A meeting of the Council was held on Monday 16 July 2007 at 10.15am in The Board Room, University of Exeter, Cornwall Campus.

PRESENT: Pro-Chancellor, Mr K R Seal (Chair)  
Mr C J Allwood  
Deputy Vice-Chancellor, Professor N Armstrong  
Mr B M M Biscoe  
The Rt Revd the Lord Bishop of Exeter  
Dr C Brace  
Mr S Goddard  
Pro-Chancellor, Professor R J Hawker  
Mr R M P Hughes  
Deputy Vice-Chancellor, Professor R J P Kain  
Senior Deputy Vice-Chancellor, Professor J M Kay  
Mr P Lacey  
Sir Robin Nicholson  
Deputy Vice-Chancellor, Professor M Overton  
Professor W B Richardson  
Vice-Chancellor, Professor S M Smith  
Lady Studholme  
Professor R Van de Noort

IN ATTENDANCE Registrar and Secretary, Mr D J Allen  
Director of Finance, Mr J C Lindley  
Director of Academic Services, Ms M Shoebridge  
Executive Officer, Miss G L Weale

APOLOGIES: Councillor Mrs C Channon, Mr W Emmanuel-Jones, Dame Suzi Leather,  
Ms Jemma Percy, Councillor R Slack, Mr H Stubbs, Mr G A Sturtridge

07.21 Minutes

The minutes of the meeting held on 5 April 2007 (CNL/07/33) were CONFIRMED, subject to the following amendment:

07.04a) Combined Universities in Cornwall Phase 3  
Amend: It had asked to see the business case for the PCMD bid for convergence funding and this would be available at its next meeting.

To read: Council had asked to see the business case for the PCMD bid for convergence funding and this would be available at its next meeting.

07.22 Matters Arising from the Minutes

a) MINUTE 07.04a) Combined Universities in Cornwall Phase 3  
Council RECEIVED a paper (CNL/07/52) which had been considered by the PCMD Joint Board of Management, outlining the concept on which its Phase 3 aspirations in Cornwall would be based. A business plan would be prepared if the College was invited to submit a full bid by the Regional Development Agency and this would come to Council once it had been approved by the Board. If it went ahead, the proposed Academic Health Centre would fit very well with Exeter’s plans for the Environment and Sustainability Institute.
b) **MINUTE 07.04b) Strategic Partnership with ANGLE PLC for IP Commercialisation**
The discussions with ANGLE PLC were currently dormant as ANGLE wished to focus its work on existing partners before turning to develop new ones. The University might consider a partnership with an alternative company in due course.

---

**07.23 Honorary Degrees Committee**

The Chair was delighted to announce that Senate and Council had approved the recommendation of Honorary Degrees Committee that Professor Ruth Hawker be awarded an honorary degree for her many years of dedicated service to the University. She had been a great supporter of the institution and was an outstanding public servant. As Acting Chair of Council on the death of Geoffrey Pope, she had presided over the restructuring exercise, and her support for the Vice-Chancellor at this difficult time had been wise and full of humanity.

Professor Hawker had also made significant contributions to the University through her chairing of the Human Resources Committee, as the principal driver of the development of Corporate Social Responsibility, and her suggestion to use a skills matrix as the basis for choosing members of Council. The Council therefore offered their warmest thanks to Professor Hawker.

---

**07.24 Vice-Chancellor’s Report**

In addition to his written report (CNL/07/25), the Vice-Chancellor drew attention to the following:

a) Professor Wendy Purcell, currently DVC at Hertfordshire University and formerly Dean of Science at the University of the West of England, had been appointed Vice-Chancellor at the University of Plymouth. She would start in her new post as soon as possible.

b) The cancellation of the Students’ Guild Graduation Ball by the Students’ Guild, owing to bad weather, had resulted in lots of complaints to the University and even to the local MP. However, the Guild, being a separate organisation, was handling the public relations matters and would be issuing full refunds to those who had purchased tickets.

