

## COUNCIL

A meeting of the Council was held on Thursday 21 February 2013 at 2.00pm 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  
Mr N Bull  
Mr N Davies  
Professor K E Evans  
Ms J Hargadon  
Mr P J M Hodges  
Mr R M P Hughes  
Deputy Vice-Chancellor, Professor J M Kay  
Mr P Lacey  
Dame Suzi Leather  
Professor D A Myhill  
Sir Robin Nicholson  
Ms B Rigg  
Professor S J Rippon  
Vice-Chancellor and Chief Executive, Professor Sir Steve Smith  
Ms S Wilcox

IN ATTENDANCE: Registrar and Deputy Chief Executive, Mr D J Allen  
Professor Nicky Britten (in attendance for minute 13.06)  
Director of Finance, Mr A Connolly  
Director of Communication and Marketing Services, Mr S Franklin  
Executive PA to the Vice-Chancellor and Chief Executive, Mrs R L Hucker  
Chief Executive of the Students' Guild, Mr J R A Hutchinson  
Professor Tim Lenton (in attendance for minute 13.09)  
Interim Director of Human Resources, Mrs S Middleton  
Deputy Vice-Chancellor, Professor M Overton  
Deputy Registrar and Director of Academic Services, Ms M I Shoebridge  
Deputy Vice-Chancellor, Professor N J Talbot  
Executive Officer, Mrs J Williams

APOLOGIES: Dr S Buck, Mr M Jordan, Director of Campus Services, Mr G Pringle

13.01 **Chair's Opening Remarks**

The Chair welcomed Stuart Franklin, Director of Communication and Marketing Services, and Rachel Hucker, Executive PA to the Vice-Chancellor.

13.02 **Declarations of Interest**

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

13.03 **Minutes**

The minutes of the meeting held on 13 December 2012 were **CONFIRMED** (CNL/12/132).

13.04 **Matters Arising from the Minutes**

(a) COUNCIL PRE-MEETING ON RESEARCH: 11 DECEMBER 2012 (CNL/13/1)

It was **NOTED** that Research & Knowledge Transfer Dual Assurance was grateful for the extremely valuable discussion that had taken place at the Council pre-meeting on 11 December 2012. A note of the discussion had been compiled and would be taken formally

through Dual Assurance on 19 February. The note would form an important part of the development of the post-REF Research and Knowledge Transfer strategy which would come to Council during 2013-14.

### 13.05 Vice-Chancellor's Report

- (a) Council **RECEIVED** a report from the Vice-Chancellor (CNL/13/2), which covered the following topics:
- (i) Announcements:
- It was with great sadness and regret that the recent deaths of two retired colleagues were reported:  
  
Sandy Poole, who worked as a dedicated member of the Campus Services Grounds team for 45 years until his retirement in 2011. Only last year, the University celebrated the naming of Poole Gate in recognition of his dedication to the grounds.  
  
Professor George Smith, who recently retired on ill health grounds from his Chair in Marine Renewable Energy in the College of Engineering, Mathematics and Physical Sciences. Professor Smith provided great leadership to the growing and successful Renewable Energy activities at the University's Cornwall campus.
  - *Cornwall Council* - The Chief Executive of Cornwall Council, Kevin Lavery, had announced that he was leaving Cornwall Council to take up a new position of Chief Executive of the City of Wellington in New Zealand.
- (ii) Appointment of Deputy Vice-chancellor (External Affairs and Cornwall Campus) – on the recommendation of the Selection Committee and Senate Professor Mark Goodwin, Dean of Life and Environmental Sciences and Professor of Human Geography was recommended to Council for appointment as Deputy Vice-Chancellor (External Affairs and Cornwall Campus) for five years from 1 August 2013.  
  
