

UNIVERSITY OF EXETER

COUNCIL

A meeting of the Council was held on Monday 18 December 2006 at 2.15pm in Committee Room A, Northcote House.

PRESENT:

Pro-Chancellor, Mr K R Seal (Chair)
Pro-Chancellor, Professor R J Hawker
Treasurer, Mr G A Sturtridge
Vice-Chancellor, Professor S M Smith
Senior Deputy Vice-Chancellor, Professor J M Kay
Deputy Vice-Chancellor, Professor R J P Kain
Deputy Vice-Chancellor, Professor N Armstrong
Deputy Vice-Chancellor, Professor M Overton

Mr C J Allwood	Sir Robin Nicholson
Councillor B M Biscoe	Professor W B Richardson
Dr C Brace	Ms Jemma Percy
Mr H W J Stubbs	Mr P Lacey
Mr S Goddard	Lady Studholme
Mr R M P Hughes	Professor R Van de Noort

Registrar and Secretary, Mr D J Allen
Executive Officer, Miss G L Weale

APOLOGIES: Councillor Mrs C Channon, Dame Suzi Leather, Councillor R Slack,
Mr J C Lindley

06.86 Declaration of Interests

The Chair indicated that the Register of Members' Interests was available with the Secretary and invited members to declare any pecuniary, family, or other personal interests relating to the business of the agenda. Mr Lacey declared interests in the INTO project and the Northcott Theatre. Lady Studholme declared a family interest in the Wave Hub, her husband being a member of the South West Regional Development Agency Board.

06.87 Minutes

The minutes of the meeting held on 10 October 2006 (CNL/06/77) were **CONFIRMED** as a correct record, subject to the following amendment:

MINUTE 06.76

7. to secure two seats on the Board of Big INTO
be changed to:

7. to secure one seat on the Board of Big INTO

06.88 Matters arising from the minutes

MINUTE 06.75 CORNWALL PHASE 2

The Registrar and Secretary **REPORTED** that the Phase 2 residences were on time and budget. The academic buildings budget had been reduced by £0.5m, owing to this sum having been transferred by University College Falmouth from the Combined Universities in Cornwall hub to the rim. The contractor would be expected to make savings on fixtures and fittings but, if absolutely necessary, a case for additional funding would be made to the University's Capital Planning Group.

06.89 Office of Pro-Chancellor

The Chair reminded Council that the period of office of Professor Ruth Hawker as pro-Chancellor would expire at the end of July 2007. The Chair reported that three responses had been received following an invitation to all members of Council from the Nominations Committee to

nominate from amongst existing lay members of Council, but he was happy to receive any further thoughts from members. The Chair would be talking to nominees in the New Year and the resulting shortlist discussed at Nominations Committee in February. Council would be kept fully informed and a transparent process would be used to determine the final outcome. An appointment would need to be made by Council at its meeting on 5 April 2007.

06.90 **Peninsula College of Medicine and Dentistry**

The Dean of the Peninsula College of Medicine and Dentistry, Professor John Tooke, was present for this item.

Council **CONSIDERED** the PCMD's Annual Report for the year 2005/06 (CNL/06/78). Professor Tooke reported that 2005/06 had been a very successful year for the PCMD with three particular highlights: firstly that the PCMD had been one of only three UK medical schools to be awarded additional medical student numbers, secondly the award of the first new UK dental school for 40 years, and thirdly the significant increase in research grant and contract income.

The fifth year of the Undergraduate programme had been ratified and the entire programme approved by the General Medical Council, after an extremely rigorous approval process which had included seven visits to the College. The final report had commended the College in several areas including its assessment methods. Undergraduate recruitment was strong, with ten applications to every place and an increase in the entry requirements from 439 UCAS tariff points to 450. Increasing numbers of students were eligible for bursaries which was an indication of positive results from widening participation efforts. The first cohort of students to the Dental School would be starting in September 2007 so there was a tight schedule for making preparations but the project was on target to meet the deadline. Professor Liz Kay had been appointed as the inaugural Dean of the Dental School.

