

COUNCIL

**25 November 2010 at 16:30
Oak House**

MINUTES

Members:	Mr M Taylor (Chair)	Professor G Nicholls
	Professor C M Snowden (Vice-Chancellor)	Professor M Olssen
	Mr T Chambers	Mr I Robertson
	drs J Derwig	Mr D Rogers
	Mr D Eustace	Professor N Seaton
	Dr J Forrest	Mr M Hunt
	Professor J Hay*	Professor A Sterr
	Mr A Herman	Mr K Taylor
	Professor M Kearney*	Ms A Watts
	Ms D Langston	Professor S Williamson
	Mr D McNulty	Professor R Winston

*denotes member unable to attend

In attendance:	Ms C Johnson – Acting University Registrar and Clerk to Council
	Mr D Sharkey – Director of Finance
	Mr H ap Rees – Director of Planning & Strategy
	Mr G Melly – Director of Corporate Services
	Professor Steve Baker - Research Park Director (Item 13)
	Ms L Richards – Minutes

A INTRODUCTORY ITEMS

10/62 Apologies for absence

Apologies were received from Professor John Hay and Professor Michael Kearney

10/63 Declarations of interest

None.

10/64 Minutes of meeting held 22 July 2010.

The minutes from the meeting held 14 October 2010 were approved.

10/65 Matters arising

With regard to minute 10/56 from meeting 14 October 2010, Ms Johnson highlighted the options available to Council for future effectiveness reviews. That is, that it could continue with reviews as they are currently undertaken (by internal questionnaire); it could accept the offer from SUMS to carry out an independent review; or it could wait for the outcome of the project

being conducted for the LFHE and CUC to create a framework for HEIs to use for assessing Governing Body Effectiveness - this was expected in May 2011. It was agreed that these options should be investigated further and discussions brought to Council at the July 2011 meeting if timely.

Action: Clerk to Council

Council noted the updates to the actions schedule.

10/66 Chair's Items

.1 Remuneration Committee

The Chair informed Council that the Remuneration Committee had met and that full and thorough reports had been received from the Vice-Chancellor and the senior management team regarding achievements against objectives. The Chair also commented on the strong leadership position taken by the Vice-Chancellor and the senior management in agreeing to a freeze on their salaries for a further year. It was noted that communication of relevant information would be undertaken in the appropriate manner.

.2 Joint Committee Membership

Post meeting note: Following confirmation from the Privy Council Office, on 16 December, that the changes to Charter & Statutes had been approved, the Joint Committee of Council and Senate was constituted under the new Statute 3. I.e. six members in total, three non-Senate members of Council, appointed by Council and three members of Senate, appointed by Senate. The Chair of the Joint Committee is ex-officio the Chair of Council and is included in the three Council members. The Chair of Council took action to approve the membership as follows:

Council members: Chair - Mr Max Taylor, Ms Anne Watts, Dr John Forrest
Senate members - Professors Nigel Seaton, Shirley Price and Philip Powrie.

.3 Other Committee Memberships

The Chair advised the following recommendations from the Nominations Committee following previous discussion:

i) Council

- Appointment of Professor David Allen as an elected member of Senate for a first term of three years from January 2011 to December 2013. (*Replaces Professor John Hay*).

ii) Finance Committee

- Re-appointment of Iain Robertson for a second term from January 2011 to December 2012. (*NB: This appointment as a nominated member of Council, rather than co-opted, therefore concurrent with Council term*).
- Appointment of Professor Philip Powrie as the nominated Dean of Faculty for a first term of three years from January 2011 to December 2013. (*NB: Replaces Professor John Hay*).

iii) Audit Committee

- Appointment of Ms Anne Watts for a first term as a nominated member of Council from January 2011 to December 2012. *(NB: Concurrent with Council term).*

Council **approved** the recommended appointments.

The Chair reminded Council that a replacement was still required for Mr Stratford who had recently retired from Audit Committee. Members were again asked to consider potential candidates and put forward nominations to the Chair.

Action: All members

.4 Achievements of members of the University Community

Council **acknowledged** the achievements of members of the University community as outlined in the paper circulated.

In particular, Council congratulated Professor Olssen (present at the meeting) for his award of the title of “Academician” received from the Academy of Social Sciences, for his significant contribution to the social sciences.

B ITEMS FOR CONSIDERATION AND APPROVAL

10/67 GSA
In strictest confidence - commercially sensitive
REDACTED AS COMMERCIALY SENSITIVE

10/68 University Annual Accounts 2009/10
REDACTED AS COMMERCIALY SENSITIVE

.2 Going Concern and Letters of Representation

The Chair reminded Council that they must be satisfied with the statements being made in the letters of representation. Attention was particularly drawn to statements 11 and 12 in Appendix 2 relating to the pension scheme.

Ms Langston, as Chair of Audit Committee, confirmed that Audit Committee had declared their satisfaction with the University’s approach, particularly in relation to statement 12 regarding the impact of the change from RPI to CPI on the valuation of the FCC pension liability.

