UNIVERSITY OF EXETER

COUNCIL

A meeting of the Council was held on Monday 21 July 2003 at 2.15pm in Committee Room A, Northcote House.

PRESENT:  Pro-Chancellor, Dr G G Pope (Chair)
Pro-Chancellor, Professor R J Hawker
Treasurer, Mr G A Sturtridge
Vice-Chancellor, Professor S M Smith
Senior Deputy Vice-Chancellor, Professor S E G Lea
Deputy Vice-Chancellor, Professor M C Cook
Deputy Vice-Chancellor, Professor R J P Kain

The Rt Revd the Lord Bishop of Exeter  Mr T D D Hoffman
Mr S R Bosworth     Professor J M Kay
Councillor Mrs C Channon     Mr J F Laurence
Mrs P M Cross     Mr C S Minto
Mr P Dunsford     Mr B Morris
Mr M Elliott     Mr K R Seal
Professor K E Evans     Mr H W J Stubbs
Professor W J Forsythe     Dr R F Symes
Mrs M A Grapes     Mr D Watson
Mr I J S Henderson

Registrar and Secretary, Mr I H C Powell
Academic Secretary, Dr P K Harvey
Director of Finance, Mr K R Blanshard
Director of Domestic Services, Mr D J Phillips
Senior Assistant Registrar, Miss S E Odell

IN ATTENDANCE:  Professor K Atkinson (Cornwall Provost)

APOLOGIES:  Professor J M Black, Mrs J L Davey, Professor R Gagnier, Professor J C Inkson, Councillor V S R Long, Professor R W Witkin.

The Chair welcomed Mr Hoffman to his first meeting of the Council.

03.28  Death of Former Member

The Chair REPORTED with regret the death on 13 July 2003 of Sir John Palmer, who had been a member of Council from 1982 until 1996 and also awarded an honorary degree by the University in 1980. He asked the Registrar and Secretary to send a letter of condolence on behalf of Council to Sir John’s widow.

03.29  Minutes

The minutes of the meeting held on 24 March 2003 were CONFIRMED (CNL/03/27) subject to the following amendment:

MINUTE 03.5 – INSTITUTIONAL PERFORMANCE

Section (2) at the end of this minute (page 5) should read: “that, so far as benchmarking was concerned, effort should be made to examine processes adopted in other comparable institutions to achieve improvement in performance.”
03.30 **Financial Situation**

The Treasurer REPORTED that the estimated outturn for the financial year 2002/03 was for a deficit of £363k, compared with a deficit of £172k forecast in March 2003. This was due to increased legal and professional fees and refuse collection costs, together with some additional staffing costs in the Finance Division. It was also estimated that there would be a funding shortfall of £828k in respect of planned and committed projects which were to have been part-funded from the now discontinued ERBS contributions holiday. This was to be met temporarily from the general reserves by support of £212k in the current year and £616k in 2003-04.

03.31 **Academic and Institutional Developments**

The Vice-Chancellor REPORTED on the following matters:

(a) **Long-Term Residential Development**

Referring to minute 03.32 of Planning and Resources Committee (CNL/03/30), he drew attention to the further developments planned in the provision of student residential places in Exeter. There had been a wish not to undertake further borrowings and so other providers were being sought, in order to provide 1,633 additional places by 2006/07.

In response to questions, it was confirmed that residential provision at Tremough would be unaffected by these plans; that any rent arrears collection would be the same as for all the University’s other residences; that the additional provision was designed to provide for returning undergraduates and additional international and graduate students; and that there would be break clauses in the schemes.

(b) **QAA Institutional Audit, Autumn 2003**

Referring to the Self-Evaluation Document attached as Appendix 1 to the Report from Senate (CNL/03/37), he reminded Council that the Institutional Audit by the QAA in October and November 2003 was a major issue for the University, of which Council needed to be aware. The outcome would be reported to Council in December 2003.

