

**COUNCIL**  
**24 November 2022 at 2pm**  
**Aviator Hotel, Farnborough**

**MINUTES**

*Sections marked Commercial in Confidence are claimed as exempt from publication under Section 43 of the Freedom of Information Act on the grounds of commercial sensitivity.*

<b>Members:</b>	Chair – External member	Mr Michael Queen
	Joint Vice-Chair – External member	Mr Vib Baxi
	Joint Vice-Chair - External member	Ms Rachel Hubbard
	Treasurer - External member	Mr Robert Napier
	President & Vice-Chancellor	Prof Max Lu
	Provost & Executive Vice-President	Prof Tim Dunne
	Chief Operating Officer	Mr Andy Chalklin
	President, Students' Union	Ms Diana Dakik (from 22/137.10)
	Member elected by Senate	Prof Esat Alpay
	Member elected by Senate	Prof Karen Bullock
	Member elected by Senate	Dr Daniel Horton
	External member	Mr Elliot Antrobus-Holder
	External member	Prof Julia Buckingham
	External member	Ms Judith Eden
	External member	Mr Charlie Geffen
	External member	Ms Pam Jestico
	External member	Mr Nigel Jones
	External member	Ms Pam Powell (to 22/143)

**In attendance:** Ms Ros Allen, Head of Governance Services  
Ms Martine Carter, Vice-President Strategy, Planning & Performance  
Mr Phil Grainge, Chief Financial Officer  
Ms Sarah Litchfield, University Secretary & Legal Counsel

**By invitation:** Mr Will Davies, Chief People Officer (22/153)  
Prof Osama Khan, Pro-Vice-Chancellor, Academic (22/138)  
Ms Kerry Matthews, Chief Student Officer (22/139-140)  
Mr Alex McKee, CEO USSU (22/142)  
Ms Lise Richards, Cervus+ (22/145)  
Dr Emily Williams, Academic lead for EDI (22/144)

**A INTRODUCTORY ITEMS**

**22/132 Preliminaries**

.1 There were apologies from Rachel Hubbard. Diana Dakik would be arriving late.

**22/133 Declarations of Interest**

.1 None

**22/134 Minutes**

- .1 Council **approved** the minutes of 5 October 2022 for publication.

**22/135 Matters Arising**

- .1 The updated actions log was **noted**.
- .2 It was noted that the action for Michael Queen to provide information about the careers service initiative is not yet complete.

**22/136 Chair's Items**

- .1 None.

**22/137 Vice-Chancellor's Report and Performance Monitoring**

- .1 The VC presented the report.
- .2 The following additional points were noted:
- .2.1 Three-year funding for UKRI is now secure. However, the 'Plan B' to replace Horizon funding is not completely secure, but some funding has been released to UKRI for distribution to universities
  - .2.2 Professor Annika Bautz has been appointed as the new Dean of FASS and would be joining the Awayday for the morning session.
  - .2.3 The University has been awarded an HE outstanding workplace award.
  - .2.4 The USSU has voted to show solidarity with the UCU strike.
  - .2.5 A significant legacy gift for the Vet School has been pledged.
- .3 There was discussion of the financial performance to date in the current year with the following points noted:
- .3.1 REDACTED AS COMMERCIALY SENSITIVE
  - .3.2 REDACTED AS COMMERCIALY SENSITIVE
  - .3.3 Macro risks and opportunities indicate further adverse variances ahead, including a fee income gap.
  - .3.4 REDACTED AS COMMERCIALY SENSITIVE
  - .3.5 The importance of protecting and enhancing income streams, particularly student recruitment and continuation, was noted.
- .4 There was discussion of the short fall in student recruitment with the following points noted:
- .4.1 The University currently has REDACTED AS COMMERCIALY SENSITIVE fee income risk vs the Budget, some 75% of which is for one-year PGT programmes.
  - .4.2 The primary issue is a national one of a greater number of students accepting a place and then not turning up to enrol. Many students pay multiple deposits, particularly when applying via an agent. REDACTED AS COMMERCIALY SENSITIVE
  - .4.3 A secondary issue has been the University's long turnaround times for offers. These are now down to within a week for UG and February PGT applications. There is consideration of how to keep these applicants engaged post offer.
  - .4.4 There have been some issues with specific programmes in terms of factors such as league table position and competitors.

