Council

12/51 A meeting of the Council was held in Room 201, The Carrington Building, on Friday 23 November 2012 at 2.15pm.

Present: The President
The Vice-Presidents (Mr R Dwyer, Mrs J M Scott)
The Vice-Chancellor
The Deputy Vice-Chancellor
The Pro-Vice-Chancellor (Professor G Brooks)
The Pro-Vice-Chancellor (Professor C M Williams)

Mr T Bartlam
Professor J Board
Ms J Coope
Dr B Cosh
Mr R Dwyer
Mrs B Edwards
Professor R H Ellis
Dr P Erskine
Mr R E R Evans
Mr J Fletcher
Professor S Hawker

Professor G Marston
Dr P R Preston
Dr A P Reed
Mr S P Sherman
Mr I P Smith
Ms K Swift
Professor G H Tucker
Mrs S Webber
Ms S M Woodman

The University Secretary

In attendance: The Chief Operating Officer
The Head of University Administration
The Director of Finance

Apologies were received from Professor Mithen, Dr Mueller-Harvey, Mr Palmer and Sir John Sunderland.

The President welcomed Ms Coope, Mr Smith and Mrs Webber to their first meeting of the Council.

The President reported the deaths of:

Professor Mark Baker who had been appointed Professor of Computer Science in 2005 and had retired on the grounds of ill health on 30 November 2011.

Dr Julia Boorman who had been appointed to the University in 1989 upon merger with Bulmershe College of Higher Education and had retired as Senior Lecturer in the Institute of Education in 2010.
Emeritus Professor Gerry Fowles who had been appointed to the University in 1966 and had retired as Professor of Inorganic Chemistry in 1991. Professor Fowles had served for two separate periods as Dean of the Faculty of Science, and as Deputy Vice-Chancellor from 1978 to 1982.

Emeritus Professor Colin Kaplan who had been appointed to the University in 1968 and had retired as Professor of Microbiology in 1986. Professor Kaplan had also served as Dean of the Faculty of Science.

Mr John Peel who had been appointed Personnel Officer in 1980 and had served as Warden of St. Patrick’s Hall from 1987 until his retirement in 1993.

Dr Peter Phillips who had been a member of the University Council from 1982 until 1999.

Dr Mike Sangster who had been appointed Lecturer in Physics in 1968 and had retired as Reader in 2002.

12/52 The minutes (12/30-12/50) of the meeting held on 9 July 2012 were confirmed and signed.

Arising on the Minutes:

Minute 12/37(b): Report of the Vice-Chancellor [Academic Investment Project]

Professor Hawker noted that a progress report on the Academic Investment Project had been submitted to the Strategy and Finance Committee but had not been circulated to the Council. Pro-Vice-Chancellor (Professor Williams) undertook to distribute a paper which set out the latest position.

Items of Report

12/53 Terms of Reference (Item 2(a))

* The Council received a statement of its Terms of Reference.

12/54 Disclosure of Interests (Item 2(b))

* The Council noted a paper from the University Secretary in regard to Disclosure of Interests.

12/55 Report of the Strategy and Finance Committee (Item 2(d))

* The Council received the report of the meeting of the Strategy and Finance Committee held on 15 October 2012 relating to items for report.

12/56 Delegation of Powers by the Council (Item 2(e))

* The Council received a paper on the Delegation of Powers by the Council.
12/57 Availability of Council papers (Item 2(f))

* The Council received, for its information, a paper relating to availability of Council papers.

Resolved:

“1. That the following reports, now submitted, be received:

Report of the Strategy and Finance Committee held on 15 October 2012 relating to items for report.

“2. That the Record of Delegation of Powers by the Council be approved.”

12/58 Documents sealed and to be sealed (Item 2(g))

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.”

Items for Discussion and Decision

12/59 Report of the Vice-Chancellor

The Vice-Chancellor:

(a) explained that, in view of continuing turbulence in the external environment for higher education, he proposed to delay finalising the University Strategy, which he had previously undertaken to produce by the end of 2012, until into 2013 by which time consultants, newly engaged by the University to provide it with assistance in this area, would have been able to weigh available opportunities and absorb a wide range of views, including those of members of the Council;

(b) noted that further detail on student recruitment in October 2012 would be provided later in the meeting but commented for now that a change from AAB+ at A Level to ABB+ in defining the ‘free market’ element of the entry cohort for October 2013 would add further complexity to an already confused picture. Within the University, immediate action in the form of cost-saving and related measures had been taken to neutralise the shortfall in income of some £3m arising from under-recruitment of undergraduate students at AAB+; and, although the numbers of overseas students admitted to taught postgraduate programmes had fallen short of the enhanced target that had been set in-year, the financial consequences of this were not as serious as might
at first have appeared since those programmes which attracted a premium fee had recruited strongly;

(c) reported that a recent review visit by the Quality Assurance Agency for Higher Education had resulted in informal indications that the University had met all the required standards. Much credit for this significant achievement was due to Keith Swanson, Director of Academic Quality Support, and to James Fletcher, President of the Students’ Union;

(d) noted that a mock exercise in preparation for the Research Excellence Framework 2014 had been completed and that the University’s overall submission strategy would now be determined. The Academic Investment Project remained on track and within budget and, in consequence, a number of talented new colleagues had already been attracted to Reading. It was significant to the University’s standing that it had recently been included amongst only thirty institutions selected by the UK Research Councils (RCUK) to receive additional funding to promote open access to its research publications;

(e) spoke, in the presence of architects’ models of the design for the campus of the University of Reading Malaysia (UoRM) of progress in relation to that project. Professor Downes, newly returned from his first visit to South-East Asia as Provost and Chief Executive Officer of UoRM, had been able to raise the profile of the venture at a conference in Indonesia and had held positive meetings with a number of major employers in both Malaysia and Singapore. In response to a question from Dr Erskine, the Vice-Chancellor expressed confidence in the establishment of UoRM and a belief that it exhibited all the important characteristics of a well-founded enterprise.