Postgraduate programmes were fully integrated under the Postgraduate Health Institute, which now had a population of 610 students, an increase of 18% on the previous year. There were significant challenges in the postgraduate medical education environment, not least the reconfiguration of NHS bodies in the South West. The structure of the Institute was under review and the resulting series of options would be discussed with all partners before reaching a conclusion.

Research activity during the year had been aligned with Exeter's RAE targets. Research grant and contract income had increased to £6m and was projected to improve further. A bid for £3.5m for an experimental medicine project had been successful and would contribute to translational research activity, an area of increasing importance nationally. Central to the review of the research strategy undertaken this year had been a detailed analysis of competitors and the College now aspired to be in the top 15 of UK medical schools in research performance by 2015. The review had concluded that current research activity was of the correct quality but on an insufficient scale, with the College having an average of one third of the capacity of its competitors. This gap in capacity had been costed in terms of capital and revenue and if investments were made, would also contribute to the aspirations of the University's Science Strategy, as well as meeting the College's targets. The Queen's Anniversary Prize had been awarded to the Molecular Genetics team.

In financial terms, the final outturn for the year had been a small surplus, although the current unreliability of NHS funding might lead to problems in future years. The College was well meshed with the partner institutions although IT systems and human resource management remained challenging.

The year 2006/07 would see the first cohort of students graduating from undergraduate medical programmes, and the first year in which the College would participate in the National Student Survey. A review of teaching provision was planned, with a view to be in the top five of UK medical schools for teaching, and in order to ensure that programmes were fit for purpose in the rapidly changing modern health system. As medical unemployment was now a possibility, it was critical that graduates from the College were able to compete in the jobs market. On the research side, developments in Cornwall would be explored.

In response to questions, the following points were made:

- Council should be clear that the unreliability of NHS funding, particularly that originating from the education and training budgets, was the most significant risk to the University's income. There could be short term cuts of 15% to universities from the NHS, which represented £3m to the PCMD. Council would need further updates as the position for next year became clearer, but there was cause to be more optimistic about the future.

The Cooksey Report had announced that the two streams of funding for medical research would be co-managed, and the PCMD was in a good position to secure funding from this source as local research networks had been established in advance of other regions.

- The relationships and partnerships held by the Medical and Dental Schools were different, hence the difference in the risks each was exposed to. The Dental School was working with a new model of education focussed on community work where partnerships with the new, and therefore untested, Strategic Health Authorities were central. The Medical School worked more closely with NHS trusts, where relationships were well established and therefore less of a risk.
- The Dental School would be focussing in the medium term on ensuring that the new undergraduate programme was successful, but research would also be developed as an integrated element of the School's activity once teaching priorities were established.

It was emphasised that the PCMD was integral in the University's wider Science Strategy, particularly in the contribution it was making to translational research activity, but also in the potential for collaboration with other schools, including Sport and Health Sciences. If future research funding favoured translational research, the PCMD would be in an excellent position to benefit. There were ambitions for a new Translational Medicine hub, which, along with other potential projects, would need to be costed and discussed with all schools.

Finally, the Chair emphasised to Council the critical strategic importance of the PCMD to the University and thanked Professor Tooke for the comprehensive report of very good performance in the last year.

06.91 Audit Committee

a) Council **CONSIDERED** the Annual Report of the Audit Committee for 2005/06 (CNL/06/79). Thanks were expressed to the Director of Finance and the Chair and members of the Committee for their contribution through the year. The internal auditors, Deloitte and Touche, had been replaced by Mazars from 2006/07. During the year, the Committee had paid much attention to issues with Cornwall and Tremough Campus Services (TCS), where the auditors had raised serious concerns around the accounting services provided by University College Falmouth (UCF). In particular the auditors had observed that the activities of TCS and UCF were not adequately segregated and distinguishable from each other. In response to these concerns, the Registrar and Secretary reported that at a recent meeting of the TCS Board, it had been agreed by a majority that a professional accountant should be appointed directly to the joint venture, reporting to the Campus Services Director of TCS and therefore under the control of, and accountable to, the TCS Board. This arrangement should give Council assurance that the concerns of the auditors had been addressed. However, this was a short term move. The potential size of the Cornwall campus would require a major review of the arrangement for service provision.

