Council

11/01 A meeting of the Council was held in Room 201, The Carrington Building, on Friday 28 January 2011 at 2.15pm.

Present: The President
          The Treasurer
          The Vice-Chancellor
          The Deputy Vice-Chancellor (Professor T A Downes)
          The Pro-Vice-Chancellor (Professor S J Mithen)
          The Pro-Vice-Chancellor (Professor R L Robson)
          The Pro-Vice-Chancellor (Professor C M Williams)
          Mr T Bartlam
          Professor G Brooks
          Mrs H Dominick
          Mr R Dwyer
          Professor R H Ellis
          Mr R E R Evans
          Mr J D Fishburn
          Mr T. Gilchrist
          Professor S Hawker
          Dr J C F Hayward
          Professor A M Hodge
          Ms J Lazarczyk
          Professor G Marston
          Dr I Mueller-Harvey
          Mr S P Sherman
          Councillor P Swaddle
          Professor S F Walker

The University Secretary

In attendance: The Director of Academic Services
               The Director of External Affairs
               The Director of Estates and Facilities Management
               The Director of Finance and Corporate Services
               The Director of Student Services

Apologies were received from Professor Berry, Professor Board, Mr Buller, Dr Erskine, Mr Palmer, Councillor Pugh, Dr Reed, Mrs Scott and Sir John Sunderland.

The President reported the deaths of:

**Dr Marjorie Jeacock** who had been appointed in 1966 and had retired as Senior Lecturer in Physiology & Biochemistry in 1995.

**Mr Keith Sainsbury** who had been appointed in 1955 and had retired as Senior Lecturer in Politics in 1989.
*11/02 The minutes (10/55-10/74) of the meeting held on 26 November 2010 were confirmed and signed.

**Items of Report**

11/03 **New Years Honours**

It was reported that the following appointments had been made in the New Year Honours List:

Knight Bachelor – Professor Timothy Wilson, formerly Vice-Chancellor of the University of Hertfordshire and a graduate of this University (BSc Mathematics and Computer Science, 1970), for services to higher education and to business.

KCMG – Mr Simon Gass, British Ambassador to Iran and a graduate of this University (LLB, 1977).

CBE – Professor Michael Fulford, Professor of Archaeology, for services to scholarship.

CBE – Professor Stephen Blackmore, Regius Keeper of the Royal Botanic Garden, Edinburgh, and a graduate of this University (BSc Biomolecular Science, 1973; PhD Botany, 1976), for services to plant conservation.

OBE – Professor William Finlayson, Director of the Council for British Research in the Levant and a Visiting Professor of Archaeology at this University, for services to international relations.

11/04 **Report of the Strategy and Finance Committee**

* The Council received the Report of the meeting of the Strategy and Finance Committee held on 26 November 2010 relating to items for report.

Resolved:

“That the Report of the Strategy and Finance Committee held on 26 November 2010 relating to items for report, now submitted, be received.”

11/05 **Documents sealed and to be sealed**

* The Council received a list of documents sealed and to be sealed.

Resolved:

“That the Council approve the action taken by the Officers and Members in affixing the University Seal to documents sealed since the last Ordinary Meeting of the Council and authorise the Seal of the University to be affixed to the documents to be sealed as now reported.”
11/06  Freedom of Speech: Annual Report

The Council received the Annual Report on Freedom of Speech for 2009-10, prepared by the University Secretary.

Resolved:

“That the Annual Report on Freedom of Speech, now submitted, be received.”

Items for Discussion and Decision

11/07  Report of the Vice-Chancellor

The Vice-Chancellor;

(a) suggested that members of the Council routinely visit the University’s website (www.reading.ac.uk) where they would find details of the many successes achieved by the University, its staff and its students. On this occasion he drew particular attention to the worldwide prime-time media appearances of staff from the Walker Institute for Climate Systems Research in connection with the recent flooding in Australia;

(b) had no further progress to report regarding the future funding landscape for higher education in the continued absence of clarity or direction from Government; and

(c) was pleased to report that the Henley Business School had recently been accredited by The Association to Advance Collegiate Schools of Business (AACSB), thus maintaining its position amongst the 1% of Business Schools worldwide to enjoy triple accreditation.

Resolved:

“That the Report of the Vice-Chancellor, now submitted, be approved.”

11/08  Reports of the Strategy and Finance Committee

* The Council received the Reports of the meeting of the Strategy and Finance Committee held on 26 November 2010 relating to items for discussion and decision.

In regard to item 4(a), the Financial Report: October 2010, the Director of Finance and Corporate Services commented that the next such Report to reach the Council would show the effects of the half-year review, one of which he hoped would be a small but significant improvement in the performance of the Henley Business School against budget. The President
reminded the Council that this was a year of transition for the Business School which continued to operate in a challenging external environment.

