

COUNCIL

**22 November 2012 at 14:00
Oak 1&2**

MINUTES

Members:

Mr Max Taylor (Chair)	*Prof Gill Nicholls
Mr Dudley Eustace (Vice-Chair)	Prof Shirley Price
Prof Sir Christopher Snowden (President & V-C)	Mr Iain Robertson
Prof David Allen	Mr David Rogers
*Mr Thomas Chambers	Ms Sue Ryle
Dr John Forrest	Prof Jonathan Seville
Mr Jim Glover	Mr Keith Taylor
Mr Dave Halls	Ms Anne Watts
*Mr Ashley Herman	*Prof Steve Williamson
*Mr David McNulty	*Prof Lord Robert Winston

*denotes member unable to attend

In attendance:

Mr Harri ap Rees – Director of Strategic Planning
Dr David Ashton – VP Administration and Registrar
Ms Sarah Litchfield – University Secretary & Legal Counsel (Clerk to Council)
Mr Greg Melly – VP Corporate Services
Ms Lise Richards – University Secretariat Manager (minutes)
Mr David Sharkey – Chief Financial Officer

A INTRODUCTORY ITEMS

12/59 Apologies for absence

Apologies were noted from Mr Thomas Chambers, Mr David McNulty, Prof. Gill Nicholls, Prof Steve Williamson and Prof Lord Robert Winston.

12/60 Conflicts of interest

None declared.

12/61 Minutes of previous meetings.

The minutes from the meeting held 4 October 2012 were **approved**.

12/62 Matters arising

.1 Actions

There were no outstanding formal actions. No additional matters arising, not already on the agenda, were raised.

12/63 Chair's Items

.1 Appointments

.1.1 Council **noted** that a Remuneration Committee had been held. It had reviewed the performance and compensation of the Executive Team including the Vice-Chancellor, the outcomes of which would be communicated via the appropriate channels in due course.

.1.2 Council **approved** the re-appointments with effect from 1 January 2013 to 31 December 2015 as outlined below:

Ms Lesley Benson – member of Audit Committee (3rd term)

Mr David McNulty – member of Council (2nd term)

Mr Iain Robertson – member of Council (2nd term)

Ms Anne Watts – member of Council (2nd term)

Council **approved** the following appointment extensions:

Mr Dudley Eustace – member of Council for one additional period to 31 December 2013.

Mr David Rogers – member of Council for an additional period to 31 July 2014.

Mr Max Taylor – Chair of Council for an additional period to 31 July 2013.

.1.3 Council **noted** the recommendation of the Joint Committee of Council and Senate to re-appoint Sir William Wells for a further term as Pro-Chancellor, from 1 February 2013 to 31 January 2016. Approval would be sought at the meeting of Court in January 2013.

.1.4 In accordance with Statute 4, Council **approved** the current membership of the Joint Committee of Council and Senate as follows:

Three members of Council, one being the Chair, Mr Max Taylor (Chair), Dr John Forrest and Ms Anne Watts. Three members of Senate, Prof Chris France, Prof Phil Powrie and Prof Shirley Price.

.1.5 In accordance with Statute 23, Council **approved** the members of the Tribunals Panel for 2013 as follows:

Four members of Senate being, Prof Shirley Price (substitute Chair), Dr John Varcoe, Prof Diane Watt and Dr Andy Adcroft.

Four lay members of Council being, Mr Iain Robertson, Mr Jim Glover (Chair), Mr Dudley Eustace and Ms Anne Watts.

.2 Achievements

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

.3 HEFCE Letter of Assessment of Institutional Risk

Council **noted** the letter from HEFCE which had given its assessment of risk for Surrey as “not at higher risk”.

B ITEMS FOR CONSIDERATION AND APPROVAL

12/64 Year End Outturn 2011-12

- .1 Council received a brief presentation on the year end outturn, the headlines of which were **noted** as follows.

REDACTED AS COMMERCIALY SENSITIVE

12/65 Financial Statements

.1 Going Concern and Representation Letters

- .1.1 Council was reminded that it needed to satisfy itself that “the University has adequate resources to continue in operation for the foreseeable future”.

- .1.2 Council **noted** the report on going concern.