As previously agreed by Senate, Professor Mark Overton would demit office as Deputy Vice-Chancellor on 31 July 2013 but continue as Dean of Taught Programmes.
- (iii) The GW4 strategic collaboration between the Universities of Bath, Bristol, Cardiff and Exeter was formally announced on 24 January 2013. GW4 would bring together a high concentration of research expertise and capability in the South West of England and Wales.
- (iv) The Department for Business, Innovation and Skills (BIS) Letter to HEFCE – a letter was received on 14 January 2013 outlining Higher Education Funding for 2013/14. The letter contained information regarding the operation of the Student Number Control (SNC) and stated that in future it would 'allow institutions to recruit up to 3% above their total recruitment of HEFCE fundable students'. It also stated that Government would permit high demand universities to recruit more students from 2014 onwards in order to increase 'flexibility for those institutions that have shown strong demand patterns in 2013/14 and taper this away from institutions enjoying less demand'.
- (v) Student Number Control (SNC) - in a further communication from HEFCE, the University received its Student Number Control (SNC) allocation, which was 559 (with a lower recruitment limit of 531 and a maximum recruitment limit of 656). Although the more generous and flexible allocation from HEFCE was welcome, a concern remained as to whether it would allow the University the headroom to hit its EU target intake of 585 at the Cornwall Campus. Following discussion at VCEG, the University had formally appealed to HEFCE for a further 100 SNC.
- (vi) UCAS figures from the 27 January 2013 showed that the University of Exeter had seen a huge year on year increase in applications. Excluding Medicine, the number of applicants was up 24.6% in comparison to this time last year. This equated to an extra 4,258 individual applications with an average of more than six students applying for every place. This was set against a national increase of 3.5%.

The additional applications were spread across almost every subject area, with growth in both the sciences and humanities subjects.

- (vii) Infrastructure Portfolio - From 1 April 2013, Geoff Pringle would take over from David Allen as Management Lead for Dual Assurance (Infrastructure and Capital Programme), continuing to work with Peter Lacey as Lay Lead. Geoff would also Chair Infrastructure Strategy Group from this date onwards.
- (viii) The University, in partnership with Exeter College, had received confirmation from Education Secretary Michael Gove that its proposal to establish a specialist mathematics Free School had been approved and awarded a project development grant of up to £300,000.

The Free School would be run by the University, involving staff from the College of Engineering, Mathematics and Physical Sciences (CEMPS), and Exeter College. It would recruit 16- to 19-year-old mathematicians and would be based in Exeter. Rougemont House had been identified as the location for the School. It would cater for 120 pupils, a fifth of whom would be able to board at the University from Mondays to Thursdays. This would allow the school to recruit from across the South West (Devon, Cornwall, Somerset and Dorset).

The School's aim was to create a regional centre of excellence for the South West, combining the mathematical expertise of the University's academics and the curricular and pastoral support of Exeter College.

The Free School was scheduled to open in September 2014. It would be the second planned specialist maths Free School, following King's College London's proposal to open a 16-19 school in London, which was announced last December.

- (ix) South Devon University Technical College (SDUTC) - The College of Engineering, Mathematics and Physical Sciences had been working closely with South Devon College (SDC), Centrax, Galliford Try and South West Water on the submission of a bid to form a University Technical College in the Newton Abbot area – a project which aimed to engage children in Science, Technology, Engineering, and Mathematics (STEM) as part of the Department for Education (DfE) Academies and Free Schools initiative.

The bid was submitted on 14 November 2012 and was shortlisted for interview on 31 January 2013. The Vice-Chancellor accompanied the interview team, which also included Stephen Criddle (Principal of SDC), Adele Dawson (Project Manager, SDC), Dr Stephen Bird (South West Water), Phil Shears (Teignbridge District Council), and Matthew Shanks (Head Teacher of Coombeshead Academy, Newton Abbot).

The DfE were keen to see the SDUTC open in September 2014, rather than 2015 as specified in the bid. The SDUTC partners continued to meet regularly to begin the preparatory work, and a formal decision was expected from the DfE around March 28th.

- (b) In addition to the written report, the Vice-Chancellor drew attention to the following:
  - (i) Council formally **APPROVED** the appointment of Professor Mark Goodwin as DVC for five years from 1 August 2013.
  - (ii) Professor Neil Armstrong had received an honorary degree from the University of Coimbra in Portugal, the oldest university in Portugal and one of the oldest in the world. This was in recognition of his world-leading research in the field of paediatric physiology. Council **RECORDED** its congratulations to Professor Armstrong.
  - (iii) **STRICTLY CONFIDENTIAL**: The identity of the new HR Director was disclosed to Council in confidence. The successful candidate would commence on 1<sup>st</sup> July. Their current employer had requested no announcement until April for good reason and the University had agreed to respect this.
  - (iv) The University had been awarded Juno Practitioner level status in recognition of the excellent work being taken forward to progress the Juno principles within Physics and Astronomy. Project Juno was established by the Institute of Physics in 2007 in response to best practice identified by the Institute's 'Women in University Physics

Departments'. The aim of Juno is to recognise and reward departments that can demonstrate they have taken action to address the under-representation of women in university physics and to encourage better practice for both women and men.

