

COUNCIL

A meeting of the Council was held on Thursday 13 December 2012 at 1.30pm in the Council Chamber, Northcote House.

PRESENT: Pro-Chancellor, Miss S J Turvill (Chair)
Mr C J Allwood
Senior Deputy Vice-Chancellor, Professor N Armstrong
Dr S Buck
Mr N Bull
Mr N Davies
Professor K E Evans
Ms J Hargadon
Mr P J M Hodges
Mr R M P Hughes
Mr M Jordan
Deputy Vice-Chancellor, Professor J M Kay
Mr P Lacey
Dame Suzi Leather
Professor D A Myhill
Sir Robin Nicholson
Ms B Rigg
Vice-Chancellor and Chief Executive, Professor Sir Steve Smith
Ms S Wilcox

IN ATTENDANCE: Registrar and Deputy Chief Executive, Mr D J Allen
Director of Finance, Mr A Connolly
Director of DARO, Ms S E Hills (in attendance for minute 12.120)
Chief Executive of the Students' Guild, Mr J R A Hutchinson
Assistant Director, Health and Safety, Ms K Lindsell (in attendance for minute 12.117)
Interim Director of Human Resources, Mrs S Middleton
Deputy Vice-Chancellor, Professor M Overton
Director of Campus Services, Mr G Pringle
Research Integrity and Reputational Risk Manager, Ms G M Seymour (in attendance for minute 12.120)
Deputy Registrar and Director of Academic Services, Ms M I Shoebridge
Deputy Vice-Chancellor, Professor N J Talbot
Executive Officer, Mrs J Williams

APOLOGIES: Professor S J Rippon

12.109 **Chair's Opening Remarks**

The Chair welcomed Suzanne Middleton, Interim Director of HR, to the meeting.

12.110 **Declarations of Interest**

Members **NOTED** the register of members' interests in relation to the business of the agenda including standing declarations of interest.

Dame Suzi Leather announced that she had been appointed to the General Medical Council. The Register would be updated to reflect this. Members congratulated Dame Suzi on her appointment.

12.111 **Minutes**

The minutes of the meeting held on 11 October 2012 were **CONFIRMED** (CNL/12/101) as a correct record, subject to the following amendments:

- (a) MINUTE 12.95(a) FINANCIAL POSITION 2011/12
Amend "One criteria for debt..."
To read "One criterion for debt..."
- (b) MINUTE 12.95(d) UNIVERSITY OF EXETER INVESTMENTS GROUP
Amend "...Clare Berthoud (an Exeter Alumna) and Hugh MacDougald."
To read "...Clare Berthoud (an Exeter Alumna) and Hugh MacDougald (Exeter Alumnus and Head of Private Client Practice, Winckworth Sherwood)."

12.112 **Matters Arising from the Minutes**

- (a) EXETER SCIENCE PARK (**COMMERCIAL IN CONFIDENCE**)
(reference minute 12.91(a))
- (b) COLLECTIVE BARGAINING (**COMMERCIAL IN CONFIDENCE**)
(reference minute 12.91(b))
- (c) THOMAS HALL (**COMMERCIAL IN CONFIDENCE**)
(reference minute 12.51(d))
- (d) CAMBORNE SCHOOL OF MINES (CSM) REVIEW (**COMMERCIAL IN CONFIDENCE**)
(reference minute 12.93(b)(v))

12.113 **Vice-Chancellor's Report**

- (a) Council **RECEIVED** a report from the Vice-Chancellor (CNL/12/109), which covered the following topics:
- (i) Announcements:
- *Appointment of Dean for the Faculty of Taught Programmes* – Professor Mark Overton had been appointed as Dean of the Faculty of Taught Programmes with immediate effect. He would serve a full three-year term and would be taking on this role alongside his duties as Deputy Vice-Chancellor until July 2013 (when his term as DVC would end). Mark would then continue part-time as Dean of the Faculty of Taught Programmes until July 2015 alongside his Professorship in History.
 - *Visiting Dean for Learning Enhancement* - Sean Mackney, Senior Deputy Chief Executive for the Higher Education Academy, would be working with the University on a pro bono basis during this academic year as Visiting Dean for Learning Enhancement.
 - *Equality Challenge Unit Appointment* - Bettina Rigg had been appointed the governor representative on the advisory group for a project being undertaken by the Equality Challenge Unit, examining support for staff and students with mental health issues.
 - *University status for regional partners* - University College Falmouth had been told that, subject to Privy Council approval, it would be awarded university status, hopefully by the end of 2012. It would be subsequently known as Falmouth University. University College Plymouth St Mark and St John (Marjon) had also been told that it would be awarded university status following final Privy Council approval, and would subsequently be known as the University of St Mark & St John. Council recorded their congratulations to both institutions on this development.
- (ii) Admissions - The latest figures showed that applications for the University for 2013 were very encouraging, with applications up 24% on last year (12% excluding BMBS). This performance could be benchmarked against the University's comparator group, which was witnessing a 3.5% fall in applications, and the sector which was currently 7.6% down at the same point in the cycle.