- .1.3 It was noted that there had been a new requirement this year to declare any known serious incidents as defined by the Charities Commission. An additional representation had been added to the letter to this effect which confirmed there had been no such cases identified.

- .1.4 It was noted that the only discussion raised during the audit was around pension liability assumptions. The Hymans actuarial assumptions had been followed for consistency and had resulted in a more cautious approach than those of the auditor (KPMG). It was agreed with the auditors that it was reasonable to adopt the Hymans assumptions.

- .1.5 Council was advised that there were forthcoming changes to the Local Government Pension Schemes that it would need to be aware of. A Pensions update was on the agenda for Finance Committee to discuss at its January 2013 meeting.

- .1.6 Council **approved** the Representation Letters for signature.

.2 External Auditor’s Highlights Memorandum and Management Letter

- .2.1 Council noted that there had been a ‘clean’ audit with no issues raised. The three minor management letter points had all been dealt with.

- .2.2 Council members’ attention was drawn to the information regarding pension scheme reforms which could be found at page 13 of the report.

- .2.3 Council **noted** the Auditor’s Highlights Memorandum and Management Letter

.3 Consolidated Financial Statements 2011-12

- .3.1 It was noted that the consolidated financial statements had been scrutinised by Finance Committee and Audit Committee.

- .3.2 No questions or issues were raised, therefore, on the recommendation of Finance Committee and Audit Committee, Council **approved** the Financial Statements for 2011-12.

.4 Foundation Fund Financial Statements 2011-12

- .4.1 On the recommendation of Finance Committee and Audit Committee and as Trustees of the Foundation Fund, Council **approved** the Financial Statements for 2011-12.

.5 Surrey Sports Park Limited Financial Statements 2011-12

.5.1 Council **noted** the SSPL Financial Statements for 2011-12, which had been approved by the SSPL Board at its meeting on 16 November 2012.

.6 Summary of Subsidiary Company Accounts 2011-12

.6.1 It was noted that separate accounts for GSA were prepared up to March 2012 when it was unincorporated and fully integrated into the University. Further, the SII operations in China had not been consolidated due to ongoing issues with the repatriation of monies.

.6.2 Council **noted** the summary of subsidiary accounts for 2011-12.

.7 Trust Fund Accounts 2011-12

.7.1 Council was informed that Finance Committee had enquired whether optimal use was being made of these funds. An additional narrative had been added to the statements in response.

.7.2 Council **noted** the Battersea Trust Fund Financial Statements for 2011-12 which had been approved by the Finance Committee, as Trustees, at its meeting on 8 November 2012.

.7.3 On the recommendation of Finance Committee and Audit Committee, and as Trustees of the Funds, Council **approved** the Financial Statements for the General Nursing Council Chair Fund, the High Coombe Trust Fund and the Marion Redfearn Trust Fund.

12/66 Annual Assurance Statement 2011-12

.1 It was noted that this return formed part of the HEFCE institutional risk assessment.

.2 Council **noted** the annual assurance statement for 2011-12

12/67 Annual Report on Long Term Borrowings

.1 Council noted the report covered the University's current borrowing position and was assured that whilst relatively highly geared in the sector, existing debt was low cost, light on covenants and well hedged.

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

12/67 Annual Monitoring Statement

.1 Council was reminded that this was a submission requirement to HEFCE in order to receive funding for some special initiatives.

.2 Council's attention was drawn to the comments in answer to question 22 (page 8), which summarised the University's view on the changes to the new funding arrangements. Council requested that some additional points be added/emphasised as follows:

- Emphasis on the impact on student recruitment, particularly home/EU undergraduates;
- Ongoing uncertainty around post graduate funding potentially affecting future

- recruitment
 - The understanding that the uncertain environment made it almost impossible to provide reliable forecast returns.
- .3 Subject to the above adjustments, Council **approved** the annual monitoring statement response.

Action: Mr ap Rees

12/68 Student Recruitment Report

This covers item 15 on the agenda which was brought forward in order to set some context for the following Forecast item.

- .1 Council received a presentation on the student recruitment position for 2012-13.
REDACTED AS COMMERCIALY SENSITIVE

12/69 Updated Forecast for 2012-13

- .1 Council received a presentation. It was noted that this item covered the forecast for 2012-13 only and was required for submission to HEFCE on 3 December 2012.