There was some discussion around the current situation with Cornwall Phase 3. The RDA was using a very limited definition of “research” to mean links with business, although there was a statutory obligation on partnerships to deliver sustainable programmes and Exeter was arguing that sustainable economic development could best be achieved by research activity, according to its GVA definition. A member pointed out that the RDA was simply managing the process of allocating convergence funding as an agent of the EU and the EU itself would be looking to gather intelligence on the views of stakeholders bidding for convergence funding.

The commissioning exercise was to begin with the University’s Environment and Sustainability Institute but exactly what was meant by “commissioning” was still very unclear. The member offered to provide a link between the RDA and Cornwall County Council to ensure that both reached a similar understanding of the RDA’s approach.

The Vice-Chancellor was congratulated on his appointment to the National Council for Educational Excellence which was a great compliment both to him personally and to Exeter.

---

**07.25 Infrastructure Strategy**

Council **CONSIDERED** proposals for the investment of £235m (excluding HEFCE grants) in the University’s infrastructure over the period to 2019/20 (CNL/07/26), which were designed to contribute to achieving the objective of being a Top 10 University. The investment was mainly focussed on improvements in student facilities, learning resources, networks and business systems, contributions to the Science Strategy, and the elimination of all backlog maintenance.

Funding up to £250m was already identified but making up the shortfall relied on fundraising (which it was hoped members of Council could help with, by using their contacts), increased fee income and funding resulting from the RAE. The Ruler of Sharjah had pledged £1m towards the Strategy, which was to be achieved within the target of a 2% per annum reduction in carbon emissions over 30 years. In principle, the aim would be to refurbish existing buildings rather than build new ones where possible, but refurbishment would include improvements in energy efficiency which could accelerate the reduction of carbon emissions. In considering residential halls it was a good idea to involve the residents in the design of hall management as this was likely to lead to better care of the building.
A masterplanning exercise would be undertaken of the Streatham and St Luke’s Campuses in order to smooth the passage of the University’s plans through the local authority’s planning process. This exercise would need to address the political issues which existed locally.

Council was not at this stage required to give final approval to the plans as it would have a second chance to discuss the proposals at its meeting in October. However, it should be understood that elements of the overall plan were unavoidable, including investment in the School of Business and Economics to provide for the INTO students and improvements to St Luke’s following the move of the School of Sport and Health Sciences to Streatham. The Registrar had already had discussions with Peter Lacey over the management and governance of the programme under dual assurance as it would be critical to have full documentation and a complete audit trail. Decisions would be made with a full exploration of how they would impact on later stages of the total programme, and the interrelation of projects would be identified.

07.26 Independent Adjudication

The report of the Independent Adjudicator, Mr Mark Shaw QC, into the dispute between Ben Martin of the Evangelical Christian Union and the Students’ Guild (CNL/07/27) was RECEIVED. It provided a complete description of the history of the complaint and the points at issue, and completely exonerated the University. The Guild was criticised for delaying communication of its decision to lift the suspension of the ECU’s privileges, and Mr Shaw had also judged it to have been unwise, although not unlawful, to force the ECU to change its name. The membership and leadership aspects of Mr Martin’s complaint were not upheld, and the report concluded that the Guild was not a public authority (and therefore not amenable to judicial review) and was separate from the University. Only a preliminary view had been offered on the allegations of harassment as this would have required a full hearing and it was recommended that this be pursued under the Guild’s Harassment Policy.

It would now be for the University to encourage and facilitate reconciliation between the Guild and the ECU, although the question remained as to whether the ECU could remain affiliated to the Guild if the ECU was not prepared to lift its conditions on membership and leadership. If the name change was to be reversed this would require another Guild referendum which could re-open old wounds if not handled carefully. In the absence of the Permanent Secretary, the Registrar would be available to offer advice to the Guild if it was requested. The University would be applying to the High Court to be struck out of the legal proceedings as Mr Shaw had established that the dispute was between the ECU and the Guild.