- (v) Dr Dilly Fung, Head of Academic Development, and Dr Steve Gaskin, Employability and Professional Development Manager, had been made Principal Fellows by the Higher Education Academy. This was a rare honour. Council **RECORDED** their congratulations to them.
- (vi) By mid-March the University would hear whether the South West Peninsula Academic Health Science Network (SWP AHSN) would be licensed, to come into existence on 1 April 2013. The SWP AHSN was a network of 17 NHS Acute, Partnership and Ambulance Trusts, Clinical Care Groups and Universities. The aim of the network was to bring about real, practical improvements to the quality of healthcare delivery across the South West Peninsula. A company limited by guarantee, constituting the 17 voting members, was in the process of being set up. Maximum funding levels were expected to be £10m per annum for five years. Much of this funding was expected to be used as match for the further round of funding for PenCLAHRC. Council **APPROVED** Professor Janice Kay as the University's nomination to be a Director of the Limited Company.
- (vii) Student Number Control (SNC) and Admissions – the University had now heard that it had been successful in its formal appeal to HEFCE for a further 100 SNC for Cornwall. This would enable the University to recruit an additional 100 students below ABB on that campus if necessary.

The number of students applying to Exeter with predicted grades of AAA+ had risen by 40% this year; this was a stunning step change and an incredible figure for the University. Approximately two thirds of all students with predicted grades of AAA+ were applying to Exeter. International student applications had risen 15% for Undergraduates and 35% for Postgraduate Taught students.

- (viii) Sale of Thomas Hall – contracts had now been exchanged.
- (ix) Prime Ministerial Trade Delegation to India – the Vice-Chancellor had just returned from a very constructive trip to India. The Prime Minister had publically stated on a number of occasions that Indian student numbers were not limited nor would they be and that students would be able to work in the UK if they were recruited for a graduate level job. This had received very positive coverage in the Indian media.
- (x) Institute for Fiscal Studies (IFS) Green Budget - the Vice-Chancellor shared with members a number of slides from the IFS Green Budget on Public Spending and Pay. These were available for members to view at:

[http://www.ifs.org.uk/conferences/GB2013\\_JC.pdf](http://www.ifs.org.uk/conferences/GB2013_JC.pdf)

The key points noted from the report were:

- Total Managed Expenditure (TME) was the Government's preferred measure of total public expenditure. TME was the sum of Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). Since 2010 AME expenditure had increased by 4.6%. This was made up of social security spending rising 4.6%, debt repayment rising 4.4% and costs associated with public sector pensions rising 14.1%.
- Of the Government's cutbacks, by March 2013, 79% of planned tax increases and 67% of cuts to planned investment budgets had happened, whilst only 32% of cuts to the benefits budget and 21% of department spending cuts had happened.
- By 2018 there would be a significant reduction in Departmental spending. The scheduled Spending Review in 2013 to allocate departmental spending for 2015–16 would see cuts to non-investment budgets of an average 2.8% for unprotected departments.
- Departmental funding was set to fall by a total of 18.6% between 2010-11 and 2017-18. If current projections remained in place, unprotected departmental spending was set to fall by a total of 33.2% from 2010-11 to 2017-18.

- Departmental plans implied greater cuts to the central government pay bill than central government resource spending up to 2014–15. This implied the fall in general government employment may be in the order of 1.1 to 1.2 million by 2017-18; 300,000 higher than the current figure forecast by the Office for Budget Responsibility (OBR).
- The public-private pay differential would fall back to the pre crisis level by 2014-15.

