Government scheme where 10,000 extra places have been allocated nationally to strategically important subjects. The OfS is in the process of revising regulations enabling penalties, including fines, to be imposed on institutions for over-recruiting or using inappropriate recruitment tactics.  It was noted that the Nuffield Theatre Company had ceased trading and gone into administration. The University had ceased all ties with the Company back in April 2020 so there was no immediate impact for the University and work was underway in partnership with Southampton City Council to assess the arts offer in the City.  The COVID Track and Trace pilot scheme was now up and running successfully testing University staff and other key worker staff who lived in certain SO postcodes.  The Government had recently addressed the issue of help for UK Research and Innovation-funded researchers at universities, particularly for universities where overseas student numbers might significantly decline.  A Research and Development Roadmap had been produced by Government but the role of universities within it was unclear. The Minister had also recently made a speech which had contained negative sentiments about some aspects of Higher Education, relating to perceived low-value degrees, grade inflation and free speech.  A new Graduate Destination survey was underway for which data is now to be sent and collated independently to provide assurance of its accuracy. This new survey looked as though it showed that Southampton had improved its graduate outcomes which was likely to have a positive impact on league tables. An illustration of this survey was to be scheduled to Council at a future meeting.  **ACTION: Vice-President (Education)**  **RESOLVED** that the update be noted. | | | |
| **107** | **Report from the President of the Students’ Union** | | | |
|  | Council considered a report by the President of the Students’ Union which provided an update on recent SUSU activity.  The President highlighted:   * that the meeting to discuss tuition fees during the crisis had been useful; * the arrival of the new SUSU CEO; * Sabbatical Officer by-elections   In response to queries, the Vice-Chancellor undertook to investigate the continuation of Online Learning Grants for students in the coming academic year and progress on appointing a Sexual Violence Advisor. **ACTION: Vice-Chancellor**  **RESOLVED** that the report be noted. | | | |
| **108** | **Bridging Strategy**  Council considered a report by the University Executive Board which set out a bridging strategy.  The strategy was a response to the need to refresh the University’s strategy in the context of the health, economic and social impacts of Covid-19. It conveyed a message of the importance of holding onto what mattered most to the University, drawing on and drawing out the community spirit and committing to keep moving forward. Accordingly, it both reaffirmed the University’s enduring mission and long-term objectives and set out guiding principles to inform decisions and actions over the next 12-18 months. The strategy was deliberately not a route map as a more flexible approach was needed in the face of many uncertainties; the principle-based approach was designed to support coherent, agile decision making. It would be important to know how the University is faring both over the course of this short-term strategy and in the longer term. Council was therefore invited to consider the draft strategy and Key Performance Indicators (KPIs). Subject to Council’s endorsement, the strategy would be launched to the University community in July.  The importance of making the strategy accessible to all was highlighted, with main principles drawn out and a comprehensive communications plan agreed.  It was agreed that the longer-term KPIs would not be published at the current time and that the short-term KPIs would be included in the published strategy. Once all of the KPIs had been consolidated over time they would be brought back to Council for consideration and monitoring. A deep dive session at a future point was suggested. **ACTION: Chief Operating Officer**  **RESOLVED** that the Bridging Strategy and accompanying KPIs at headline be endorsed, with the suggested target KPI values brought back in September. | | | |
| **109** | **Business Planning**  Council considered a suite of reports by the Executive Director, Finance & Planning which set out the following:  (i) Business Plan Submissions  (ii) Treasury Management Strategy  (iii) Scenario planning  (iv) May Management accounts  (i) Business Plan Submissions  The report provided an updated summary of the financial business plans for 2020/21, including all changes made following review meetings in May.  