Council members were asked to refer any queries about Mr Shaw’s report (which would shortly be published on the website) to the Registrar or the University’s Press Officer. A summary of the report’s conclusions had been submitted to religious affairs correspondents and the University Chaplain would be communicating with local church leaders who had resisted commenting on the complaint until the report had been received. There would be interest in the report’s conclusions at other universities where student unions had been in dispute with Christian Unions. If such a dispute arose in future, it would be important to explore whether it was possible to engage in mediation at an earlier stage, without prejudicing any formal complaint which was made later.

As a separate matter, the Guild was undertaking a review of its governance, in the light of the new Charities Act, and to clarify the responsibilities of the sabbatical officers, Guild members, and the permanent staff. The review would be completed by Christmas.

Council NOTED the report and thanked the Registrar and Secretary for his work in the matter.

07.27 Performance Review – Corporate Plan and Institutional Performance Report

a) Council CONSIDERED the termly report of institutional performance (CNL/07/28) which showed an improved position against all the metrics except student facilities spend.

b) A report showing progress in achieving objectives in the Corporate Plan (CNL/07/29) was CONSIDERED. There were three areas of concern. Research income per staff FTE was below target but very close. The number of Research Council studentships awarded was also below target but changes to the way these would be allocated in future would be to Exeter’s advantage. International and postgraduate student numbers remained insufficient but progress was steady.
Council had in the past expressed concern over inconsistencies in the way research income was measured. An appendix to the report showed how the statistics relating to research grant applications, their value, and annual grant income were linked, and the figures looked very encouraging. An apparently low figure for PCMD could be explained by the delay in winning awards and actually pulling down the funding.

07.28 Strategic Plan 2007-2011

The draft Strategic Plan for 2007-2011 (CNL/07/30) was CONSIDERED. This document was a re-presentation of the existing strategy to make it more comprehensible to an external audience, and had been written by one author, the Director of Planning, in consultation with colleagues. The mission statement had been re-written to make it more distinctive and the University's values had been listed alongside its key characteristics. The plan was also the first step towards a change in approach to planning. The new planning structure would consist of a high-level Strategic Plan, an Operating Plan, and in between these documents would be a Developmental Plan containing milestones and details of alternative options. In composing future Strategic Plans to cover five-year periods, the University would consult widely within the University community, but also with key external stakeholders. The Plan would have an important role as a tool in fundraising.

During discussion, the following points were made:

a) This was an excellent document, and congratulations were extended to the Director of Planning for his work.

b) The statement of the University's values was very useful, but references to “customer focus” were not sufficiently distinctive and might be better replaced with phrases about “delivering a high standard of service”.

c) More emphasis could be made to the changes in the external environment which would affect the University, particularly the emerging mixed-economy and developments post-RAE and to fundraising. It was essential that such factors were reviewed annually so that the University was able to be “nimble” in response.

d) Reference could be made to the statement of extra-curricula involvement which Exeter was working on to present to its graduates alongside their degree transcripts.

e) The mission statement was full of worthy words but it was important to identify examples of action to illustrate the key characteristics so that the University could be confident that it meant what it said and had truly met its commitments.

f) As the University was now explicit about its aim to be an international university, it should also make clear that part of this would be about acting as a catalyst in forging links between the region and the wider world. This would be consistent with its role as a learning community.

07.29 Budget 2007/08 and Financial Forecasts

The proposed budget for 2007/08 (CNL/07/31) and the forecast for the 2006/07 outturn were CONSIDERED. If Council approved, the University would report a budgeted operating and historic surplus. Growth was rapid, with turnover having doubled since 2000 and staff costs now exceeding £100m as the University invested for the RAE. In the proposed budget the proceeds of asset sales would not be required to achieve a balanced budget as in 2006/07, but would be ploughed back into capital investment. Investment for the RAE would not yield results until 2009/10 and as a result the University would need to operate for two years without the additional QR resource that its improved RAE performance may bring. The proposed budget still included deficits in some Schools but these diminished from this year and, other than Biosciences, were immaterial at the historic cost level. Overall, forecasting in Schools had improved significantly and assumptions for 2007/08 were more reliable, as ever, scope for improvements remained.