.2 **REDACTED AS COMMERCIALY SENSITIVE**

- .3 It was further noted that a 10 year forecast was required as part of the ongoing funding discussions with the European Investment Bank. This would be discussed and approved (assuming authority has been delegated) at an additional Finance Committee meeting in December (see minute 12/72 below).

- .4 Council **approved** the updated forecast for 2012-13 for submission to HEFCE.

12/70 Students' Union Trustees' Report and Consolidated Financial Statements for 2011-12

This minute covers item 16 on the agenda and was brought forward as the President of the SU needed to leave the meeting early.

- .1 It was noted that Finance Committee had received and reviewed the SU financial statements, which were due to be approved by the SU Board of Trustees at its meeting on 13 December 2012.

- .2 For 2012-13, it was noted that the P&L budget was, more or less being achieved, despite a challenging first quarter. A full forecast would be provided to the Trustees.

- .3 Council **noted** the Report and Financial Statements for 2011-12 of the Students' Union.

12/71 Risk Management Update

- .1 Council noted that the report had been presented to Finance Committee and Audit Committee at their respective meetings on 8 November 2012. The main change to the risk register was the addition of the PGT review which would remain flagged as red until the outcome of the review was known.

- .2 Council noted that the Surrey International Study Centre had achieved its highly trusted status,

although the re-review had not yet taken place.

.3 Council **noted** the update on risk management.

12/72 New Funding Update

.1 **REDACTED AS COMMERCIALY SENSITIVE**

.2 Given the timing issues between the meetings of Council, Finance Committee and the deadlines for submissions to EIB and HEFCE, it was proposed that authority be delegated to Finance Committee to approve the following:

- The ten year financial forecast for submission to the EIB;
- The preferred new funding route; and
- The HEFCE submission requesting an increase in the University's long term borrowings threshold.

.3 A meeting of Finance Committee to approve the ten year forecast had been arranged for 11 December 2012. The preferred new funding route and HEFCE submission would be approved by Finance Committee at its regular meeting on 17 January 2013. An open invitation to both meetings was extended to all Council members.

.4 Council **approved** the delegation of authority to Finance Committee as outlined above.

.5 Council **approved** (in principle) the submission to HEFCE of a request to increase the University's long term borrowings threshold, subject to approval by Finance Committee of the preferred funding route and associated financial implications.

.6 Council **noted** the update on new funding options.

12/73 Audit Committee Annual Report

.1 Council **endorsed** the Annual Report from the Audit Committee, noting Audit Committee's wish to encourage more challenging value for money cost saving targets.

12/74 Memorandum of Understanding between the University and the Students' Union

.1 It was noted that this had been discussed and agreed at the strategy group and had been signed by both the University and the Students' Union. Some minor changes had been made, but nothing which altered the nature of the agreement.

.2 Subject to the missing appendices being added, Council **approved** the extension of the Memorandum of Understanding.

Action: Ms Richards

12/75 Honorary Degrees

.1 Comment was made about the need to raise the profile of this process and to encourage more ambitious nominations from a wider range of people. It was noted that the success of this was dependent upon receiving the nominations. Whilst two to three times the number of agreed

awards were received in nominations, it was still a relatively small number. It was agreed that this should be the subject of a more focused discussion and should be added to the agenda for the next meeting of Council.

Action: Ms Richards

- .2 On the recommendation of Senate, Council **approved** the nominations for Honorary Degrees for 2014 for submission to the Chancellor.

C ITEMS FOR INFORMATION

12/76 Report from the Finance Committee

- .1 To be circulated with the minutes for **note**.

12/77 Report from the Executive Board

- .1 The report from the Executive Board was **noted**.

12/78 Report from the Audit Committee

- .1 To be circulated with the minutes for **note**.

12/79 Health & Safety Report

- .1 To be circulated with the minutes for **note**.

D CLOSING ITEMS

12/80 AOB

- .1 None

12/81 Dates of Future Meetings

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

2013:

21 March, 25 July, 21 November

**Mr Max Taylor
Chair of Council
21 March 2013**