- .4.5 The numbers progressing from the Study Group foundation year programme for overseas students has dropped, partly due to the impact of the pandemic. There will be further consideration of the international foundation programme in terms of progression onto and within the degree programme.
- .4.6 Running the pre-sessional English programme online may have impacted on conversion rates.
- .4.7 The University is also focusing on improving continuation rates for students on the degree programmes.
- .4.8 REDACTED AS COMMERCIALY SENSITIVE

## **B ITEMS FOR CONSIDERATION AND/OR APPROVAL**

### **22/138 Academic Reports**

#### **.1 Education Report**

- .1.1 Osama Khan attended to give a presentation.
- .1.2 Council noted the changes to the NSS.
- .1.3 There was discussion of the continuation challenge with the following points noted:
  - The University is investigating whether there is a relationship between Module Evaluation Questionnaire (MEQ) results and success rates on the module.
  - The impact of pandemic on student exam performance was recognised, given unfamiliarity with closed book exams. It was suggested that the data be reviewed to understand whether continuation was lower for programmes with more closed book exams.
  - An exit survey is carried out with withdrawing students. For FEPS, about half are withdrawing for academic reasons.
  - The University is not accepting students who cannot succeed on the programmes but needs to consider the way students are taught to ensure that they can succeed. Maths modules and those heavy on maths are those with lowest success rates and this is a sector-wide issue due to a national deterioration in numeracy and lower uptake of Maths A level.
  - It was suggested that there be review of whether overseas students also have lower continuation rates on maths modules and those heavy on maths.
- .1.3 The improvements to the engagement with the My Surrey Engagement platform were recognised.

#### **.2 Annual Quality Assurance Report**

Council **approved** the report.

#### **.3 Research and Innovation Report**

Tim Dunne gave a presentation. The following points were noted:

- The recruitment of new PVC Research and Innovation was going forward, with an expectation that they would be in place for summer 2023. They would have a more agile portfolio, with the support for research being taken closer to the researchers. The role title may be renamed, and the Research Park was likely to move into the COO portfolio.
- The anticipated improvements from the introduction of Worktribe were recognised.
- The relaunch of the Faculty Research and Innovation Offices is complete. The next stage is to review staffing levels and location.

.4 Research Integrity Annual Statement

.4.1 Tim Dunne presented the paper.

.4.2 The following points were noted:

- Recognising the importance of animal welfare, it was agreed that the new PVC R&I should be asked to give Council a briefing on this area.

**Action: RA to arrange.**

- With respect to data governance, the Research Data Governance and Operations Group has not met since April 2022. However, the new interim director of Research and Innovation Services is aware and is bringing an action plan forward to address issues.

.4.3 Council **approved** the statement.

.5 Senate Report

.5.1 Tim Dunne presented the paper.

.5.2 Three key points were drawn to Council's attention:

- i. Advance HE is carrying out an effectiveness review of Senate;
- ii. The 'Optimising academic achievement' strategic workstream is progressing well;
- iii. The Race Equality Charter and its impact on teaching and research is under discussion.

**22/139 Cost of Living and Student Hardship**

.1 Kerry Matthews attended to present the paper.

.2 The following points were noted:

- .2.1 Diana Dakik and Kerry Matthews are jointly chairing a working group to develop a range of targeted support and looking at tangible ways to reduce the cost of being a student.
- .2.2 The first student forum of the academic year was held earlier in the week and most suggestions made were already under discussion or had been implemented.
- .2.3 A range of hardship and bursary support is available. Students can receive more than one of the support packages if they are eligible.
- .2.4 Some useful sector benchmarking has taken place. Surrey has implemented 55 of the 60 actions (the other 5 are not relevant).

**22/140 Annual Prevent Report for OfS Submission**

.1 Kerry Matthews presented the papers.

.2 Surrey responds proactively to Prevent. A robust review of the action plan and processes has been carried out recently.

.3 Two cases were initiated by parents in response to a change in behaviour in their son or daughter. However, in both cases, the change of behaviour was due to other factors.

.4 Council **approved** the submission of the Prevent report.

**22/141 Financial Statements**

.1 PG presented the reports. It was recognised that Audit and Assurance Committee and Finance Committee have already reviewed the reports robustly.

.2 External Auditor's Year End Report

The following points were noted:

- The external audit of the University consolidated accounts was substantially complete.
- The testing on research income had concluded.
- Progress had been made on obtaining the required Local Government Pension Scheme information from Surrey County Council, with just one query outstanding.
- All but one subsidiary audits were complete and at Director review stage within KPMG.
- The SSPL audit was in progress.
- There were three recommendations in KPMG's report relating to the SSPL bank reconciliation, University remuneration reporting and University asset completion and disposal forms.

.3 Going Concern

The analysis was based on a 'realistic worse case' and did not take into account any planned mitigations. KPMG had been consulted on the scenario and assumptions modelled. A twelve-month period felt short, and it was **agreed** that there would be consideration of extending it to perhaps three years for future years.

**Action: PG**

.4 Letter of Representation

Council noted the new confirmation and the new representation. Council **approved** the letter.