Exeter campuses were 26% up (9% excluding new programmes). It was expected that over 70% of applications had now been received for Exeter campuses and just under 50% for Cornwall. Applications for Cornwall programmes remained a concern, and at the time of the report, applications were down 6%. However, as Council was aware, a suite of contingency measures were currently being implemented to boost applications for Cornwall programmes for both 2013 and 2014 entry.

- (iii) UKBA Compliance Confirmed - the University had received formal confirmation from UKBA that the inspection visit held on 20 September found the University to be fully compliant and recommended the University's Highly Trusted Status be maintained. The report received indicated that the University met the individual criteria in both Tier 4 (students) and in Tier 2 and 5 (HR). UKBA also used a rating system where Exeter had achieved a rating of 1 which meant all criteria were met. There were no issues noted for attention or action. Council congratulated Simon Wright and the team which had delivered this excellent result.
- (iv) College Governance - VCEG and College Deans had agreed to implement new role profiles from 2013/14, including the introduction of the new role of Head of Discipline.

Heads of Discipline would be accountable to and line-managed by the College Dean and would provide strategic leadership for academic staff within a discipline area. The existing roles of Academic Lead, Director of Education and Director of Research had been reviewed to ensure that all roles were fully aligned and provided comprehensive management arrangements within each College. Dr Andrew Shaw, in his capacity as Chair of the Academic Staff Association, had signed off the proposals, Human Resources were consulting with UCU representatives, and academic staff were currently being fully briefed on the changes.

- (b) In addition to the written report, the Vice-Chancellor drew attention to the following:
 - (i) Appointment of Registrar and Secretary – the decision had been taken to move to a new Chief Operating Officer (COO) model. This was a corporate model that was becoming more prevalent amongst Russell Group institutions. The selection committee had met and were delighted to inform Council that Dr Claire Baines would be taking up this new role. Claire would have full responsibility for leading the unified Professional Services, with the exception of Finance Services, where Andrew Connolly would become Chief Financial Officer, reporting directly to the Vice-Chancellor. Claire was the former COO at De Montfort University and prior to that held a range of senior management positions at the University of Sheffield. She holds a BSc (Hons) in Applied Biology from Trent Polytechnic, a PhD in Plant Physiology from the University of Nottingham and a PG Certificate in Higher Education from the University of Southampton. Claire would join the University as COO designate on 1st March 2013, becoming COO from 1st April 2013. Michele Shoebridge and Geoff Pringle would both act as Deputy Chief Operating Officers for the University once Claire started.
 - (ii) As Council were aware, Exeter was going to be a partner in an exciting regional development to set up one of the first two Maths specialist schools with Exeter College. The other school would be led by King's College London. This would cater for talented Maths students as a Free School with intake from four counties (Devon, Cornwall, Somerset and Dorset) with a planned total number of students of 120 by September 2017. The bid was submitted to the Department of Education on 11th December and the outcome would be announced in early January, with the school opening in 2014. It would be taught by Exeter College teachers with contributions from staff in pure and applied Maths in the College of Engineering, Mathematics and Physical Sciences (CEMPS), input from the Graduate School of Education and from CEMPS students as mentors and ambassadors. It was hoped that at least some of these talented students would choose to progress to the University. Council would be kept informed of the progress of the bid.
 - (iii) Exeter had agreed to participate in a new Open University joint venture called FutureLearn with other UK HE partners to develop a Massive Open Online Course System (MOOCs). The aim was to establish the UK as a leader in MOOCs provision and compete directly with the US. There would be direct benefits to those UK HEIs participating in terms of reputation, attracting additional students, contributing to missions and to KPIs, enhancing brand for innovation and stimulating innovation in pedagogy, and augmenting core campus delivery. The University's partners would be other leading UK HE institutions, the majority of whom would be Russell Group members, but also iconic British brands (including the Royal Society and Unilever). No financial investment was required from the University at this point as start up funding was being provided by the Open University. The venture would be launched in January 2013 in London and New York with the first courses running from October 2013.

