UNIVERSITY OF YORK

COUNCIL

Minutes of the meeting held on 23 July 2010

Present: The Chair of Council
The Vice-Chancellor
The Deputy Vice-Chancellor
Pro-Chancellor (Dr R Brech)
Pro-Chancellor (Mrs L Wild)
Pro-Vice-Chancellor (Ms A E M Heaps)

Mr M Galloway
Mr B Greenwood
Mrs K Harper
Mr R Huang (GSA)
Ms A Selvaratnam

Professor T Stoneham
Mr D Tecwyn
Professor P Walton
Dr H Wilkinson

In attendance: The Registrar and Secretary
The Director of Finance
The Director of Facilities Management
Governance Officer, Dr P Evans

Apologies for absence were received from the Treasurer (Mr D Dickson), Professor J Bennett, Mrs M Loffill, Mrs J McAleese, Mr W McCarthy and Ms J Unwin.

09-10/66 Heslington East Site Visit

Before the meeting members of Council visited the Heslington East site to see the new buildings that were close to completion (the Ron Cooke Hub and the Departments of Computer Science, Theatre Film and TV, Law and Management).

09-10/67 Membership

Council received information in respect of its membership in 2010/11 (C.09-10/57) and the Chair thanked all outgoing members for their valuable contribution to the Council’s work. Noting that it was also the last meeting for the Director of Facilities Management, Council wished him well in his new post.

With regard to the end of the term of office of Professor Walton after one year and the ineligibility of Mrs Harper to stand for re-election, it was noted that these were statutory provisions: academic members of Council had to be Senate members (and
Professor Walton ceased to be a Senate member from summer 2010) and elected support staff members were not eligible for re-election until the expiration of one year from the end of their term of office (Statutes 11.1.b and 11.3.c refer).

09-10/68 Declaration of Conflicts of Interest

Members were invited to declare any potential conflicts of interest relating to the business of the meeting. None were declared.

09-10/69 Minutes

The unreserved minutes of the meeting held on 25 June 2010 were approved (C.09-10/58) and Council noted the action schedule based on the minutes (C.09-10/59).

With regard to the monitoring of pension schemes (M09-10/6 refers), the Vice-Chancellor reported that:

a) the Board of Trustees of the University of York Pension Scheme had been re-structured and an independent member had been appointed as Chair to avoid potential conflicts of interest;

b) the Board of Trustees of the Universities Superannuation Scheme (USS) had approved the employers’ proposals for scheme reforms and consultation would be undertaken with all members (from late September to early December), as required by law.

09-10/70 Corporate Governance Review

Further to M09-10/54, Council considered the final report from the corporate governance review group (C.09-10/60).

With regard to the size and constituency of Council and the pros and cons of both the status quo (22 members) and an alternative smaller model (18 members), the following comments were noted:

- The impact on the committee structure of having a smaller governing body would be broadly neutral (especially given the proposed discontinuation of the Estates and Business & Community Committees).
- No changes were proposed to Council’s formal role and remit as set out in its Statement of Primary Responsibilities. The intention was rather to streamline decision-making within the governance structure.
• There did not appear to be much evidence suggesting a change in the size of Council was required and a reduction in the lay membership might have a negative impact on the University’s external relations, especially in the locality and region.
• A reduction in the number of elected support staff from two to one might send a negative message to the large number (1800+) of such staff at the University.
• If new members found the current size intimidating, there were other means of overcoming this (e.g. through improved induction).
• Reducing the lay membership might further compound the attendance issues that were inevitably faced by lay members in full-time employment. Currently attendance issues were handled by the Chair acting through the Registrar & Secretary.
• The Senior Management Group (SMG) did not have a unified view on the matter. The Vice-Chancellor expressed his personal view that a reduction in size might increase commitment (and therefore attendance) levels and might also promote greater contribution from all individuals in meetings.

Following the above discussion members were asked to vote on the question of whether to reduce the size of Council, with the following result:

   for:  2
   against:  11

Council next considered the other recommendations in the report, as follows:

a) officers in attendance (R2): approved (with gender-neutral language to be used in relation to the Director of Facilities Management)

b) Council effectiveness (R3-9): approved with the following additional comments noted:

  – Re-ordering agendas with prioritisation of items for decision (R20 refers) was generally supported. It was agreed that while some reports ‘for note/ information’ could be placed in Category II business, others required more active consideration if they related to questions of statutory legal compliance (e.g. health and safety, equality and diversity etc).
An attendance record was kept for all members and this was submitted to the Nominations Committee when re-appointments were being considered. It was suggested that the register, suitably anonymised and aggregated, could be submitted to Council annually for information.

The maximum length of service of 10 years for lay members in appointments of 2+4+4 years was based on the good practice guidance in the CUC’s Governance Code of Practice (to which the Council formally and publicly ascribed in its annual Corporate Governance Statement). It was agreed that the word ‘normally’ could be introduced to this convention to indicate that there might be circumstances in which an individual might be re-appointed beyond this period.

c) Committee Structure (R10-17): approved with the following additional comments noted:

The proposals represented an evolution of the current structure and no changes were proposed to the committees not specifically referenced in the report. Current structural diagrams would be updated following Council’s approval of the changes.