Audit Committee's discussions had also focussed on procurement, which it was assured would be streamlined and rationalised in 2007/08.

b) The Annual Audit Return to HEFCE (CNL/06/80) was **RECEIVED**. Dates of the membership of the Chair needed to be double checked.

06.92 Financial Statements for the Year Ended 31 July 2006

a) A commentary on the University's Financial Statements for the year ended 31 July 2006 (CNL/06/81) was **RECEIVED**. The final historic cost surplus was £3.7m which was ahead of the target set for the year. The main reason for this was cautious spending within schools. The Director of Finance, who was unavoidably absent, would respond to any queries from members outside the meeting.

b) The University's Financial Statements for the year ended 31 July 2006 (CNL/06/82) were **RECEIVED** and **APPROVED**. The Statements had been discussed as Audit Committee and at Strategy, Performance and Resources Committee. The Treasurer confirmed that he was comfortable with the figures and drew attention to the fact that the accounts had been prepared on the basis of the revaluation of assets. He agreed that it was right to invest for the RAE and for Top 20 activity but that the University should begin to build up reserves to protect high risk activity. The Treasurer further commented that the role of his office would continue to be reviewed so that he was able to provide Council with information and assurances about the

financial health of the institution, rather than become too involved in the detailed preparation of the accounts. In the light of this the accounts would be presented differently next year so that the Finance Director authored the detailed report and the Treasurer provided an independent commentary, providing a distinction between the advocate and the assurer.

The Director of Finance was thanked for his work in preparing the accounts, a process which had happened very smoothly this year.

The latest forecast for 2006/07 (which could be found in the minutes of the meeting of Strategy, Performance and Resources Committee held on 21 November 2006, attached at CNL/06/95) was a surplus of £600k against a target of £1.5m. This forecast had been adjusted as reported to Vice-Chancellor's Executive Group on 11 December 2006 to a surplus of £1.3m. The improvement could be explained by increased income to Hospitality Services and adjustments for depreciation. £900k was being held in contingencies against adverse variances in schools caused by under-recruitment of postgraduate taught students. The numbers presented could be relied upon for accuracy as better review processes were in operation than in previous years.

The divestments which were all expected to be received by July 2007, were detailed as follows:

- Sale of Crossmead – contracts were to be exchanged imminently [Post meeting note: sale now completed].
- Signpost Housing projects – contracts had been exchanged on Bonhay House for the creation of 70 student bedspaces.
- Rowancroft – a planning application for 210 bedspaces would be submitted in February 2007. If this went ahead, the University would receive £1.5m as a capital receipt. The developers would complete the transaction on risk of planning permission.

06.93 **Wave Hub (COMMERCIAL IN CONFIDENCE)**

06.94 **Performance Review – Corporate Plan and Key Performance Indicators**

A report was **CONSIDERED** (CNL/06/84). The format was very useful, enabling easy identification of elements of the Top 20 strategy requiring attention. It would be helpful to have some indication of the percentage change required in each indicator in order to move up one place as this would direct the allocation of resources. School-level data on relevant indicators would be presented at the meeting of Council in April, and it would be important to have detailed forecasting of variances so that schools could respond quickly if changes were required.

There was a strategy for prioritising investment in each metric, although it was emphasised that not all required funding to achieve, for example, improving graduate employability would be addressed by new methods of working. It would not always be possible to quantify the return on investment in certain metrics because of interrelationships between them. Other priorities for investment were not contained within the Top 20 strategy, such as the Science Strategy, hence the formation of a Strategy Co-ordination Group, to determine priorities across all demands for investment.

Through the 1994 Group, the University was well placed to share best practice from other institutions and work in collaboration on common problems, such as graduate employability. It was important that all staff were well networked so that they could consult colleagues at other institutions for ideas.

06.95 **Committee of University Chairmen**

The Chair gave an oral update. Hard copies of the CUC guidance on Key Performance Indicators for University Governing Bodies would be circulated shortly, and would be discussed in detail at the Council away day on 23 February 2007. The document consisted of two top level indicators; sustainability and the academic profile, eight supporting themes and 65 detailed performance indicators. Challenge questions for governors to put to executives and guidance on ways of engaging were also included.