For the University this had two key impacts:

- The budget for the Department of Business, Innovation and Skills (BIS) would decrease to £13.7bn for 2013/14. Of this amount £4.6bn was recurrent spend on research, £3.9bn was spent on the skills budget and the remainder was a commitment to support teaching; including student grants and widening participation. BIS would have to take a maximum cut of 8% for two years resulting in a cut to the BIS budget of £2.05bn.
  - The £4.6bn budget for research was a cash figure, and inflation would eat it away. Thus research concentration was the only way to keep up in real terms. It would be critical for the University to 'make the cut' in research.
- (xi) The Vice-Chancellor noted that today was David Allen's last Council meeting and, on behalf of VCEG and Council, recorded his thanks to David for all that he had done for the University as Registrar and Deputy Chief Executive and for all the support he had given both the Vice-Chancellor and Council colleagues over the last ten years. The Vice-Chancellor noted that it had been the most perfect working relationship of his career and during a period of great success there had been no stronger or more visionary member of the University than David. In particular David had been responsible for writing one of the most visionary documents in the University's history; *Imagining the Future*. The Vice-Chancellor and Council wished David all the very best for the future.

13.06 **2012 Staff Survey Task & Finish Group Report (STRICTLY CONFIDENTIAL)**

*Professor Nicky Britten in attendance*

13.07 **Finance (COMMERCIAL IN CONFIDENCE)**

13.08 **New Building Tremough 2014**

Council **CONSIDERED** a paper on a new building at Tremough in 2014 (CNL/13/6).

The Registrar and Deputy Chief Executive introduced the paper and noted the following key points:

- The project had been discussed at VCEG and ISG and a recommendation was brought to Council to proceed to seek EU funding for the proposed new building at Tremough.
- The College of Life and Environmental Sciences (CLES), in particular the Centre for Ecology and Conservation, was now becoming constrained by lack of research space at Tremough due to the pace of growth of research by key academics. Whilst refurbishment of Tremough farmhouse and expansion of existing laboratory space in Daphne du Maurier had met immediate needs, a more permanent solution was now needed to match the need for additional work space and also to accommodate Colleges' plans for further growth.
- The problem now faced was a problem of success. Academics were now unable to apply for any more grants as there was insufficient space to carry out their work.
- Other options for additional space had been considered but those were all problematic for various reasons. There was now an opportunity to look at new space because the University believed that money would become available through the Priority 1 proposals for convergence funding. Money from this fund had to be spent by early 2015.
- The University was keen to submit a proposal to the Convergence Partnership Board which would, if successful, give indicative approval for funding of this building up to 75% of the total cost (although this figure could be only 65%). On a £5m building this would be an exposure for the University of between £1.25m and £1.75m. ISG believed this sum could be found without destabilising the capital programme.

- If the project was not awarded funding from the Convergence Programme then it would be brought back to Council for a further discussion about capital priorities. However signals about the likelihood of success were very positive.
- It had now been agreed that the Business School would have a presence in Cornwall, starting with a number of modules in 2013/14 and stand-alone programmes from 2014/15. Therefore the policy of all Colleges being engaged in Cornwall would come about and space would be needed for that.
- Funding of £0.5m had been allocated to the project by ISG to take it to the point where it was evaluated, designed and ready to proceed. Therefore if Convergence funding was awarded the University could move ahead immediately and the building would be ready for the start of academic year 2014.

Peter Lacey, Lay Lead for Infrastructure, noted that this opportunity had presented itself and there was every reason to pursue it. However, if the University was not able to get funding then the demand on capital needs could start to impact on other projects and Council would have to re-look at this.

The Vice-Chancellor recorded his strong support for this project. The success of science in Cornwall was ahead of expectations and the Vice-Chancellor had made a personal commitment to provide facilities for academics if they continued to be successful in bringing in research grants. If Convergence funding was not awarded Council must come back to this to make sure that the academic success of the institution was not damaged.

Professor Mark Overton noted that in the last 9 months scientists in Cornwall had been awarded £6m in research grants. The University was keen to support them as there was a very real concern that they could be headhunted by other institutions. The Department for Communities and Local Government (DCLG) was being very supportive.

The discussion was opened to members and the following points were recorded:

- The space should be designed to be as flexible as possible, whilst enabling the University to attract and retain world class staff.
- The University had set out its vision for a Russell Group University in Cornwall and this was an area where that statement could be supported. This grouping of scientists had been pioneers for Tremough and instrumental in the expansion of the campus so the University needed to support them.
- The move to take the Business School to Cornwall was very positive and a great step forward for the campus.