Annual Report and Financial Statements

The following points were noted:

- Useful feedback had been received from Audit and Assurance Committee (AAC), as a result of which a number of amendments have been made to the narrative parts of the Annual Report, including shortening it, mainly through reducing the size of imagery and headers. Further reduction in length was requested for future years.
- A timeline had been set to produce the draft document earlier this year but had not been met due to resourcing and other issues. The University is aiming to bring a draft report to July AAC in 2023 to give early sight of the outline content and layout.
- An explanatory note had been added regarding the discrepancy identified on the table showing the numbers of staff receiving a basic salary on an FTE basis of £100k or more.
- The risk section had been re-drafted but had not been included in the version Council were discussing. It would be in the final version and reference the external climate against key risks.
- The financial statements are required to be fair, balanced and understandable. Praise was given for the clarity and being understandable, while earlier feedback had resulted in the addition of comments for balance, to call out areas of challenge. The additions were noted, though there was a request to revisit the wording of the Wellbeing section which needed to be reconcile more to the wellbeing issues experienced in parts of the University.
- A final version of the report was to be prepared by 1<sup>st</sup> December.

- The Annual Report and Financial Statements were **approved**, noting that the final minor changes would be shared with the Chair of Council and Chair of Audit and Assurance Committee the following week.

.5 Performance Summary for Subsidiaries

It was noted that the University of Surrey Seed Fund and Blackwell Park Ltd audits were complete, but the Surrey Sports Park Ltd audit was ongoing. With respect to Cervus+, it was noted that it was not yet making a profit from any commercial activity, so was not liable for tax.

.6 Trust Fund Accounts

There are just two trust funds remaining, and one is expected to have its funds exhausted by the end of the current academic year, leaving only one trust fund remaining. Council **approved** the 2021/22 Trust Fund Accounts.

.7 OfS Annual Financial Return

Council **approved** the annual financial return to the OfS, noting that the initial Financial workbook and commentary were due to the OfS by 1 December 2022, and the signed, audited financial statements and the external auditor's management letter would be submitted before Christmas.

**22/142 USSU Audited Accounts**

.1 Alex McKee attended to present the paper.

.2 The following key points were noted:

- The USSU saw traded activities in 21/22 which were almost back to pre-Covid levels. However, the USSU are very reliant on the nightclub for income and to date this year the nightclub income has been lower.
- The peaks and troughs in the cash position through the year were noted.
- Sports activities were somewhat below pre-pandemic levels in 21/22 and so far this year. It was recognised that the cost-of-living issues may be impacting on participation.
- The students were particularly keen on the free activities offered in the current year.
- It was noted that the USSU is a separate legal entity and therefore staff are employed on a different contract. The USSU gave a 2% pay rise to staff this year and hope to do the same next year.

.3 Council **approved** the audited accounts.

**22/143 Honorary Degrees**

.1 The VC presented the nominations

.2 It was noted that there had not been two rounds of honorary degree recommendations in 2022 as there had not been sufficient nominations in March. There were therefore rather more recommendations in this round than normal.

.3 It is hoped to have ongoing engagement with those awarded honorary degrees.

.4 The criteria are based on personal achievement and standing. A connection to Surrey is a plus. The Honorary Degrees Committee carries out due diligence.

.5 Council **approved** the nominations.

#### **22/144 Annual Equality Monitoring Report**

.1 Emily Williams attended to give a presentation.

.2 The following updates were noted:

- The University has received a bronze award for the Race Equality Charter.
- The new Equality, Diversity and Inclusion dashboard was welcomed.
- The new Trans and Gender Identity Policy seems to be working well.

.3 The EDI priorities were noted:

- Improving staff diversity
- Closing student awarding gaps
- Reducing gender and ethnic pay gaps
- Embedding zero tolerance and inclusive culture

.4 There was discussion of the staff pay gap, noting that there were some historical and societal factors. However, even when the data is controlled for sociodemographic and employment factors, there is still a pay gap between men and women. Whilst the University is performing reasonably well in comparison to its competitors, the issues still need to be addressed and will be considered further by Executive Board.

.5 It was noted that, whilst there is a process for transitioning students to change their name on the student record system, it is not always applied consistently and is reliant on the knowledge and advice given by Hive staff. Renewed training is taking place to ensure all Hive staff are following the correct processes and dealing with students appropriately. There is a wider need to keep training and monitoring staff on dealing with staff and students with a full understanding of EDI best practice.

#### **22/145 Scheme of Delegation**

.1 Lise Richards attended to present the updated Scheme of Delegation with SL.

.2 The following points were noted:

- It was **agreed** that clarification was needed of Section 12.2 – Approval for spend incremental to the agreed budget – to make it clear that it just referred to a line item within a budget, rather than the whole University budget which is signed off by Finance Committee.
- It was **agreed** that Section 11.1 should be expanded to cover more than just donations, such as benefits in kind.
- There was discussion of whether £1m was too high a level for Executive Board to approve. It was noted that there were a number of checks and balances to ensure that expenditure was appropriate and proportionate and within budgets. This level was within risk appetite.