- (iv) In another development with the Open University, Exeter was taking forward the International two plus two programme in partnership with King's College London, Birmingham, Bristol and Southampton. Initially this would bring students on to Science and Engineering courses at Exeter. The Open University would enrol students on a digital programme for two years part-time and if students passed this course and met the University's conditions for entry they would enter Exeter programmes in the second year. Academic colleagues would have opportunity to provide input to the pre-course content. Costs of the digital programme would be borne by the Open University and Exeter would receive the full international fee over two years. The programme would launch in 2013, with students coming to Exeter in 2015. Development with other programmes could take place from 2014.
- (v) The UCAS end of cycle report had been published. This had undoubtedly been the most complex and challenging year of admissions to date, for Exeter and the UK generally, and the report provided some fascinating findings:
- Applicant demand was weaker, both in terms of applications and acceptances. Although the acceptance rate rose slightly, it was not enough to compensate for the fall in applications. There were 27,000 fewer students accepting in 2012. However, the recent changes in deferral patterns increased the impact experienced by institutions on entry in 2012 to a 54,000 fall.
 - The fall in applicants correlated with entry qualifications. High tariff entry numbers fell by 7%, average tariff entries fell by 11% and the lowest third fell by an average of 14%.
 - The reduction in entry rates for men was four times greater than for women. If the number of men who had applied last year were all admitted to University this year and if women had the same acceptance rate this year there would still be more women going to University.
 - Placement through insurance offers fell by 28%.
 - Fewer offers were made overall but more applicants received 5 offers. This meant that the sector made fewer offers to a smaller pool and concentrated them on a smaller group – hence the lower number of acceptances overall. The rules of conversion were changing and predictions for the future could not be based on historical trends because students were applying differently.
 - The proportion of English 18 year old applicants predicted higher grade profiles in 2012 increased by 9% - more than is typical.
 - Whilst participation had fallen for the four richest quintiles, the participation rate for the poorest quintile had increased.
 - For the first time ever the participation rate of AAA+ students had dropped below the participation rate of AAB or ABB students. There was no definitive answer for why this was happening but it might be due to more AAA+ students studying overseas, getting jobs or dropping out and re-applying because they had achieved the top grades.
 - It was too early to say whether the decrease in numbers was a one year dip or would become a trend. There was an age cohort drop between 2012 and 2013 entry of 3% though and so this would affect the figures. The University would have to look carefully at its offer practices.
- (vi) Student Number Control (SNC) – the Government had decided to move to ABB deregulation for 2013. The University would not know its SNC until 18th January. However it was understood that HEFCE would base SNC intake on 2011 and would give institutions either 20% of their total student numbers in 2011 or 110% of the numbers taken below AAB in 2011 – whichever was the smaller. Institutions would have opportunity to appeal their SNC and the University was considering this for Cornwall numbers. The penalty for over recruiting against the SNC had not yet been clarified.

12.114 **Finance** (COMMERCIAL IN CONFIDENCE)

- (a) FINANCE MONITOR
(reference minute 12.91(d))
- (b) FINANCE STRATEGY
(reference minute 12.95(b))

12.115 **Four-Way Cooperation Agreement between the Universities of Bath, Bristol, Cardiff and Exeter** (COMMERCIAL IN CONFIDENCE)

12.116 **Capital Projects**

- (a) LIVING SYSTEMS BUILDING (COMMERCIAL IN CONFIDENCE)
(reference minute 12.96)
- (b) NEWMAN LECTURE THEATRES REFURBISHMENT & UPGRADE (£2.3m)

Council **CONSIDERED** a Request for Authorisation in respect of the Newman Lecture Theatres Refurbishment and Upgrade (CNL/12/114).

The Registrar noted that this project would refurbish the most frequently used (67% average) and poorest condition lecture theatres on the Streatham campus. It would create a new c160 seat lecture theatre, refurbish the largest lecture theatre space (350 seats) after the Forum Alumni Auditorium and three further lecture theatres. It would provide a net increase of 25 lecture theatre seats and would positively impact across all major subject areas on the Streatham campus and the majority of students.

The request for authorisation was brought to Council on the recommendation of the Infrastructure Strategy Group (ISG). The project was part of the Infrastructure Tranche 2 allocation which was already funded. Council were being asked to approve this project as it was over £2m.

In discussion it was noted that the programme for the project was tight and a plan was in place to mitigate the risk of works running in to term time. This plan primarily focused on accelerated working including 7 day working and double shifts. As a contingency the timetable for the lecture theatres was also being reviewed.

It was also noted that a BREEAM standard of 'Very Good' was targeted for all refurbishment projects at the University.

Council **APPROVED** the expenditure of £2.3m from the Teaching and Learning Budget in Tranche 2 for the full refurbishment of the Newman Lecture Theatres.