It was proposed that the wording related to the Policy and Resources Committee should be revised (R14 refers). It was agreed that monitoring and scrutinising the work of the executive should be Council’s role as the governing body and that the Committee’s role was better described as “reviewing financial plans and major capital and strategic proposals”, which also matched the description of its remit in the Statement of Primary Responsibilities. A monitoring role should however continue to be undertaken by certain other sub-committees in relation to, for example, risk management arrangements (Audit Committee) and achievement of in-year financial plans (Finance Committee).

The transfer of the decision-making responsibility for capital projects costing between £1m and £4m from the Policy and Resources Committee to the SMG was noted as a consolidation and clarification of SMG’s executive authority. SMG would continue to submit high-risk strategic projects and the annual budget to the Committee for detailed review with lay input.
prior to submission to Council. It was agreed that the re-drafted terms of reference for the Committee would be submitted to the next meeting for information and clarification.

d) **Statement of Primary Responsibilities** (R18): approved with the following additional comment noted:

- Although implied by the references to risk assessment and systems of control and accountability, it was agreed that specific reference to Council’s responsibility for ensuring statutory compliance be added to the Statement.

e) **Information Provision** (R19-26): approved with the following additional comments noted:

- The structuring of Council agendas needed to reflect an appropriate balance between straightforward decision-making on individual items of business and the equally important monitoring and scrutiny, from a due diligence perspective, of the University’s performance against its plans (e.g. via Executive Reports and key performance indicators).
- Where this was not already the case, it was suggested that the secretaries of Council sub-committees be encouraged to make more information openly available online (e.g. minutes that were not commercially sensitive).

f) **Training/ development** (R27): approved with the following additional comment noted:

- Any feedback from Council members on LFHE governor development events might usefully be circulated to all members for information.

g) **Calendar** (R28): approved

h) **Away Day** (R29-31): approved with the following additional comment noted:

- The agenda for the forthcoming Away Day (Friday 15 October 2010) would focus on the scenario-planning work currently being undertaken by the SMG.

i) **Senate** (R32): approved

j) Scheme of Delegation (R33): approved

Following consideration of the report as set out above, it was suggested that the Internal Communications Officer in the External Relations Directorate might usefully undertake some work to publicise the Council’s role and remit to the wider University community, as had been done for SMG over the last year.

09-10/71 Feedback from Members

Further to the report on corporate governance, Council considered a report summarising the feedback submitted by individual members via a revised questionnaire (C.09-10/61).

The Chair commented that overall the response confirmed a generally high degree of satisfaction with the effectiveness of the Council’s operation, especially in respect of finance, strategy and accountability. It was noted that the areas of risk assessment and assurance on academic quality would be enhanced by, respectively, the new agreed framework for risk management (M09-10/55 refers) and the planned Senate effectiveness review (M09-10/70 refers).

With regard to innovation, reputation and competitiveness, it was agreed that Council’s role was to seek assurance that these areas were being appropriately managed and developed by the executive.

Noting the response rate to the questionnaire, including some late returns, the Chair asked members who had not responded to complete the pro-forma. It was noted that, following revision of the pro-forma in 2010, members would have more time to complete it the following year.

09-10/72 Executive Report: Director of Facilities Management

Council received the annual executive report from the Director of Facilities Management, Keith Lilley (C.09-10/62).

During discussion the following points were noted:

a) Systems for sickness absence reporting, well developed within the Directorate of Facilities Management, were currently being implemented more rigorously across other areas of the University. Progress had also been made with return-to-work interviews and enhancement of the Occupational Health Service.
b) Due to the nature of advance booking, there had been a slight time-delay effect on conference income from the recession. This was not thought to be a continuing downward trend and forecasts were healthier for conferencing in 2010/11. It was noted that Heslington East was already being marketed as a conference venue.

c) With regard to environmental sustainability, it was noted that certain league table measures of “green-ness” were not consistent in the criteria they used each year. It was noted that carbon management would be a key driver for HEFCE in the allocation of future capital funds. The University’s recent decision to invest in a CHP Biomass boiler (M09-10/50 refers) would allow it to meet the more stringent requirements in this area.

d) In terms of the ratio between total property costs and University income, it was not possible to make direct comparisons between the figures for student accommodation and for academic space as the former only included running costs while the latter also included staff salaries and activities.

e) With regard to the key performance indicator dashboard appended to the report, it was suggested that the institutional KPI and the Estates KPI for space utilisation per student should be harmonised for consistency of presentation.

f) There had been a staffing reduction within the Directorate of 83 fte (total workforce: 550 fte), which had been achieved without compulsory redundancies.

Council thanked the Director for his report and requested that in future a key be provided to explain the many abbreviations used, especially in the performance indicators. It was also suggested that future reports might make greater reference to environmental sustainability as this was a key objective of the University Plan.

Executive Report: Director of Finance

Council received the annual executive report from the Director of Finance, Graham Gilbert (C.09-10/63).