Council **noted** the report on Going Concern and **approved** the signature of the Letters of Representation.

.3 Financial Statements of the University, the Foundation Fund and the Trust Funds

Mr Sharkey confirmed that all of the financial statements had been reviewed by Finance Committee and Audit Committee. The following points were highlighted:

- With regard to the Operating and Financial Review, there had been a change in reporting requirements following HEFCE's appointment as principal regulator and in relation to the Charities Act 2006. Additional disclosures were now required, including a statement of public benefit.
- For SSPL, this was the first and part year of incorporation. A question had been raised at Finance Committee as to whether the company was solvent and whether a parental letter was required. Mr Sharkey confirmed that advice had been sought and that this was not an issue as it was covered by loan facilities.

Council **approved**, on the recommendation of Finance Committee and Audit Committee:

The 2009-10 Financial Statements for the University;
 The 2009-10 Financial Statements for the Foundation Fund; and
 The 2009-10 Annual Accounts for the General Nursing Council Chair Fund, the High Coombe Trust Fund and the Marion Redfearn Trust Fund.

Council **noted** the 2009-10 Annual Accounts for the Battersea Trust Fund (having been approved by Finance Committee as Trustees).

.4 Annual Accounts of the Subsidiary Companies, including GSA and SSPL

Council **noted** the summary of the 2009-10 annual accounts of the Subsidiary Companies.

Council **noted** the 2009-10 Financial Statements for the Guildford School of Acting.

Council **noted** the 2009-10 Financial Statements for Surrey Sports Park Limited.

.5 External Auditor's Highlights Memorandum and Management Letter

Mr Sharkey reported that there had been relatively few management points made by KPMG in their report this year.

Council **noted** the External Auditor's report.

10/69 Annual Assurance Statement

Mr Sharkey confirmed that this was one of the required annual returns to HEFCE. The statement confirmed the University's satisfaction that it has met its obligations under the Financial Memorandum.

Council **noted** the Annual Assurance Statement.

10/70 Annual Report on Long Term Borrowings

Mr Sharkey confirmed that this had been scrutinised by Finance Committee. Council were referred to page 7 which contained the key messages. In particular to note that whilst the University remained highly geared, it currently enjoyed relatively advantageous borrowing

arrangements.

Council **noted** the annual report on long term borrowings.

10/71 University Plan (Corporate Planning Statement)

Mr ap Rees confirmed that this document had been scrutinised by Finance Committee and that it was largely as had been seen previously by Council. He also confirmed that the document would form part of the submission to HEFCE in December.

Subject to any minor amendments relating to the GSA revised proposals, Council **approved** the Corporate Planning Statement.

10/72 Financial Forecast

Mr Sharkey reminded Council of the difficulties producing a meaningful forecast whilst the outcome of the spending review and impending funding cuts were not fully known. A forecast for 2010-11 was being submitted to HEFCE in December, with a full forecast to 2013-14 would be submitted in March 2011.

Council **approved** the submission of the 2010-11 budget and commentary to HEFCE and **noted** the revised timetable for submission of the longer term forecast.

10/73 Annual Monitoring Statement (AMS)

It was noted that the AMS had been examined by Executive Board and that there were no issues raised.

Council **approved** the Annual Monitoring Statement for submission to HEFCE.

10/74 Risk Management

.1 In introducing this item, the Chair reminded Council that their input and comment regarding risk was welcomed and should be fed into the process, as and when it arose.

.2 Mr Sharkey reported that the Risk Register had recently been reviewed and refreshed. This was partly to ensure confidence that the correct risks had been captured and partly to tighten up the mitigation activities.

In discussion the following points arose:

- Ms Langston, as Chair of Audit Committee, commented that there were possibly too many risks on the register and that this could lead to dilution of concentration and take the focus away from the most important risks. Mr Sharkey confirmed that this was being reviewed.
- The question was raised as to whether risks should be identified by whether they were within the University's control or outside of it. Mr Sharkey agreed to look into the possibility of this for the next report to Council.

Action: Mr Sharkey

- .3
- In relation to Risk 19, a brief explanation of what had been done to reduce the University's carbon footprint was requested. Mr Melly reported that there had been regular meetings and a high number of projects were ongoing to try to meet targets. There was every wish to meet requirements but projects would have to be prioritised dependent upon how much capital funding was received. This was highly likely to be cut.
- .4
- The impact level and mitigation activities of Risk 8 (IT infrastructure) were challenged. Given the importance and the immediate nature of any failure, it was thought that the impact level should be 'high' rather than 'medium. Also, if the impact were 'high' the mitigation activities should be reviewed to ensure they are robust enough. Mr Sharkey reported that this had received focus at the Executive Board IT Committee. IT infrastructure was more resilient than a year ago but it was recognised that there was more work to do and the pace of improvement had to increase. It was agreed that this would be reviewed and an update reported at the March meeting of Council.