The Registrar had gained an assurance that the guidance would not be used for regulation of institutions by the funding council. It was therefore not compulsory for governing bodies to use these particular performance indicators and there were instances where Exeter's own metrics were more useful, for example the Top 20 indicators had the advantage of strong supporting

comparative data. The Chair was also of the view that the guidance strayed into executive responsibilities, but that there were useful elements worth considering, such as the performance indicator on capital productivity.

06.96 **Performance and Risk Steering Group**

Council **RECEIVED** the termly report on risk (CNL/06/85). The difference between the residual risk and the tolerance gap under each risk heading was the critical element for Council to note. It was agreed that all joint ventures and partnerships should be considered in the risk register as a group, as collectively they might pose more of a risk than individually, according to each venture's own risk assessment.

06.97 **Vice-Chancellor's Report**

a) A report from the Vice-Chancellor was **RECEIVED** (CNL/06/86). The Vice-Chancellor drew attention to the following items:

1. Death of First Year Student

Council should be reassured that the Guild and University took the recent tragic death of an undergraduate student extremely seriously and continue to work together to create a social culture that was less reliant upon alcohol. A review of first-year academic workload would also take place. Thanks were expressed to the Director of Student Services who had led on handling the incident and liaised with the parents of the deceased student.

2. Northcott Theatre

The Vice-Chancellor had declared an interest as Chair of the Northcott Theatre Trust and therefore the Registrar and Secretary had represented the University during discussions. The Theatre had been unable to raise all the funds required for the planned improvements and following much hard work by colleagues in Finance and Buildings and Estates, the project had been scaled back to cover essential health and safety-related works which could be met from available funds.

3. 2007 Entry Admissions Data

As at 8 December 2006, undergraduate applications were up by 27% on the same time last year, as against an overall national increase of 2.2%.

8. 2006 Pre-Budget Report

Following intense lobbying by the 1994 Group, the outcome was very positive for the University, including the continuation of QR for a further eight years, which vindicated the investments made in staff for the RAE. The Vice-Chancellor was congratulated on achieving such a good result.

14. Universities Superannuation Scheme

The University would not have been able to undertake the restructuring of recent years if it had had to bear the actuarial strain of early retirements for staff under the age of 60.

b) Council **RECEIVED** an oral update from the Vice-Chancellor on the following matters:

Contribution Based Reward

All staff would receive the gainshare of £275 pro rata in their December salary payment. The Registrar and Secretary would be undertaking a review of the non gainshare element Contribution Based Reward Scheme in the New Year.

Grievance Committee

Council **AGREED** to the establishment of a Grievance Committee to hear a grievance. It would be chaired by the Second Pro-Chancellor with other members to be Hugh Stubbs (if available to serve) and a member of Senate.

The Evangelical Christian Union

The Bishop of Exeter left the room for discussion of this item in case he became involved at some point in the resolution of this matter.

The Chair reminded Council that they had been regularly briefed on this matter, including receipt of legal advice, and that their chief concern were the legal and governance issues arising.

The Guild President updated Council on the latest position which was that the motion to fast track the equality and diversity audit of the ECU had expired and that therefore their privileges had been restored. Nevertheless the audit had revealed certain equality and diversity breaches, including a barrier to entry and failure to follow the Guild's generic election rules for its societies. Next term a schedule would be put in place for the Guild and ECU to work together to resolve these breaches through discussion.

The Guild members left the room at this point in the discussion.

The Registrar informed Council that legal advice was that it had satisfactorily discharged its legal responsibilities in relation to the Guild thus far and it was now for Council to appoint an independent person to hear any complaint and adjudicate, under terms of reference as described in the legal advice previously circulated.

Following discussion, Council decided that Professor Michael Clarke, Vice-Principal of the University of Birmingham, be approached with a view to his acting as independent adjudicator. Council AGREED:

- i) that the current position be noted;
- ii) that professor Michael Clarke be invited to act as an independent person to hear any complaint that might be received in relation to this matter.

The Vice-Chancellor drew attention to the report by the think tank Ekklesia concerning conflict in British universities between Students' Unions and Christian Unions.

06.98 **Joint Committee on Honorary Degrees** (Strictly Confidential)

The Bishop of Exeter left the room for discussion of this item.