In regard to item 4(b), the University Pensions Strategy: Proposed reforms to the University of Reading Employees’ Pension Fund (UREPF), the Deputy Vice-Chancellor explained that it was for the Board of Trustees for the Fund to consider proposals from the University as employer for reforms to the scheme at its meeting on 8 March 2011. These would then be the subject of consultation with members and prospective members of the scheme and their representatives and, in the light of that consultation, the Trustees must then come to a view as to the reasonableness of the Rules which the University proposed for the operation of the scheme.

In response to a detailed question from Dr Mueller-Harvey relating to the position of members of the scheme close to retirement age, the Director of Finance and Corporate Services explained that such matters would fall within the compass of the consultation exercise. In response to a question from Mr Bartlam it was explained that some thirty universities sponsored schemes of this nature and that many had effected, or were contemplating, similar reforms. The Council would be kept informed of developments through the Strategy and Finance Committee.

In regard to item 4(c), the Report of the Health and Safety Committee, Pro-Vice-Chancellor (Professor Williams) drew attention to the warning letter issued to the University by the Environment Agency in respect of the acquisition of a Category 5 closed source of ionising radiation for which it did not have a permit and reported that, following a review of management procedures and a detailed site inspection, the Agency had since pronounced itself content.

Resolved:

“That:

(a) the Financial Report: October 2010, now submitted, be received;

(b) the University proceed to consultation with the staff affected and their representatives in regard to proposed reforms to the University of Reading Employees’ Pension Fund (UREPF), now submitted;

(c) the Report of the Health and Safety Committee, now submitted, be received.”

11/09 Halls Redevelopment Project

The Council received a paper on the Halls Redevelopment Project which had been considered earlier on the day at an additional meeting of the Strategy and Finance Committee.
Introducing the paper, the Deputy Vice-Chancellor expressed thanks to the Director of Finance and Corporate Services, the Director of Estates and Facilities Management and the Director of Student Services for their contributions to so thorough and extensive an exercise. He drew attention to the objectives that had been set out by the University in seeking a commercial partner to operate its student accommodation and reminded the Council that it was being asked at this stage only to settle upon a Preferred Bidder. Much work lay ahead before a Preferred Bidder could become the Contracted Partner. It was still a possibility that the University would not be able to secure an acceptable arrangement with a commercial operator. As a result, it remained a possibility that the University might need to refinance the Project by means of long-term debt in the event that there was no acceptable arrangement with a commercial operator.

Turning to the two Final Tenders, the Deputy Vice-Chancellor explained that ULiving did not have a single presence within the higher education sector on a scale close to that which would be required by the University. In contrast, UPP ran a number of similar operations and already had two contractually distinct relationships with the University, namely Reading Student Village and Reading St Georges. Lessons had been learned from the former and, partly in consequence, the latter had proved to be an altogether more satisfactory arrangement both for the University and its students. On the Evaluation Matrix adopted by the University, both Bidders had achieved low scores with a marked, though not large, advantage to ULiving. However, recognising that at this stage the figures quoted by way of capital receipt were inexact but reliably indicative, it was clear that the capital receipt offered by UPP would significantly exceed that available from ULiving. On balance, the Project Group considered that the UPP proposal offered the most economically advantageous proposal in the procurement and the Strategy and Finance Committee had agreed accordingly to recommend to the Council that UPP proceed to Preferred Bidder status subject to a number of clarifications and conditions.

The Director of Estates and Facilities Management raised a concern regarding the adequacy of the life cycle costing allowances within both Final Tenders and expressed disappointment that neither Bidder had scored well on the Evaluation Matrix. In addition, he reminded the Council of the net present value of the bids relative to the University’s own assessment in order that the proposed capital receipts might be seen in that context. The Treasurer confirmed that the provision of an acceptable life cycle costing allowance was a key matter for clarification with UPP despite the adverse effect this might have on the capital receipt to the University.

In discussion, members of the Council sought and received assurances in regard to the quality of the professional advice provided to the University, the forward timetable for building works and the definition in this context of ‘partnership’. In relation to this the Council saw virtue, for a number of reasons, in the University acquiring sufficient shares to secure a seat on the Board of any eventual commercial partner.
Summarising the position, the President observed that, in the course of a necessarily extended process, debt markets - and with them the University’s capacity to fund the Halls Redevelopment Project itself through long-term borrowing - had improved. However, by incurring long-term debt on the scale that would be required and, in so doing, exhausting significantly its borrowing capacity, the University would severely constrain its capacity not only to respond to academic and related opportunities which lay ahead but also to withstand the negative pressures which would in future bear upon the funding of higher education institutions. The Treasurer stressed the continuing commercial confidentiality of the discussions that had taken place and, in furtherance of this, the University Secretary asked that all copies of the paper be deposited with him at the end of the meeting for secure disposal.