Action: Mr Sharkey

- .5
- Mr Melly and Professor Steve Baker then gave a brief presentation with regard to Risk 6, and specifically in relation to the transport infrastructure and traffic congestion issues. The following main points were highlighted:

REDACTED AS COMMERCIALY SENSITIVE

- The University had been working with the Highways Authority, Borough and County Councils and the Royal Surrey Hospital to seek a solution.
 - The University has devised a solution which consisted of a signalised junction at the point of the problem (the roundabout leading directly to the Sports Park, Research Park and Hospital). A planning application was put forward in November 2010.
 - The likely construction costs to implement this solution was approximately £2.7m.
- .6
- Mr Melly informed Council that the funding that had been hoped for had been removed after the spending review, therefore alternative funding streams would be needed. It was recognised however that any alternative funding streams were not likely to meet the timescales required for this solution to be implemented. Both Mr McNulty and Mr Taylor confirmed, in their County and Borough Council capacities, that whilst they would not expect opposition to the solution, funding was unlikely to be forthcoming, certainly within the timescales being suggested.
- .7
- Mr Melly further reported that there had been some concerns about the level of co-operation from the hospital. Ms Watts informed Council that a new Chair of the Royal Surrey had been appointed with whom she had recently been in contact, and suggested she contact the Chair again with the aim of suggesting a meeting. It was agreed this could be beneficial.

Action: Ms Watts

- .8 The longevity of the solution was questioned. Mr Melly advised that this was unlikely to prove a long term solution. Traffic issues were set to worsen following the opening of the Hindhead tunnel which was likely to merely push that particular congestion problem further up the A3, towards Guildford. He confirmed that a long term solution would have to consist of access being built from elsewhere but that these solutions were at least ten years away.

There being no further points raised, Council **noted** the update on risk management and the risk register.

10/75 Audit Committee Annual Report

Ms Langston, as Chair of Audit Committee, confirmed that Audit Committee had been satisfied to provide a satisfactory level of assurance against all points, as provided within the report, with the following three points highlighted:

- With regard to the concerns raised in the internal audit report on GSA/Project management, it had been concluded that lessons had been learned about the requirement for robust application of project management principles.
- Whilst timescale for implementation remained an issue, the work undertaken in relation to IT infrastructure had been recognised and a review had been given at the last meeting of Audit Committee.
- A high level of concern had been raised around the most recent report on 'expenses'. Audit Committee felt strongly that the embedded cultural issues required immediate attention and were pleased that the Vice-Chancellor and the Finance Director were dealing with this as a priority. Mr Sharkey reported that immediate action was needed to tighten up the policy. This had been discussed at Executive Board and had received strong buy-in from colleagues. A communication had been issued to all Heads of Departments to begin the process of tightening up guidelines and responsibilities.

Council **endorsed** the Audit Committee Annual Report

The Chair then thanked Ms Langston for her expert contribution to Audit Committee over the past five years, and reconfirmed Mr David McNulty as Chair of Audit Committee from January 2011.

The Chair reminded Council that a replacement was still being sought for Mr Stratford, a co-opted member of Audit Committee, who had resigned his membership due to ill health. The Chair asked Council members to consider potential candidates and to provide nominations.

Action: All Council Members

10/76 Student Enrolment Report

Ms Johnson thanked Mr ap Rees for providing the report. Two points were highlighted:

- The undergraduate tariff points had risen from 391 (2009) to 402 (2010).

- Tuition fees were forecast to be £2m ahead of budget.

Council **noted** the Student Enrolment Report.

10/77 Nominations for 2011 Honorary Degrees

The comment was made that whilst there was no problem with any of the nominations made, the University should strive to introduce more diversity into the list. The Vice-Chancellor agreed that this point was accepted by all but pointed out that it relied on there being more diversity in the recommendations that were put forward. The criteria for nominations was free format with very few restrictions. He confirmed that the University was happy to receive all nominations and reiterated the request for Council members to make recommendations.

Council **approved** the recommendations for Honorary Degrees for 2011.

C ITEMS FOR INFORMATION

10/78 Report from the Finance Committee

Council **noted** the report from the Finance Committee.

10/79 Report from the Executive Board

Council **noted** the report from the Executive Board.

10/80 Report from the Audit Committee

Council **noted** the report from the Audit Committee.

10/81 Report from the Senate

Council **noted** the report from the Senate and **approved** the recommendations from Senate as follows:

Professor Barry Lloyd to be appointed Emeritus Professor.
Accredited Status be granted to the Royal Academy of Dance.
The appointment of the Pro-Vice-Chancellor as an ex-officio member of the Senate.

10/82 Health & Safety Report

Council **noted** the Health & Safety report.

D CLOSING ITEMS

10/83 AOB

None.

10/84 Dates of Future Meetings

All meetings (except away days) are at 16:30 unless otherwise advised.

2011:

17 March

21 July

29-30 September (away day)

24 November

**Mr Max Taylor
Chair of Council
25 November 2010**