The plans were produced on a pre-Covid-19 business as usual basis and would provide an initial baseline budget to work from for the final budget in the autumn. The consolidated financial position for 2020/21 was a surplus of £15.3m, which was £12.8m higher than the University Economy Model assumption of £2.5m which Council agreed in March 2020. In receiving this budget, Council was not approving it as the basis for releasing spending approvals for growth but, as in previous years, as the basis for the final budget. Expenditure continued to be restricted to essential only during this period of scenario planning whilst outcomes against milestones were reviewed.    Alongside business plans, intensive scenario planning work had taken place to better understand the potential impact of the global pandemic on the university. The scenario planning work was considered by UEB on 15th June and had been developed for this Council meeting, the report was included within the agenda. Outputs from this work would be further developed over the summer, in order to feed adjustments into the final budget.  RESOLVED that the initial pre-Covid budget for 2020/21 be noted as the basis for forward planning ahead of the final budget for 2020/21 in November.  (ii) Treasury Management Strategy  The report provided Council with information on the current level of cash balances and borrowings.  Overall cash balances were high (£516m), and above previously assumed levels in both the University Economy Model (UEM) and business plans. This reflected the slower than anticipated drawdown of cash for the capital programme.  Market volatility, resulting from the global pandemic, had negatively impacted on the market value of investments with Royal London Asset Managers (RLAM). The University originally placed £200m into a fixed income fund, and the market value of this product as at 31 May 2020 is £196m. Conversely our diversified growth product (£35m placed with Ruffer) had weathered the storm and currently showing a market value of £38m.  Total borrowings were £412m. The majority of this amount (£350m) related to bullet repayment debt which is not due until 2037 (Barclays loan) and 2057 (public bond).  There had been no breaches of the Treasury Management Strategy (TMS) over the last 12 months. Finance Committee have agreed changes to the TMS policy to reflect the creation of an Investment Committee and to increase counter-party exposure limits to £100m with Executive Director, Finance and Planning approval as long as Finance Committee are informed in a timely manner.  Information had been provided to show the cash and covenant forecast positions for the principal scenario both pre and post-mitigating actions. Without action, the revenue impacts in 2020/21 primarily relating to international student recruitment would cause a significant reduction in cash balances and a large breach in covenant over two years. The scenario planning paper provided more details on plans for mitigating against this.  RESOLVED that  (1) the report be noted, ahead of receiving a Treasury Management Strategy (TMS) for approval in November - which aligned to the final budget; and  (2) the Treasury Management Strategy approval process be different this year. The principal scenario being presented (separately at the meeting) as the basis of forward financial plans, with approval of 2020/21 budgets to be requested at November Council.  (iii) Scenario Planning  Council received a presentation from the Executive Director, Finance & Planning which set out the principal scenario as a basis of forward financial plans and provided an overview of mitigating actions and timelines for decisions.  The pace and scale of the wide-ranging changes within the HE sector was set out with key milestones and highlights, also adding that there was much uncertainty as the summer progressed. Immediate challenges were:   * Keeping our community safe * Reacting with agility to the fast-paced changes * Providing excellence in education and research * Mitigating against revenue loses * Investing in quality improvements   The response to those challenges was noted.  At the beginning of Covid-19 there was a forecasted significant revenue drop for this year. The University was asked to respond by only spending on essential items and now a £30m surplus for 2019/20 (£20m above plan) was forecast.  The drop in revenue has been mitigated through cost saving measures:   * Reduction in travel * Heating and energy bills * Slowing staff recruitment * Reviewing project spend   The approach and assumptions for calculating the future years’ financial position was noted together with the potential unmitigated and mitigated outcomes. The student numbers and predicted recruitment outcomes were then presented for the next 5 years, together with cash and covenant scenarios.  A range of mitigation plans was then outlined including non-staff savings and staff savings together with a timeline for decision-making. Outcomes for student surveys and league tables were also presented and noted.  Next steps in the process were identified as:   * Implementation of expenditure control plans * Continue to update the principal scenario as new insight comes in and feed findings back to UEB * Continue to consider potential opportunities such as: * Online PGT programme pilot * Malaysia campus expansion * Bids for additional allocation for student numbers * Environmental sustainability strategy * Communicate bridging strategy and KPIs to community (post Council) * Final budget process –delivered to November Council   **RESOLVED** that option 2 (staff and non-staff savings) scenario be endorsed.  (iv) May Management Accounts  The report presented the management accounts for financial year 2019/20 as at May 2020. The interim update focussed on changes to the income and expenditure forecast since the April 2020 management accounts. The accounts next month for June would include the final forecast for the year following a full review and update.  Known financial impacts of the Covid-19 pandemic had been included in the forecasts, however, there remained significant risk in many areas. Not all impacts were known at the time and we will continue to revise our estimates and update them monthly for the remainder of the year.  RESOLVED that the report be noted. | | | |
| **110** | **International Strategy - Update**  Council considered a report by the Professor Jane Falkingham, who was acting as interim institutional lead on international matters, which provided an update on progress on the International Strategy presented to Council in July 2019. In particular it detailed the activities and focus following the appointment of Professor Falkingham in February 2020. It excluded developments relating to the UoS Malaysia campus as Council had received separate papers pertaining to this.  The report summarised the following:   * Activity on global recruitment and admissions * The Pricing and Scholarships Project * The World Rankings Project * Webinars to connect with potential international students * Reopening of PGT programmes to new applicants * Work to maintain the flow of international research grants * All activity taken place in light of both BREXIT and the COVID crisis   **RESOLVED** that progress made to date be noted. | | | |
| **111** | **Academic Degree Awarding and Ghost Writing**  Council considered a report by the Academic Registrar which summarised the University’s profile of undergraduate degree classifications and which informed Council of the University’s position in the national debate on degree profiles. The UK Standing Committee for Quality Assessment had proposed that all providers should publish a Degree Outcomes Statement analysing their institutional degree classification profile which articulated the results of an internal institutional review. This analysis would support the final Degree Outcomes Statement, which would be published by the end of 2020.  A paper on ghost writing and essay mills activity was also presented which stated that the Academic Assurance team was working on a raft of measures to identify and deal with any potential cases.  RESOLVED that both of the reports be noted. | | | |
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| **112** | **Regulated Fees**  Council considered a report by the Executive Director, Finance & Planning. Regulated fees are approved by Council on an annual basis, having first been reviewed by the university executive and recommended by Finance Committee. The report set out the recommended tuition fees for regulated students in 2021/22 – which would then continue for the period of their studies. The term ‘regulated students’ related to students who had been assessed as eligible for fee support and, for the University, this could be taken to relate to full-time Home undergraduate (UG) students. Regulated fees were set within the parameters and conditions fixed by government.  The paper proposed maintaining the Home UG fee at £9,250 pa. However, it was possible that the government would decide to change the regulated fee between now and the start of the 2021/22 academic year. This uncertainty needs to be clearly articulated in all university literature relating to fees.  The implications of the current global pandemic on regulated fees in 2021/22 were currently unknown. Economic conditions may result in the Government taking action on maximum fee levels; student demand may see the market using discounts more widely at a UG level. The University needs to be in a position to respond quickly and flexibly to potential changes. It was expected that analysis on potential changes to tuition fees will be included in scenario planning work.  **RESOLVED** that the report and fees be approved. | | | |
| **113** | **President and Vice-Chancellor’s Annual Report on Health & Safety**  Council received a report by the President and Vice-Chancellor which provided a review of Health and Safety performance by the University during 2019, using the principles of Plan, Do, Check, Act. The objective of the report was to provide assurance of legal compliance to University Council and the Executive.  The following issues were highlighted:   * Restructure of the Health & Safety team * Use of SMART action plans * Risk minimisation during the covid crisis   In response to a query it was noted that the investigation into confined spaces within the campus had led to more comprehensive work being undertaken and enable the team to rectify more issues and issue more guidance.  **RESOLVED** that the approach to health and safety be endorsed and report be noted. | | | |