- With respect to Sections 8 and 10, there are definitions of high, medium and low reputational risks. Partnerships and Reputation Committee assess risk on the basis of a PESTLE analysis.
- The Scheme of Delegation will have a review annually and a full review every 3 years.  
**Action: LR to make changes as agreed.**

.3 Subject to the above comments, Council **approved** the Scheme of Delegation.

## **22/146 Subsidiary Governance**

.1 Sarah Litchfield presented the paper.

.2 There are three key aspects to the subsidiary governance:

- The Scheme of Delegation
- The procedure on the formation of investment into subsidiaries which replaces the existing Council policy on the formation of subsidiaries
- The body to approve the formation of a subsidiary depends on the required investment level and risk level.

.3 The amendments to the Innovate Surrey Ltd (ISL) Articles of Association were noted:

- The University must approve the appointment of all directors
- The quorum for shareholder meetings must include the University

.4 The Governance Agreements will bring greater clarity on which University procedures should apply to subsidiaries. The following changes and comments were noted:

- Section 1A – It was **agreed** that investment over £5m should go to Council via Finance Committee.
- Section 1C – it was **agreed** that borrowing or lending over £500k should go to Finance Committee on the confirmation from the CFO that the transaction accords with the University's financial covenants. Finance Committee should then recommend to Council.
- Section 3C – it was **agreed** that the appointment of bankers should go to Council via Finance Committee.

**Action: LR to make amendments.**

.5 It was recognised that effective subsidiary governance relies on good reporting from the subsidiary boards to Council and for the responsible Executive Board member to be responsible and accountable. Subject to the agreed amendments, Council **approved** the Procedure on the Formation, Investment and Governance of Subsidiaries and the Articles of Association and Governance Agreement for ISL.

## **22/147 Commercial Opportunities Update**

.1 Andy Chalklin presented the papers.

.2 It was reported that Cervus+ LLP is flourishing under the new environment and has an increased staff headcount. Audit and Assurance Committee had not noted any difference to the quality of work supplied. Cervus+ is continuing to get lot of external interest in its services and a proposal

on the next steps will come forward with a fully supported business plan. It was recognised that there was a need to ensure the high quality of its services before they were offered outside.

.3 Council noted an update on plans for Operate Surrey Ltd, noting that it was not intended for this company to sell its services to other institutions, but there could be shared services opportunities. There was discussion of the pros and cons of outsourcing services.

.4 **REDACTED AS COMMERCIALY SENSITIVE**

#### **22/148 Nominations and Governance Committee Report**

.1 Council noted the paper.

#### **22/149 Annual Report from the Audit and Assurance Committee**

.1 Council noted the paper.

#### **22/150 Annual Report from the Remuneration Committee**

.1 Council noted the paper.

#### **22/151 Finance Committee Report**

.1 Council noted the paper.

#### **22/152 Student Experience Committee Report**

.1 Council noted the paper.

#### **22/153 People Survey Results**

.1 Will Davies attended to present the report.

.2 Council was pleased to note the small increase in satisfaction to 75%, which was the highest level for 10 years and in the top quartile of the HE sector.

.3 The results show that the University has continued to build on the positives of the last few years, working with and listening to staff and taking action where appropriate. There were some good indicators of improvement in Faculties; staff in Research and Innovation appeared to be less satisfied, but action was being taken. In some Professional Services areas, there was a significant increase in satisfaction with leadership.

.4 The summary responses to the survey themes were noted.

- Whilst progress had been made on understanding of purpose and confidence in leadership, the University needed to continue to focus on these areas. A new development programme for senior leaders was being offered.
- Progress had been made on career development, not least within the Optimising Academic Achievement Strategic Workstream.
- Favourable responses to health and wellbeing questions had dropped slightly.

- .5 Council recognised the great effort across the University, led by the HR team, to increase staff engagement and satisfaction.

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**C ITEMS FOR INFORMATION ONLY**

**22/154 Standing Health and Safety Report**

- .1 Council **noted** the report.

**22/155 Annual Report on OfS Conditions of Registration**

- .1 Council **noted** the report.

**22/156 Executive Board Report**

- .1 Council **noted** the report.

**22/157 Blackwell Park Ltd Update**

- .1 Council **noted** the report.

**22/158 Student Protection Plan**

- .1 Council **noted** the report.

**22/159 Management Accounts**

- .1 Council **noted** the report.

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**D CLOSING ITEMS**

**22/160 Any Other Business**

- .1 Noting that it was Michael Queen's final meeting, Council took the opportunity to express its sincere thanks to him for his great contribution to Council and the University.

**22/161 Date of next meeting**

8 February 2023

**Mr Charlie Geffen, Chair**