(c) **Regional Developments**

He wished to inform Council of a number of recent developments in the South West and West of England in the light of the 2003 White Paper, which affected the University:

(i) **Funds for Regeneration**

The White Paper had the effect of concentrating funds, especially for research, in the South East of England, with the consequence of removing funds for regeneration from regions such as the South West. This would be working against the DTI’s efforts to help regions outside the South East. Organisations involved in economic regeneration in the SW included Higher Education Institutions, the Department of Health, the Government Office South West, the Learning and Skills Council and the Regional Development Authority.

(ii) **Higher Education Co-operation**

HERDA-SW was the body that brought together the HEIs in the region and relations within that body were complex, particularly in the light of the White Paper because of the differentiation it would cause between the research-led and teaching-led institutions, making it extremely difficult for HEIs to speak with one voice. He saw Exeter as being the pivotal member of two triangles, the first involving Exeter, Bath and Bristol (concentrating on research co-operation) and the second Exeter, Plymouth, Combined Universities in Cornwall, College of St Mark and St John and other key colleges in the region (for more general co-operation).

(iii) **Bristol and Bath**

This relationship was key to Exeter. The three Deputy Vice-Chancellors were engaged on a research mapping exercise in relation to Exeter, Bristol and Bath, and meetings of representatives of the three institutions were planned in the autumn.
(iv) **College of St Mark and St John**

He and senior colleagues had had some good meetings with the new Principal and ways of strengthening the partnership were being explored.

(v) **Combined Universities in Cornwall**

There had been some hard negotiations with the University of Plymouth over recent months over what academic programmes Exeter would be offering under Phase 1. Similar problems could arise under Phase 2. There was pressure on the institutions to commit to Phase 2 by December 2003, because of the need to commit unused Objective 1 funds for Cornwall to the project, but Exeter would only commit itself on the basis of an informed decision by Council and assurances that full funding (capital, recurrent and working capital) would be provided from sources external to the University, as had been the case for Phase 1.

(vi) **Plymouth**

The White Paper had serious implications for Plymouth University's mission, particularly with its intention to concentrate research funding on fewer institutions, and it was obviously having to review plans.

(vii) **Colleges**

Exeter continued to work with Yeovil College, where it had a Joint University Centre also involving Bournemouth University, and talks had begun with Exeter College to strengthen collaboration between it and the University. Of the College's 3,600 A level students, only 83 had applied to Exeter this year. This was against the national background of 58% of HE students now studying within 50 miles of home. The University had a responsibility to the City to work more closely with the College to encourage a greater proportion of 16-19-year-olds to stay on in full-time education. Plymouth was the main validator for the higher education offered by the College.

Points made in discussion included the following:

a) that the RDA needed to understand that research spin-offs were more likely to occur in association with universities which undertook good quality research;

b) that Bath and Bristol were also involved in regional development with post-92 universities and local colleges;

c) that research linkages with Bath and/or Bristol were thought to be potentially beneficial in a variety of ways;

d) that work would need to be undertaken within the University to examine how improvements could be made to encourage progression from Exeter College;

e) that it was important to work as productively as possible with the University of Plymouth in mapping the future, bearing in mind particularly the position of the Peninsula Medical School in which the two Universities were working in partnership;

f) that the research strength of the University of Exeter lay in the quality of staff and students it could attract.

Bearing in mind the emerging regional and local contexts, Council **DECIDED**

1. that the highest priority should continue to be given to the University being one of the research-led institutions, aiming for the upper quartile in this regard in the 1994 Group, with all staff being of a standard no lower than a 5 grading (using the 2001 RAE parlance) in the 2007 RAE, and that this aim should be used as the primary basis for consultation with other universities so far as collaboration was concerned;

2. that, so far as CUC Phase 2 was concerned, the University had entered Phase 1 and would like to see Phase 2 develop in a manner commensurate with its research mission, provided that it was fully funded from external sources and that there was agreement in advance of the University's decision on the subjects that would be provided by the University;

3. to note the discussions with the College of St Mark and St John;

4. to endorse the Vice-Chancellor’s work to strengthen the relationship between the University and Exeter College, including encouraging the younger age-range locally to continue in education.
Government’s White Paper on The Future of Higher Education

Council CONSIDERED a paper (CNL/03/28), consisting of a report setting out the implications for the University of the Government’s White Paper The Future of Higher Education and proposals for how it should respond, together with a covering paper by the Vice-Chancellor.