The Director of Finance explained that the forecast result for 2006/07 was expected to be in the region of £3m to £4m, subject to two factors. Firstly, the Duryard demolition was estimated to cost £1.6m with only £0.5m having been expected. The possibility of treating this as capital was being discussed with the auditors, and the option of keeping Duryard intact being revisited. Despite this the increased cost would mean that the expected result was likely to be nearer the lower end of the £3m to £4m range. The second factor was a complication over obtaining planning permission for Rowancroft which was a condition of its sale. A member of the public had challenged the decision of the Exeter City Council Planning Committee to grant permission
because an employee of the University, who was a member of the Committee, had voted on the decision, which had gone to the Chair’s vote. The employee had taken legal advice from a City Council solicitor and had declared an interest, but the matter would now go to the national Standards Board for consideration. This delay would almost definitely result in the University being unable to recognise the Rowancroft sale in the accounts for 2006/07. Attempts were being made to bring forward the sale of two further properties, Elizabethan and Bellfield, but the profit on these would be smaller than that expected from Rowancroft. The Chair noted that this was largely a question of timing and that the income would be received by the University at some point. Nevertheless, the University would be taking its own legal advice on the Planning Committee’s decision and it might be possible to show that there was no link between the employee’s behaviour and the Committee’s decision. With an expected surplus on Rowancroft of £1.4m the expected surplus fell to the range £1.6 to £2.6m, unless mitigating actions currently being undertaken cushioned this.

The budgeted proposed operating surplus for 2007/08 was £1.6m. The main risk was the volatility of NHS income to PCMD, general teaching income was also a risk because of difficulties predicting the numbers of international students and the level of research earnings. Funds of £1.5m were being held in contingencies to mitigate this risk. The target surplus proposed was at the operating rather than the total level for the University, this should avoid one off transactions (e.g. property sales) depriving or gaining staff a bonus when the matters they could affect and should be motivated to improve were at the operating level. The proposed target operating surplus for the University was £0.75m, if this was achieved the University Bonus would be eligible for payment. This target level was less that the budgeted proposed operating surplus of £1.6m because there was a need to allow VCEG some flexibility in managing the University.

Council APPROVED the following:

i)  The budget for 2007/08.

ii)  The revised basis for the University target surplus to be at the level of the operating historic cost surplus rather than the historic cost surplus.

iii)  The level of operating surplus necessary to release the University bonus to be set at £0.75m.

It was NOTED that recommendations for financial plans to 2010/11 would be received at its meeting in October, ahead of submission to HEFCE on 3 December 2007.

07.30 Geoffrey Pope Building

An investment appraisal for the refurbishment of facilities in Geoffrey Pope for Biosciences (CNL/07/32) was CONSIDERED. The proposals included work on all the backlog maintenance in the building, a new aquarium, and Category 3 laboratories, at a total cost of £17.9m. This estimate did not include refurbishment of foyer or common areas, but this could be the subject of fundraising, and equipment would be funded from research grants. Although the investment appraisal had been prepared with professional assistance, it had been written by the School, and was an exemplary model for presenting investment appraisals which must be used as a template for other projects in future. The project had been very carefully costed and there would be attempts to get better value during the implementation of the works. Three options were discussed in the document: firstly, to do nothing, which was not viable if the School was to progress; secondly, to construct a new building, but this was impractical as well as prohibitively expensive. The third option of refurbishment was recommended, as the building was essentially sound, with a good floor plan and storey heights. Although the net present value would only just be positive, this was the nature of investment in science, which had limited scope for raising revenue, unlike Business Schools.

Council should have confidence in the leadership and management of the School which had made excellent progress in staff recruitment (23 appointments since restructuring including six professors) and in securing research grant income (over £2m in 2006/07). Ten research proposals had recently been submitted to BBSRC and 12 to NERC. The investment in infrastructure would re-tool the School to enable it to focus on the field of systems biology, link with the “bench to bedside” work of PCMD and support the aim to be the best Biosciences department in the country.
The refurbishment of Geoffrey Pope also anticipated investment required by the Science Strategy, which was close to being finalised, having been peer reviewed by external experts. Systems biology would feature heavily in the overall Strategy as this was biology recast in a modern mould, which would give Exeter a competitive advantage over more established Biosciences departments in the UK whose facilities were geared to older fields of research. The School had had a remarkable response to its recruitment exercise with clear evidence of enthusiasm amongst applicants for working at Exeter.