Council strongly supported the project and:

- **NOTED** that ISG had asked for the project to be taken to the next stage of design development and planning application in order to remain on the critical path for delivery in September 2014.
- **NOTED** the need for a University intervention rate of 25-35% to contribute to the project budget of £5m.
- **NOTED** that in the event that Convergence funding was not provided, the University would need to come back to Council to consider the priorities for Tranche 3 and decide whether this project could be funded from infrastructure contingency funds or by delaying other projects, or should not proceed.

13.09 **Lenton Review of Sustainability Research (COMMERCIAL IN CONFIDENCE)**

*Professor Tim Lenton in attendance*

13.10 **Exeter Retirement Benefits Scheme Bank Guarantee**

There was produced to the meeting a Letter of Variation (the Letter of Variation) from Barclays Bank PLC (the Bank) to the Company setting out the amendments to a facility agreement dated 17<sup>th</sup> September 2010 pursuant to which the Bank has offered the Borrower (as defined in the Letter of Variation), the Facility (as defined in the Letter of Variation) (CNL/13/9).

IT WAS RESOLVED

1. That the amendments set out in the Letter of Variation are in the interests of and for the benefit of the Company and are most likely to promote the success of the Company for the benefit of the members as a whole and that such terms and conditions of the Letter of Variation be and are approved and accepted.
2. That Andrew Connolly and Margaret Laithwaite are authorised to sign the Letter of Variation to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instructions from the Company, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the Company held with the Bank current from time to time.

13.11 **Finance**

(a) INVESTMENT COUNTERPARTIES

Council noted the changes to the Counterparty List and **APPROVED** the proposal to add HSBC to the list with a maximum exposure of £8m and for the application forms to be signed on behalf of Council by the Finance Director (CNL/13/10).

(b) FX PLUS LIMITED

Council **APPROVED** their formal agreement to an amendment letter on the first Lloyds loan facility of £18.6m held by FX plus, with the University of Exeter being one of the guarantors (CNL/13/11).

**Resolved** that the amendment letter dated 29 January 2013 (the "Amendment Letter") amending the facility letter dated 9 July 2003 between Tremough Vehicle Development Limited ("TVDL"), the University, Falmouth University (formerly known as Falmouth College of Arts) and Lloyds TSB Bank plc (the "**Bank**") as amended by a deed of novation dated 1 August 2004 to replace TVDL with Falmouth Exeter Plus (formerly known as Tremough Campus Services) (the "**Borrower**") and amendment letters dated 15 March 2005, 20 August 2008, 25 August 2009 and 18 November 2011 (together the "**Facility Letter**") to allow, inter alia, the Borrower to borrow and draw down on a supplemental tranche of [£426,186.26] (the "**Supplemental Tranche**") under the Facility Letter (as amended by the Amendment Letter) be accepted and that Sarah Turvill and Professor Sir Steve Smith be authorised to make the necessary arrangements with the Bank to sign on behalf of the University the Amendment Letter which was produced to the meeting and its terms and conditions approved.

**We certify** that this is a true copy of the Resolution which has been duly entered in the Minute Book and that such Resolution was duly passed in accordance with the constitutive documents of the University. **We further certify** that the passing of this Resolution and the completion of the transactions thereby contemplated do not, and when completed will not, contravene any provision of the constitutive documents of the University or of any loan agreement, trust deed, bond, mortgage, charge, contract or other instrument binding upon the University or the members of Council.

13.12 **University Terms and Academic Calendar 2013-14**

Council **CONSIDRED** a draft of the University Terms and Academic Calendar 2013-14, noting that the final version could be approved by Council at their April 2013 meeting (CNL/13/12).

13.13 **Affixing the Seal**

Council **AUTHORISED** the fixing of the University seal to the documents listed in CNL/13/13.

13.14 **Any Other Business**

Council considered the issue of Freedom of Information (FOI) requests in relation to members' expenses. The University was incredibly aware of its obligations under FOI procedures and it was noted that the University was already required to publish in aggregate the expenses claimed by members in the financial statements.

Members had been asked whether they would be content or not for their names to be disclosed in a recent FOI request about expense claims. The University did not want to release names unless instructed by Council. It was suggested however that there was a third option where all expenses could be published on the University website with a full and proper narrative. It was **AGREED** that members would be asked for their views again with this third option included.

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

JW/JAL  
13 March 2013  
M:\Exec Officer\COUNCIL\2012-13\February 2013\Final Council Minutes 21 February 2013.doc