During discussion the following points were noted:

a) It was suggested that in future the report might make some reference to the improved operational efficiency arising from
re-organisation within the Directorate and the benefits gained from introduction of new finance systems.

b) With regard to the £2m provision for continuation of the University’s Voluntary Severance Scheme in 2009/10, it was noted that the scheme had proved effective in helping to manage staff costs and did not place the pension scheme under additional strain.

Council thanked the Finance Director for his report.

09-10/74

**Budget 2010/11 and Financial Forecasts 2013/14**

Council considered the budget for 2010/11 and the medium-term financial plan to 2013/14 (C.09-10/64), which were presented by the Director of Finance. It noted that the data presented also included the key parameters that had been used to determine the plan *(Table 1)* and also a summary of the capital investment programme *(Appendix 4)*.

In response to comments and queries, Council noted the following points:

a) The budget and forecast covering the first two years of the Medium Term Plan (MTP) period reflected an initial 10% cut in HEFCE funding as well as downward revisions to research funding. In addition a general contingency equivalent to 8% of HEFCE funding had been included in both years. The subsequent years assumed that HEFCE recurrent funding would be maintained in real terms, though from the lower base, but that there would be no further HEFCE capital funding. The profiling of the cuts to HEFCE funding reflected the current state of information while the assumption regarding capital and the continuing maintenance of a significant contingency provided some cover against further cuts. Anything beyond that provision would be dealt with by adjustments to subsequent budgets and operating plans but on the understanding that achievement of the key performance targets should not be compromised. With regard to matched funding from other organisations affected by government cuts (e.g. Yorkshire Forward), no assumptions had been made about funding that was not definitely secured. Funding for ERDF projects which had already been awarded was secure as it was matched by the University, not the regional development agency.
b) In terms of sensitivity analysis around future income from overseas student fees, it was reported that application numbers to the University were continuing to rise significantly.

c) The decision not to trim HEFCE grants for teaching and research beyond 2011/12 was premised on the view that there would be time to take corrective action if budget cuts continued beyond the first two years. This had been a strategic decision reflecting the judgement that the University’s growth and investment programme should not be prematurely constrained. The need for changes to policy would become clearer once the Comprehensive Spending Review and Browne review of higher education funding were known. The expectation remained, however, that the University’s teaching and research balance would continue to offer some protection against the worst impact of further cuts to HEFCE funding.

d) With regard to the parameter of a trading surplus of 2%, it had become clear when the budget was re-visited following government announcements in June that this target would not be achieved over the plan period. It was not the case, however, that the figures evidenced a declining trend; the early numbers were slightly flattered by one-off funding while the later years bore the full brunt of the additional depreciation and interest charges arising from the recent surge in capital expenditure. Nevertheless, the target remained in place and every effort would be made to achieve it over the next four years.

e) The cashflow outcome for 2009/10 had been affected by adverse movements in working capital which were not expected to be repeated the following year. The situation had already been identified by Finance Committee at the end of the third quarter and was being actively managed by the Finance department.

Following the above discussion, Council approved the budget for 2010/11 and the medium-term financial plan to 2013/14 for submission to HEFCE by its deadline of 1 December 2010. It was decided that, in the event of any major changes (e.g. in government funding) before this deadline, the budget would be re-visited and re-submitted to Council at its meeting in November.
09-10/75  Employment Statute and Ordinances

Council received for information a report from the Registrar & Secretary on progress to reform the so-called ‘Model Statute’ and associated ordinances that related to employment (C.09-10/65).

It was noted that there had been extensive consultation with the campus trade unions and that the intention was to introduce a single suite of procedures that would be applicable to all staff. As regards timescale, it was hoped that a revised enabling Statute and associated policies would be submitted to Council for consideration at its next meeting, prior to submission to the Privy Council for approval.

The Registrar thanked the HR Department and the local trade union representatives for the collaborative work undertaken so far in this legally complex area.

09-10/76  Business from Committees

Business from the following committee meetings was noted and/or approved (C.09-10/67):

(a) Health, Safety and Welfare Committee: 21 June 2010
(b) Equality & Diversity Committee: 24 June 2010
(c) Policy and Resources Committee: 9 July 2010

09-10/77  Unreserved Business from Senate

Council noted and/or approved the following unreserved business from the meeting of the Senate held on 13 July 2010:

(a) Vice-Chancellor’s report on recent events (C.09-10/68)
(b) Calendar of Meetings 2010/11 (C.09-10/69)

09-10/78  Disability Equality Scheme

Council approved the revised Disability Equality Scheme 2009-2012 and accompanying action plan (C.09-10/70).

The Deputy Vice-Chancellor drew particular attention to the action relating to governance which sought to ensure that Council and its sub-committees understood their obligations under the relevant disability legislation.
09-10/79  **Schedule of Business**

Council received for information its Schedule of Business for 2010/11, including the schedule of Executive Reports (C.09-10/71).

09-10/80  **Use of Seal**

Council approved the use of the Common Seal of the University.

09-10/81  **Dates of Meetings in 2010/11**

The dates of meetings in 2010/11 were noted as follows:

- Friday 15 October 2010 (away day)
- Friday 26 November 2010
- Friday 4 March 2011
- Friday 24 June 2011
- Friday 22 July 2011