Council APPROVED the recommendation from Strategy, Performance and Resources Committee for the expenditure of up to £17.9m for the refurbishment of the Geoffrey Pope Building, noting that this would make an important statement of the University’s commitment to Science.

07.31 **St Luke’s Campus**

A report on the outcome of consultation on the future of St Luke’s (CNL/07/34) was CONSIDERED. The consultation exercise had been very well handled and had resulted in a wide range of views being expressed. The recommendations were to move the School of Sport and Health Science to the Hatherly building on the Streatham campus, refurbish and redevelop facilities at St Luke’s for the remaining Schools (Education and Lifelong Learning and PCMD), and address the Guild’s concerns during the strategy’s implementation. These had already been approved by SPaRC and endorsed by Senate. The move of Sport would not take place until 2010/11, but straightforward painting and decorating of existing buildings could be undertaken before this date to improve the look and feel of the campus in the meantime. The new Corporate Services was reviewing general facilities management across the University and changes here would improve the management of St Luke’s as a campus in advance of the major investment. The decision would be kept under review in case other developments necessitated refinements to the plan. Council APPROVED the recommendations.

07.32 **Streamlining University Governance**

Council CONSIDERED final recommendations and guidelines for the implementation of the dual assurance model in 2007/08 (CNL/07/35), which had been debated at length on previous occasions. The VC having met with members of the Academic Staff Association, Senate was supportive of the proposals, which included new arrangements for assessing cases for academic promotions. A meeting would be scheduled in September with all the VCEG and lay leads to discuss details. The proposals were APPROVED.

07.33 **QAA Institutional Audit**

Council NOTED the draft QAA Briefing document (CNL/07/36). The Deputy Vice-Chancellor (Education) gave an introduction to the audit process. The audit would take place in November and the auditors would be from other research intensive institutions. They would drill down into the University’s Periodic Subject Review process for ensuring teaching quality and could chose two from three disciplines: Geography, Sports Science and Drama & English. This briefing paper was still in draft and would be sent to the auditors along with a Student Submission. Council members were welcome to submit any comments on the document to the DVC(Education) by email. The Chair assured Council that there was real strength and depth in the University’s quality assurance processes and further discussion on this topic at a future Council seminar would help increase members’ understanding.

07.34 **Strategy, Performance and Resources Committee**

a) A report of the meeting held on 21 May 2007 (CNL/07/38) was CONSIDERED.

b) A report of the meeting held on 25 June 2007 (CNL/07/39) was CONSIDERED. The Carbon Management Plan was APPROVED, including the target carbon emissions reduction of 2% per annum to 2050.

07.35 **Staff Liaison Committee**

A report of the meeting held on 26 April 2007 (CNL/07/40) was CONSIDERED.
07.36 **Audit Committee**

Council **CONSIDERED** the minutes of the meeting held on 7 June 2007 (CNL/07/41). The Chair of the Committee expressed his thanks to Mr Hugh Stubbs, who was retiring from the Committee, for his highly valued contribution to its work. All the internal audit reports received by the Committee this session had received substantial assurance. Council’s attention was drawn to the hiatus in recommending new external auditors. The Committee had not been convinced by any of those who had tendered for the contract, particularly as none of them had displayed sufficient knowledge of the HE context. Two of the bidders had been invited to resubmit in September and the Committee was hoping to bring a recommendation to Council in October.

07.37 **Council Nominations Committee**

The report and recommendations on Council, Committee and Trust membership for 2007/08 from Nominations Committee (CNL/07/42) were **APPROVED**. The new members of Council would strengthen expertise in IT, equal opportunities and local links and the Chair was confident that they would make a significant contribution.