Council **APPROVED** the list of recommendations for the award of honorary degrees in 2006/07 (CNL/06/87). It was custom and practice not to award honorary degrees to serving members of Council but in this case, the Bishop of Exeter was being recommended for his services to the City and region and not the University. The process for selecting honorary graduands had improved again this year and it was noted that of the six women nominated, five had been recommended for the award. Members of Council were reminded that the list was strictly confidential until a public announcement had been made.

06.99 **Equality and Diversity**

Council **RECEIVED** the Annual Report on Equality and Diversity 2005/06 (CNL/06/88). This was a key area of Council's responsibility, and good progress had been made since the new Equality and Diversity Officer had started in post in January 2006. The role included both supporting people within the University who had suffered discrimination and also provide education and training to promote equality and diversity. During the year, harassment advisors had been appointed in schools, a system set up for reporting racial incidents (a statutory responsibility), and the Disability Resource Centre had won a regional award for disability support.

Council was assured that the University was meeting its statutory obligations in the field of equality and diversity and the action plan was highly commended. Accessibility to different parts of the campus and adaptations for those with sight and hearing impairments was taken into consideration and various projects such as deaf alerts for fire alarms would be taken forward next year.

06.100 **Health and Safety**

The Annual Report for 2005/06 (CNL/06/89) was **RECEIVED**. Health and Safety Committee would need a new Chair after Professor Naylor become Head of the School of Physics. The Committee reported to Strategy, Performance and Resources Committee and also to Physical Resources Committee.

Overall Exeter performed well compared to other 1994 Group institutions on health and safety but the main areas of concern were in injuries caused by slipping and lifting. The number of serious accidents was reducing. Arrangements for evacuating the disabled from University buildings had been agreed with the Fire Service. Evidence was required in the report of the work done in ensuring that contractors on University property operated in accordance with the University's health and safety policies.

06.101 **Sustainability Report**

Council **RECEIVED** the Annual Report on Sustainability for 2005/06 (CNL/06/90). The issue of financial and physical sustainability was a priority for the institution, although there was debate around the definition of "sustainability". Highlights from the year included:

1. Transport – a transport plan was now in press including plans for a new car parking regime which would be implemented in October 2007, following consultation.
2. Carbon Footprint – a detailed analysis of the University's Carbon Footprint including an institutional carbon audit had been completed, and work was underway on an action plan for reducing emissions. This would focus on better building controls for heating and lighting.
3. Energy Manager – significant energy savings had been made following the appointment to this post.
4. Sustainability Officer – it was hoped that the creation of this new post would allow actions to be taken forward.

During discussion, the following points were raised:

- The impact on the city of the University's transport plans would need to be carefully considered, as reducing car parking on campus could transfer the problem elsewhere. The problem of student parking needed urgent resolution.
- The University should have an input into sustainability discussions taking place in the region, particularly with Devon County Council.
- The report did not discuss sustainability in relation to the Tremough campus, although there was a Cornwall member on the Committee. Sustainability was a responsibility of Tremough Campus Services but it was important that Exeter had a strong influence over activity in this area. Meetings had been held with Cornwall County Council highways department to ensure that the travel plan for Tremough was integrated with the county's plans. There would also be environmental conditions attached to the EU funding for Phase 3 which would ensure that buildings were constructed in a sustainable manner.
- The Met Office was keen to work with the University to develop Exeter as a sustainable city.
- Detailed figures on CO₂ emissions savings were required for Council's meeting in April 2007.

06.102 **Implementing the International Strategy**

Council RECEIVED an update on progress (CNL/06/105). All the documents relating to the joint venture with INTO University Partnerships had now been signed and thanks were expressed to John Withrington and the Director of Finance for their hard work and nimble negotiations. The Registrar and Secretary would sit on the Big INTO Board. The planning applications associated with the joint venture had not yet been submitted but as they were contained in the Local Development Framework it was hoped that permission would be granted.