| **114** | **Annual Report of the Health and Safety Audit and Assurance Committee**  Council received a report from the Chair of the Health and Safety Audit and Assurance Committee which reported to Council its findings following a short Video meeting held May 2020. The situation and actions surrounding Covi-19 are out of scope for this report and are actively being tracked through the Gold Command Meetings.  **RESOLVED** that the report be noted. | | | |
| **115** | **Nominations Committee Update**  The Chair of the Nominations Committee reported that the process for appointing a new Class 4 Non-academic member of Council was continuing well and that the Committee would be seeking the advice and guidance of a diversity expert to inform thinking about how Council could improve its diversity.  **RESOLVED** that the update be noted. | | | |
| **116** | **The Education Act 1994 – Report to Council on Code of Practice Monitoring Responsibilities**  Council noted a report by the Chief Operating Officer on the Students’ Union’s compliance with the Code of Practice drawn up by the University in response to the requirements of the Education Act 1994. The Code places a number of annual monitoring responsibilities on the Director of Student Services. An annual review of the Code is also stipulated.  **RESOLVED** that  (i) the report be noted as closing all recommended actions from the academic year 2018-2019, and as discharging the responsibilities of the Director of Student Services for the academic year 2019-20.  (ii) the following recommendations be approved:  • An annual review of the Code of Practice has been undertaken. The following changes have been made:  o Amendment to point three to remove reference to travel centre and use of Advice Centre  o Amendment to point four with removal of the reference to the NUS  o Amendment to point five to change wording from ‘Standing Orders’ to ‘Articles of Association’ | | | |
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| **117** | **Annual Report of the Operation of the Code of Practice to Ensure Freedom of Speech**  Council noted a report by the Chief Operating Officer which set out Section 43 of the Education (No 2) Act 1986 that required the University to have in place a code of practice to ensure freedom of speech within the law. The principal purpose of the code was to establish procedures to be followed by the organisers of any activity which was ‘designated’ by the Responsible Officer as one where there was a reasonable expectation that freedom of speech within the law may be compromised. This was the annual report to Council on the operation of the Code of Practice.  **RESOLVED** that the report be noted. | | | |
| **118** | **Remuneration Committee Update**  The Chair of the Remuneration Committee stated that the Committee had approved contract extensions for the Interim Chief Operating Officer and the Interim Dean of FEPS, had considered some of the staffing measures required under the scenario planning and how it may affect the Executive team and also received and commented on the first draft of the committee’s Annual Report.  **RESOLVED** that the update be noted. | | | |
| **119** | **Chair’s Actions**  **RESOLVED** that the following Chair’s action be noted:  Senate ToR – Change to levels in FEPS at the next round of elections in 2022. | | | |

**Restricted Items**

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| **120** | **Restricted HR Matters**  (i) Redundancies  An additional redundancy report was agreed for consideration at the meeting.  **RESOLVED** That both redundancy reports be approved.  (ii) Heads of School  **RESOLVED** That the report (with one amended start date) be approved.  (iii) Moving Pathways  **RESOLVED** that the report be approved. |
| **121** | **Restricted Senate Matters – Emeritus Professors**  **RESOLVED** that the list of Emeritus Professors be approved. |

**The meeting concluded at 4.18pm**

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**Actions**

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| **Min No./Year** | **Minute Title** | **Action Summary** | **Owner** | **Report Back Date\*** |
| 74/1920 | Sustainability Discussion | Update in 12 months | Dean of FELS | March 2021 |
| 79/1920 | Awayday Outcomes | Executive to consider developing a dashboard of key info for Council | Chief Operating Officer | Ongoing |
| 106/1920 | VC Report | Report back on outcomes of Graduate Destination Survey | Vice-President (Education) | ? |
| 107/1920 | SUSU Report | Investigate the continuation of Online Learning Grants for students in the coming academic year and progress on appointing a Sexual Violence Advisor. | Vice-Chancellor | VC and Executive update August 2020 |
| 108/1920 | Bridging Strategy | Report back on consolidated KPIs | Chief Operating Officer | September 2020 |