07.38 **Senate**

A report of the meeting of Senate held on 2 July 2007 (CNL/07/43) was **CONSIDERED** and the following items were **APPROVED**:

- Early conferral of the title of Emeritus Professor on Professor Malcolm Cook (School of Arts, Languages and Literatures) to enable him to make an application to the AHRC for continuation of research funding running beyond his retirement date of 28 September 2008.
- Amendments to Ordinances and Regulations
- The appointment of Dr Michael Addo as Associate Dean in the Faculty of Postgraduate Studies for 2007/08.

07.39 **Academic Promotions Committee**

A report of the meeting held on 6 June 2007 (CNL/07/44) was **CONSIDERED** and the applications for promotion to Personal Chair and Associate Professor were **APPROVED**.

07.40 **Joint Selection Committees for Chairs**

A report was **RECEIVED** (CNL/07/45).

07.41 **University of Exeter Foundation Trustees**

The Annual Report and Accounts (CNL/07/46) were **RECEIVED**.

07.42 **Lazenby Committee**

The minutes of the annual meeting (CNL/07/47) were **RECEIVED**.

07.43 **Grievance Committee**

A report from the Grievance Committee hearing held on 26 April 2007 (CNL/07/48) was **RECEIVED**.

07.44 **Performance and Risk Steering Group**

The termly report on risk (CNL/07/49) was **RECEIVED**.

07.45 **Emergency Powers in Summer Recess**

Council **DECIDED** to empower the Chair of Council, Treasurer, Vice-Chancellor and Registrar and Secretary (or, in the absence of one, the other two) to act on behalf of Council in any urgent matters which might arise during the Summer Recess.
07.46 **Powers of Selection Committees in Summer Recess**
Council **DECIDED** to empower the Vice-Chancellor to approve recommendations of Selection Committees in respect of academic and academic-related posts during the Summer Recess.

07.47 **Affixing of the Seal of the University**
Council **APPROVED** the affixing of the Seal of the University to the documents listed in CNL/07/50.

07.48 **Retiring Members, 31 July 2007**
Council placed on record its gratitude to retiring members listed in CNL/07/51, as follows:

Professor Ruth Hawker (see also Minute 07.23 above)
Councillor Mrs Christine Channon
Councillor Roy Slack
Professor William Richardson
Jemma Percy

Council’s attention was also drawn to the retirement of Stephen Scarr, who had been Superintendent of Grounds since 1979. In addition to maintaining and developing the grounds, which had become a distinctive part of Exeter’s identity, he had also been involved in several unique projects including the growing outdoors of the King Protea flower.

07.49 **UUK International Unit**
Council congratulated John Withrington, Dean of International Development on his appointment to serve on the UUK International Unit’s Advisory Board.

07.50 **Chair’s Concluding Remarks**
The Chair made the following concluding remarks:

a) 2006/07 had been a very good year for the University, with the financial position strong despite having made investments for the RAE.

b) The RAE preparations had been very successful with outstanding staff recruitment at Lecturer and Associate Professor level as well as Professors. The retention of academic staff had also been well managed, and the projections for Exeter’s eventual performance gave cause for optimism.

c) Top 20 aspirations were nearly reached and it was credible to start thinking about whether Exeter could be a Top 10 institution. A good result in the Times league table, to be published later in the summer, could reasonably be expected.

d) The Science Strategy was on the point of being finalised, with wide acceptance across all disciplines that this was necessary for the institution’s overall success.

e) Implementation of the Framework Agreement had been labour intensive but well managed.

f) Commitment from Schools to improving the employability of graduates had significantly increased.

g) Despite the Evangelical Christian Union dispute, the University’s reputation was improved since last year with Exeter mentioned alongside institutions such as Bath, Bristol and Durham. The VC’s high profile and wide involvement nationally was key to this.

h) The number, quality and enthusiasm of this year’s Honorary Graduates was very impressive.

i) The main challenges looking ahead were ensuring that Exeter’s ambitions could be financed, and developing staff who could adapt to the mixed economy.

j) Members of Council were thanked for their contribution over the year.

k) The chair wished the VC well for his surgery and hoped he would take time to recuperate afterwards.