06.103 **Cornwall Phase 3**

a) Council Received an oral report from the Deputy Vice-Chancellor (Resources). The RDA was managing the funding bid to the EU and had established seven "task and finish groups" on

different themes, which had indicative sums allocated to them. There was less available for Combined Universities in Cornwall than had originally been envisaged. A Council decision on proceeding with Phase 3 might be required before its next meeting on 5 April 2007, in which case an extra meeting would be called, or a decision could be taken at Council's away day on 23 February 2007.

b) A report from the Ad-Hoc Advisory Group was **RECEIVED** (CNL/06/91).

06.104 **Student Residences Project with Signpost Housing Limited**

The planning appeal relating to Consignia Court had been successful and so the development of these residences would proceed on a direct let basis. Rowancroft was still subject to planning, Signpost's appeal having been lost, but the sale and leasehold deal was proceeding with Signpost taking the planning risk. Sites for student residences would continue to be sought in Cornwall. The Vice-Chancellor and Registrar had attended a meeting with Exeter City Council but further work was needed to persuade local councillors to accept the principles behind the University's residences plans.

06.105 **Strategic Partnership with ANGLE plc for IP Commercialisation**

Council considered a paper describing the latest position (CNL/06/92). A recent meeting held between Angle representatives and Exeter academics had been successful as it was considered that Angle had demonstrated a good understanding of the academic culture. It was **AGREED** that further negotiation and work on due diligence could be delegated to VCEG, on condition that:

- The five-year without cause breakpoint remained, as it was a critical part of the deal.
- The University could be assured that Angle had the capacity to devote resources of sufficient quantity and quality to exploiting Exeter's intellectual property, despite demands from its other partners.
- The Boards of the spin-out companies should be responsible for their future and it should not be possible to dilute the Exeter shareholding without agreement.
- As regards sharing the economic rent in shareholdings, this should be on a case by case basis and not on a pre-agreed formula.
- The venture would only proceed if it had the confidence of the academic community. The Registrar would be forming a small group of key academics as part of the due diligence work in order to capture their input.

06.106 **Strategy, Performance and Resources Committee**

a) The report of the meeting held on 16 October 2006 (CNL/06/94) was **CONSIDERED**. The revised accounting policies, planning parameters for Top 20, and the new External Affairs Strategy were **APPROVED**.

b) The report of the meeting held on 21 November 2006 (CNL/06/95) was **CONSIDERED**.

06.107 **Remuneration Committee**

A report of the meeting held on 26 October 2006 (CNL/06/96) was **CONSIDERED**.

06.108 **Audit Committee**

a) The report of the meeting held on 4 October 2006 (CNL/06/97) was **CONSIDERED**. The appointment of Ernst and Young as external auditors for the year to 31 July 2007, was **APPROVED**.

b) The report of the meeting held on 16 November 2006 (CNL/06/98) was **CONSIDERED**.

06.109 Council Nominations Committee

The report of the meeting held on 14 November 2006 (CNL/06/99) was **CONSIDERED**.

06.110 Senate

A report of the meeting held on 29 November 2006 (CNL/06/100) was **CONSIDERED** and matters **APPROVED** as follows:

- The establishment of the joint venture with INTO University Partnerships as a centre of the University, as provided for under Ordinance 19.3 and to add a representative of the joint venture on to both the Board of the Faculty of Undergraduate Studies and the Board of the Faculty of Postgraduate Studies.
- The amendment to Section 8(i) of the Statutes relating to membership of Senate.
- The granting of Ordinance 28 status to certain members of staff.
- The appointment of Professor Tim Naylor as Head of the School of Physics from 1 August 2007 to 31 July 2012.
- Changes to the BMBS Academic Regulations relating to registration and payment of fees and the suspension of studies.

06.111 Joint Selection Committees for Chairs

A report (CNL/06/101) was **RECEIVED**.

06.112 Northcott Theatre

A summary of the Northcott Theatre Lease Agreement (CNL/06/102) was **RECEIVED** and **APPROVED** the University's entering into the lease.

06.113 Tremough Innovation Centre

An update (CNL/06/103) was **RECEIVED**.

06.114 Affixing of the Seal of the University

Council **AUTHORISED** the fixing of the University seal to the documents listed in CNL/06/104.

06.115 St Luke's College Foundation

Council **APPROVED** the appointment of Dr Michael Wykes to the Foundation.