The Chair referred to the presentation which the Vice-Chancellor had made earlier in the day to the majority of Council members, as background to the Council’s discussion, and invited the Vice-Chancellor simply to draw attention to the main points of the paper.

The main points made by the Vice-Chancellor (including where appropriate responses to questions) were as follows:

(a) Fees and Funding – it was the University’s intention to charge full fees (£3,000) from 2006/07 and not to differentiate by programme or location. The University would need to reconsider its plan if the £3,000 ceiling were raised to, say, £5,000 in the light of developments in Parliament in the coming months. In return for the higher fees, efforts would need to be made to add value to the student experience (the fees would contribute to the servicing of the debt incurred by borrowing to fund the planned capital development) and to offer a scholarship/bursary scheme. It was possible that the Government would oblige institutions to contribute a greater proportion of fee income than planned to such schemes.

(b) Fair Access – the University had some way to go to reach its benchmarks on fair access and had to make sure that it achieved its targets. Support for Widening Participation students and attention to employability would be important. Some Schools were more willing than others to take the Widening Participation issue on board and Academic Policy Committee would tackle this problem through the business planning and resource allocation process.

(c) Research – a very significant effort was needed here to improve the University’s performance in the RAE and there were key questions, such as how the University might support its research beacons and whether it could continue to support all the 4-rated units. Senior management would need to come to Senate and Council with proposals for action to tackle these questions. If the University was being set up from scratch, it would have far fewer than its current 37 units of assessment. It would be necessary to know the outcome of the consultation on the Roberts and OST Reports before taking any definitive action. The research profiles of all members of the academic staff had been reviewed and in February/March 2004 it would be necessary to measure them against the outcomes of the Roberts and OST consultation exercises in order to see where the University as a whole stood on research performance. In the meantime, the University was trying to orient itself towards Research Council imperatives and, through the business planning process, Schools would be asked to review their research strengths and weaknesses and the actions they proposed to take. It would also be important to continue to recruit excellent staff.

(d) Higher Education and Business – the key issue was to win the battle over whether or not universities such as Exeter would be able to continue to bid for funds from HEIF.

(e) Teaching and Learning – key issues here were staff development, better information for students and sharing of best practice. A Centre of Excellence bid was being investigated.

(f) Human Resources – this strand ran through the whole paper. There were questions of how resources should be used – for example, for study leave, research-only contracts, career progression for non-research staff, rewarding excellence in teaching. It was the intention to use the 1994 Group Leadership Programme. It was important to ensure that the HR policy matched the institutional strategy.

The President of the Guild said that, while the Guild believed that the University’s stance on fees was prudent, it would appreciate Council’s support for its position that tuition fees were not the best way forward nationally. The Guild had been fully consulted by the Vice-Chancellor and his senior colleagues on the University’s reaction to the White Paper and went along with the proposals on fees with reluctance. In response, the Vice-Chancellor acknowledged that the Guild had argued its case professionally, adding that a number of vice-chancellors had written to the Prime Minister and Chancellor of the Exchequer protesting against the introduction of higher fees, but the decision had been taken. He now found himself in the position of having to lobby for their introduction, for the sake of university finance, which had been severely eroded over recent years.

The Council DECIDED to endorse strongly the approach outlined in paper CNL/03/28 and to prepare to take decisions in the future as appropriate.
03.33 **Planning and Resources Committee**

Council **APPROVED** recommendations arising from the minutes of meetings held on 28 April and 12 June 2003 (CNL/03/30 and CNL/03/31) concerning the following:

(a) Government Strategy for HE (minute 03.41);
(b) Capital Programme (03.43) (see below).