12.117 **Review of Health and Safety** (COMMERCIAL IN CONFIDENCE)

Kate Lindsell in attendance

12.118 **Sustainability**

Council **RECEIVED** the Annual Report for 2011/12 (CNL/12/116).

The paper set out in summary the achievements for the academic year 2011/12 and the key priorities for environmental sustainability going forward.

Deputy Vice-Chancellor, Professor Mark Overton, introduced the report and noted that it was an excellent report that reflected the very strong sustainability team led by Karen Gallagher and supported by the Estates Development team.

The following key points from the report were noted:

- The University had been ranked 24th out of 137 UK institutions in the People and Planet League table and had received a 'First class award for environmental performance' for the third year running. In this year's table Exeter was leading both its Peer Group and the Russell Group.
- The University had achieved its carbon reduction target for the year. These targets were absolute and year on year the University had to reduce energy consumption absolutely even when bringing new buildings on stream. This would continue to be a challenge but colleagues were confident that it could be achieved.

- The University's work on sustainability in the curriculum was sector leading. In addition a third of academic staff were now connected to sustainability in some way through their research and the University was very good at connecting the sustainability roles of academics and Professional Services.
- A number of new initiatives had been implemented for sustainable travel this year. There had been very productive negotiations with Stagecoach for discounted staff bus fares and reduced price student bus passes. Fewer than 35% of staff now came to work as a sole occupant of a car. This was one of the lowest percentages in the sector and excellent given Exeter's location.
- The sustainability plan for 2012/13 would look to achieve greater buy-in to the sustainability agenda across the whole University. Increasing staff participation in the Green Impact Scheme would be a key priority. This was a very successful scheme and was strongly supported by Professional Services. The challenge would be to now roll it out more widely to Colleges.
- The sustainability team would also be working closely with the Health and Safety Office in the coming year on environmental legislation; developing effective controls for managing environmental risk and providing support for users.

Peter Lacey, Dual Assurance Lay Lead for Environmental Sustainability commended the report and noted the amazing difference in the level of activity that had been undertaken in this area since Karen Gallagher had joined the University. The level of enthusiasm and challenge demonstrated had been extraordinary, and the level of engagement with students and the local community had acted as an exemplar.

Members discussed the challenge the University faced in continuing to meet its carbon reduction targets. There were a number of new buildings due to come on stream this year and this would make the target increasingly difficult. The University needed to be very clear about how it would continue with the progress made and the steps needed to remain on track.

Members also discussed the issue of Whole Life Costing (WLC) for buildings. This was only looked at partially through BREEAM assessment. In the long term the University needed to consider whether WLC should be done for all buildings and the link with BREEAM, since energy costs were only likely to rise in the future.

12.119 **Council Away Day: November 2012** (COMMERCIAL IN CONFIDENCE)

12.120 **Ethics and Reputation Management** (COMMERCIAL IN CONFIDENCE)
Susie Hills and Gail Seymour in attendance

12.121 **Financial Statements for the Year Ended 31 July 2012**

It was **REPORTED** that Financial Statements for the Year Ended 31 July 2012 had been **APPROVED** (CNL/12/102 - CNL/12/107).

Members also noted that an amendment had been made to CNL/12/102 – page 1 paragraph c. to read:

“A copy of the KPMG Management Letter is provided on the Council member's website, along with the Letter of Representation. VCEG reviewed the Letter of Representation at its last meeting and have confirmed that it is reasonable for Council to provide the representations set out in the letter. Also attached is the Audit Committee's own report to Council.”

12.122 **Remuneration Committee** (STRICTLY CONFIDENTIAL)

Council **NOTED** a report from the recent meeting of Remuneration Committee (CNL/12/120).

12.123 **Audit Committee**

- (a) It was **REPORTED** that the Annual Report for 2011/12 had been **APPROVED** (CNL/12/107).
- (b) Council **RECEIVED** the Annual Audit Return to HEFCE (CNL/12/105).

- (c) Council **RECEIVED** for information only, the minutes of the meeting held on 4 October 2012 (an oral report having been received from the Chair of Audit Committee at the Council meeting held on 11 October 2012) (CNL/12/121).
- (d) Council **RECEIVED** the minutes of the meeting held on 6 November 2012 (CNL/12/106).

12.124 **Senate**

A report from the meeting held on 7 November 2012 was **CONSIDERED** (CNL/12/122) and matters **APPROVED/NOTED** as follows:

- (a) Review of the Joint Committee for Honorary Degrees.
- (b) NSS.
- (c) Amendments to Ordinances and Regulations (see discussions under minute 12.125).