Resolved:

“That:

1. UPP be appointed as Preferred Bidder for the contract for the provision of student accommodation at the University, subject to clarification, and acceptance by UPP, of the University’s position (as set out in its tender documents) on a number of issues;

2. ULiving be notified of the position set out in 1 above and held in reserve during the clarifications/conditions precedent with UPP on the basis that the University may wish to proceed with them if the clarifications from UPP are not satisfactory and agreement cannot be reached with UPP and a demand risk transfer in relation to student accommodation is still considered to be in the best interests of the University, recognising that there are a number of issues where ULiving would need to accept the University’s position to allow them to proceed to Preferred Bidder;

3. UPP be put on notice that if it were not to accept the University’s position on the matters referred to above, the University would not appoint it as Preferred Bidder nor would it proceed to Financial Close on the Project with UPP, and would therefore need to consider which future course of action would be in the best interests of the University;

4. The Working Group be invited to proceed with the steps referred to above and report back to the next meetings of the Strategy and Finance Committee and the Council on progress towards achieving Financial Close with UPP based on an overall commercial arrangement with which the University was likely to be content;

5. The Report on the Halls Redevelopment Project, now submitted, be approved.”
The Council received the Report of the meeting of the Senate held on 8 December 2010.

Resolved:

"1. That, with reference to item 1, the Faculty of Arts and Humanities and the Faculty of Social Sciences be merged with effect from 1 August 2011 under the title Faculty of Arts, Humanities and Social Science."

"2. That, with reference to item 2, the following be accorded the title of Visiting Professor:

   School of Mathematical and Physical Sciences:
   Dr D.M. Barker (Met Office), School of Mathematical and Physical Sciences, for the period to 31 December 2013

   School of Real Estate and Planning:
   Professor M. Hollis (academic, writer and surveyor in private practice), School of Real Estate and Planning, for a further period to 31 December 2013

   School of Human and Environmental Sciences:
   Professor M.A. Oliver (formerly at the University of Reading), School of Human and Environmental Sciences, for a further period to 31 December 2013

   School of Politics and International Relations:
   General Sir Rupert Smith (formerly Deputy Supreme Commander, Allied Powers Europe), School of Politics and International Relations, for a further period to 31 December 2013

   School of Biological Sciences:
   Professor T. Lykke-Møller Sørensen (Diamond Light Source), School of Biological Sciences, for a further period to 31 December 2013.

"3. That, with reference to item 3,

   (a) a new Ordinance LXXIV to provide for the award of a Professional Graduate Certificate in Education; and

   (b) alterations to Ordinance LXII (Postgraduate Certificates) to remove the requirement that a student must satisfy the
Examiners in all modules and to rationalise the formal provisions for re-assessment,

be approved.”

“4. That the Report of the meeting of the Senate held on 8 December 2010, now submitted, be approved.”

11/11 Report of the Appointments Committee

The Council received a Report of the Appointments Committee in regard to the composition of the Council

The President reported that, since the last meeting:

(i) a number of members of the Council had expressed to him their support for the discontinuation of the Office of Treasurer;

(ii) he had received no further comment from members of the Council in regard to the proposal relating to those persons appointed by specified Local Authorities;

(iii) the University Secretary had taken soundings of the Privy Council in regard to the necessary changes to the Charter and Statutes and had been informed that, without prejudice to formal approval, advisers had no informal comment to make; and

(iv) the University Secretary had informed the Chief Executive of Reading Borough Council and the Chief Executive of Wokingham Borough Council of the University’s intentions in regard to those persons appointed by specified Local Authorities.

Accordingly, the Council agreed by consensus, subject to communication with the Senate and Convocation and to the formal approval of the Privy Council that, with effect from 1 August 2011, provision be made for the designation of two Vice-Presidents of the Council and that:

(i) Class 1 (The Treasurer) be discontinued;

(ii) Class 2 (Persons appointed by specified local authorities) be discontinued; and

(iii) Class 3 (Fourteen persons not being employees or registered students of the University to be appointed by the Council) be increased in number to fifteen,

thus reducing the lay membership from eighteen to sixteen. The Council was reminded that the agreed merger of the Faculty of Arts and Humanities and the Faculty of Social Sciences would have the effect of reducing the University membership of the Council by one (to fourteen) and result in a lay majority of two within a total membership of thirty (currently thirty-three).
Councillor Swaddle expressed his regret at the discontinuation of Class 2 but, in so doing, recognised that it was for the University to decide how it wished to constitute its Council. He asked to be dissociated from the consensus view and that this be recorded.

**Resolved:**

“1. That, with reference to the composition of the Council and with effect from 1 August 2011, provision be made for the designation of two Vice-Presidents and that:

(i) Class 1 (The Treasurer) be discontinued;
(ii) Class 2 (Persons appointed by specified local authorities) be discontinued;
(ii) Class 3 (Fourteen persons not being employees or registered students of the University to be appointed by the Council) be increased in number to fifteen.”

“2. “That consequential alterations to The Charter, Articles V, VII and XIV and to Statutes I, II, IV VI, XIV, XV and XXXII be approved for communication to the Senate and the Standing Committee of Convocation.”

“3. That the Report of the meeting of the Appointments Committee, now submitted, be approved.”

**11/12 Dates of further meetings of the Council in the Session 2010-11**

- Friday 25 March 2011 at 2.30pm (following a meeting of the Court in the morning)
- Monday 11 July 2011 at 2.15pm.