**MINUTE 03.43 – CAPITAL PROGRAMME**

The Registrar drew the following points to Council’s attention:

(i) it was the first time for many years that the University would be borrowing money to fund non-residential capital development;
(ii) the planned programme outlined in the minute had been carefully considered by both Planning and Resources Committee and Finance Committee;
(iii) the programme consisted of expenditure of £33.5m by 2006 (when higher fees were projected to be introduced) on capital investment for academic and support provision;
(iv) some £14.5m was available from HEFCE funds, leaving £20m to be borrowed, resulting in an annual payment of £1.6m to be met from fee income;
(v) planning would begin now, but there was provision to draw back or review if necessary;
(vi) there were two phases in the development; authorisation of the second phase would not be sought for a year;
(vii) he and the Senior Deputy Vice-Chancellor, as stewards of the Non-Academic Sector and Academic Sector budgets, were of the view that these Sectors could accommodate the relevant components of the costs of the first phase if fees were not introduced or if the University suffered at the hands of the Access Regulator;
(viii) appropriate monitoring and authorisation arrangements were in place for individual items within the programme.

In response to questions, he said

(1) that there could be a case for paying back the loan more quickly than outlined, should national priorities change or to create headroom for other initiatives;
(2) that he was confident that HEFCE officer approval for the loan arrangement would be forthcoming;
(3) that there was a strong indication that banks were still willing to lend money to the University;
(4) that there was an annual identification of cross-subsidies within the University in the Academic Sector through a system called ICE.

Council **DECIDED** to accept the recommendations for the capital programme, noting that it was only firmly authorising the first phase of the development at this juncture.

03.34 **Student Affairs Committee**

Council **RECEIVED** the minutes of the meeting held on 14 May 2003 (CNL/03/32).

03.35 **Finance Committee**

Council **APPROVED** recommendations arising from the minutes of the meeting held on 10 July 2003 (CNL/03/33) concerning the following:

(a) University Budget 2003/04 (minute 03.28) (see below);
(b) Guild of Students Budget 2003/04 (minute 03.32);
(c) Northcott Theatre (minute 03.33).
The Treasurer REPORTED that the budget for 2003/04, a year in which the student population would increase only slightly, would again be a breakeven budget (£12k surplus). There would be £903k additional recurrent expenditure. Additional allocations of £500k would go to the Academic, Non-Academic and Student Services Sectors and £153k to long-term maintenance. It had been decided to increase the Innovation and Development funding from £250k to £500k but in 2003/04 only to allocate this sum on a non-recurrent basis to the general reserves.

The following assumptions had been adopted in drawing up the budget: an increase of 3.5% in staff pay (every 1% amounted to £500k), which represented c. 70% of total expenditure and an increase of 2.25% in non-pay costs (where every 1% represented £50k).

Interest on balances had been forecast at 3.75%, which might turn out to be slightly optimistic. The ERBS employer’s pension contribution holiday had ended on 31 July 2002 and the employer’s contribution rate would be set at 10% for 2003/04 (2002/03: 6%), with an estimated rise to 16% anticipated from 1 August 2004.

03.36 **Buildings and Estate Committee**

Council RECEIVED the minutes of the meeting held on 28 May 2003 (CNL/03/34).

03.37 **Joint Committee for Consultation and Negotiation, Council and Exeter AUT**

Council APPROVED the recommendations arising from the minutes of the meeting held on 7 May 2003 (CNL/03/35) concerning the following:

(a) Future Arrangements for Consultation and Negotiation (minute 03.10);
(b) Terms and Conditions of Employment for Research Staff (minute 03.12).

03.38 **Audit Committee**

Council RECEIVED the unreserved minutes of the meeting held on 16 June 2003 (CNL/03/36).