12.125 **Amendments to Ordinances and Regulations**

Council **APPROVED** amendments to Ordinances and Regulations (supporting documentation attached to the Senate report (reference minute 12.124).

12.126 **Council Nominations Committee (STRICTLY CONFIDENTIAL)**

Council **RECEIVED** a report from the meeting of Council Nominations Committee held on 12 November 2012 (CNL/12/123) and **APPROVED** the recommendations set out in the report.

12.127 **Joint Committee on Honorary Degrees (STRICTLY CONFIDENTIAL UNTIL PUBLIC ANNOUNCEMENT)**

Council **RECEIVED** a report from the meeting held on 15 October 2012 (CNL/12/124) and **APPROVED** the recommendations for the awarding of Honorary Degrees.

12.128 **Joint Selection Committees for Chairs (STRICTLY CONFIDENTIAL)**

Council **RECEIVED** a report from the Joint Selection Committees for Chairs (CNL/12/125).

12.129 **Academic Promotions (STRICTLY CONFIDENTIAL)**

Council **RECEIVED** a report of promotions agreed between 19 June and 30 November 2012 (CNL/12/126).

12.130 **Joint Committee for Consultation and Negotiation**

Council **RECEIVED** a report from the meeting held on 15 November 2012 (CNL/12/127).

12.131 **Performance and Risk**

- (a) Council **RECEIVED** an update on performance and risk (CNL/12/128).

The paper intended to provide Council with an update on: performance against the ten University Key Performance Indicators (KPI's); performance against the proposed new set of KPIs (see CNL/12/129 available on web); and the latest Corporate Risk Register.

This paper has summarised the performance against the current KPIs and Competitor Group, noting the improved performance in the two KPIs that have been updated since the last Performance and Risk report - NSS and Employability. In addition, current performance against the proposed new set of KPIs and proposed new Competitor Group had been outlined.

The paper had also highlighted changes to Corporate Risks since their last review in July 2012, and provided an overview of the issues that Colleges and Professional Services included in their Risk Registers.

- (b) Council **CONSIDERED** revised KPIs and competitor group (CNL/12/129).

Changes in the external environment and the University's recent entry into the Russell Group meant that this was an opportune time to re-consider the University's overall aim to 2020 and the KPIs used to assess institutional performance. Council also asked VCEG to consider

these issues at their meeting in July of this year. This paper therefore sets out VCEG's recommendations for a number of changes to the University's ambition, comparator group and KPIs.

A request had been received from the Pro-Chancellor (Finance), Richard Hughes, to discuss the removal of PGT population from the basket of core KPIs. However it was noted that following further discussions the reasons for this change had been made clear and were satisfactory.

Council **APPROVED** the following recommendations from VCEG:

1. To set the target to be '*Firmly established as a top 10 UK university by 2020*'. In practical terms this meant achieving a ranking of between 5th and 9th every year for the next 8 years in the three major league tables with credible methodologies.

2. To remove Nottingham, Birmingham and King's College London from the comparator group, and add University College London. This would result in the following new comparator group:

Bath, Bristol, Durham, Edinburgh, Lancaster, Loughborough, St Andrew's, UCL, Warwick, York.

3. To remove PGT population and Earned Income from the basket of core KPIs while splitting Progression/Achievement into two separate KPIs, and adding cash earnings. This was in line with the recommendations in HEFCE's *Financial Sustainability Strategy Group* report on sustainability in the HE sector and the new Finance Strategy approved by Council. The core KPIs would therefore be as follows:

1. PGRs per academic staff FTE
2. RAE/REF score
3. Research grants & contracts income per academic staff FTE
4. NSS
5. UG entry standards
6. Progression
7. Achievement (good honours)
8. Employability
9. International student population
10. EBITDA

4. For VCEG and Council to monitor a small number of 'contextual indicators', as follows:

- Widening participation (achievement of targets in the Access Agreement)
- Finance indicators (debt affordability, cash levels & recurrent balance)
- SSRs
- Citations

12.132 **UOE Consulting Group (formerly Exeter Enterprises Group)**

Council **RECEIVED** the Financial Report for year ending 31 July 2012 (CNL/12/130).

12.133 **Affixing the Seal**

Council **AUTHORISED** the fixing of the University seal to the documents listed in CNL/12/131.

12.134 **Chair's Closing Remarks (COMMERCIAL IN CONFIDENCE)**

JW/JAL

13 December 2012 (Final)

M:\Exec Officer\COUNCIL\2012-13\December 2012\Final Council Minutes 13 December 2012.doc