03.39 **Senate**

Having considered a report of the meeting held on 7 July 2003 (CNL/03/37), Council APPROVED recommendations concerning the following:

(a) Amendments to Academic Regulations (item 5);
(b) Peninsula Medical School (item 6).

03.40 **Race Equality Policy**

Having considered a report (CNL/03/38) and an oral report from the Registrar of feedback recently received from the Equality Challenge Unit which was advising HEFCE in this matter, Council APPROVED the draft Race Equality Policy subject to changes to be requested by HEFCE and DECIDED to grant the Chair of Council and the Vice-Chancellor vacation powers to incorporate the changes to ensure that dissemination of the policy could take place in time for the start of the new academic year.

03.41 **Bill Douglas Centre for the History of Cinema and Popular Culture**

Having considered a paper (CNL/03/39), Council APPROVED the following documents relating to the Bill Douglas Centre for the History of Cinema and Popular Culture:
(a) Terms of Reference for the Advisory Board;
(b) Management Agreement between the University and the University Foundation;
(c) Collections Management Plan;
(d) Forward Plan.

03.42 **Emergency Powers in the Long Vacation**

Council DECIDED to empower the Chair of Council, Treasurer and Vice-Chancellor (or in the absence of one the other two) to act on behalf of Council in any urgent matters which might arise during the Long Vacation.

03.43 **Retiring Members, 31 July 2003**

Council DECIDED to place on record its gratitude to all retiring members, listed in a report (CNL/03/40), as follows:

Professor Stephen Lea, Senior Deputy Vice-Chancellor, to whom the University owed a great debt in so many matters; Professor Bill Forsythe, Dean of Academic Partnerships, who had taken forward the partnership role and to whom the University also owed much; Mr Mike Elliott, who had played an important role on Council and as Chair of the Audit Committee and who would be continuing as a Northcott Theatre Trustee; Councillor Chester Long, who had made a significant contribution to Council’s work over a number of years; Professor Jeremy Black and Professor Bob Witkin, Senate representatives, whose contribution would be missed; the President and Deputy President of the Guild, who had ably represented the views and perspectives of the student community.

In addition, the Chair referred to the enormous contribution made by Mr Ian Powell, who would be retiring as Registrar and Secretary on 30 September 2003. Council would be thanking him at a special occasion in late September, but he wished to place on record Council’s gratitude and good wishes for the future.

03.44 **Affixing the Seal of the University**

Council APPROVED the affixing of the Seal of the University to the following documents:

2133 Lease to Hockey England of Room Number 10 Reed Hall.
2134 Deed of Priority regards Peninsula Medical School property at Tamar Science Park, Plymouth.
2136 Deed of Appointment of New Trustees to The Northcott Theatre.
2137 Falmouth College of Arts and University of Exeter Deed of Trust and Association re Land at Tremough, Cornwall.
2138 Tremough Development Vehicle Ltd and Falmouth College of Arts and University of Exeter Counterpart Sub-Lease re Land at Tremough, Cornwall.
2139 Falmouth College of Arts and University of Exeter and TDV Ltd, TDV Lease re Land at Tremough, Cornwall.
2140 Falmouth College of Arts and Falmouth College of Arts Developments Ltd and University of Exeter Counterpart Head Lease re Land at Tremough, Cornwall.
2141 South West Water Ltd Renewal Lease relating to Land at Exeter Canal, Countess Wear.
2142 Peninsula Medical School Declaration of Trust between Universities of Exeter and Plymouth relating to rules and regulations of leasehold property at Derriford.
2143 Peninsula Medical School Trust Deed between Universities of Plymouth and Exeter and Plymouth Hospitals NHS Trust.
03.45 Agenda Formulation

The Chair REPORTED that he would be consulting the Registrar and Secretary’s successor in the autumn about slight changes that he wished to make in the formulation of the Council agenda, with particular regard to the matters that were included in Part I.