In active pursuit of its internationalisation strategy, it was natural that the University should from time to time explore similar opportunities. One such had recently arisen in Chongqing, Western China, but, following careful consideration and thorough groundwork, the Vice-Chancellor had counselled against pursuing the opportunity. There was, he felt, too little time available in which to marshal the resources of the University as a whole for such a venture, too many other matters – not least the successful establishment of the University of Reading Malaysia – demanding the attention of management, and insufficient information, both financial and reputational, on the precise nature of the proposition. At its meeting earlier in the day, the Strategy and Finance Committee had endorsed the Vice-Chancellor’s view but, in agreeing that negotiations with Chongqing be drawn sensitively to a close, had agreed that the University should continue its commitment to developing its position in the important Chinese market by the other means already in train.

Resolved:

“That the Report of the Vice-Chancellor, now submitted, be approved.”
12/60 Annual Report of the Audit Committee to the Council and the Vice-Chancellor for 2011-12 (Item 4(a))

* The Council received the Annual Report of the Audit Committee to the Council and the Vice-Chancellor for 2011-12.

As Chairman of the Audit Committee, Mr Sherman noted that KPMG had characterised the external audit for the year ended 31 July 2012 as smooth and uncontroversial featuring, as it did, an unqualified audit opinion, no material audit differences and a single, low priority, performance improvement observation.

Mr Sherman informed the Council that the Audit Committee had agreed that Internal Audit Services be one of three areas within the University to be subjected to market testing during Session 2012-13.

12/61 Management Letter and Audit Highlights Memorandum from KPMG for the year ended 31 July 2012 (Item 4(b))

* The Council received the Management Letter and Audit Highlights Memorandum from KPMG for the year ended 31 July 2012, which had been submitted previously to the Audit Committee and to the Strategy and Finance Committee.

12/62 Draft Letters of Management Representations to the University’s Auditors (Item 4(c))

* The Council received the Draft Letters of Management Representation, which had been submitted previously to the Audit Committee and to the Strategy and Finance Committee.

12/63 Financial Statements for the year ended 31 July 2012 (Item 4(d))

* The Council received the Financial Statements for the year ended 31 July 2012, which had been submitted previously to the Audit Committee and to the Strategy and Finance Committee.

The Chief Operating Officer noted that the overall result for the University Group in the year ended 31 July 2012 was a retained surplus of some £4.7m. However, an exceptional profit on the disposal of certain Halls of Residence masked an operating deficit for the Academic Group, albeit marginally less severe than that returned in the previous year. Drawing upon his foreword to the Financial Statements, the President reminded the Council that, despite the University’s strong asset portfolio and the significant steps it had recently taken to reduce its borrowings, repeated operating deficits could not be justified as a sustainable pattern and a positive underlying financial result needed to be delivered in the years ahead.
The Council received a copy of the Annual Assurance Return to HEFCE, for its information in relation to Part 1 and for its approval in relation to Part 2.

Resolved:

1. “That the Annual Report of the Audit Committee to the Council and the Vice-Chancellor for 2011-12 now submitted, be approved;”

2. “That the Management Letter and Audit Highlights Memorandum from KPMG for the year ended 31 July 2012, be received;”

3. “That the President be authorised to sign the Letters of Management Representation to KPMG and that the Director of Finance be authorised to sign the letters of support for the University’s subsidiary companies.”

4. “That the Financial Statements for the year ended 31 July 2012, now submitted, be approved and adopted;”

5. “That it be confirmed that in all material respects the University has conducted its affairs during the year ended 31 July 2012 in accordance with its status as a charity and that the Vice-Chancellor be authorised to sign the Annual Assurance Return to HEFCE to this effect”.

The Council received reports from the meeting of the Strategy and Finance Committee held on 15 October 2012 relating to items for discussion and decision.

In regard to item 5(a), Student Recruitment, October 2012, the Head of University Administration reported that the overall number of undergraduate entrants to the University achieving Grades AAB or higher at A Level had fallen some 370 short of target but that the Student Control Number had been exceeded by just over seventy. The possibility of a fine being imposed as a consequence of the latter remained in prospect but, more positively, the University had met or exceeded its original expectations in regard to numbers of overseas undergraduates, home EU/taught postgraduates and both home/EU and overseas research postgraduates. As had been reported earlier by the Vice-Chancellor, the numbers of overseas students admitted to taught postgraduate programmes had fallen short of the enhanced target that had been set in-year, but the financial consequences of this were not as serious as might at first have appeared since those programmes which attracted a premium fee had recruited strongly. In response to a question from Dr Erskine, the Head of University Administration estimated that the average fee charged to overseas postgraduate students was £10,500 per annum.

The modelling of admissions targets for October 2013 was well in hand and the impact of these on the Financial Forecasts was to be considered by the Strategy and Finance Committee at its meeting on 4 March. The Vice-Chancellor reported that recent Open Days had been well attended but that
the conversion of applicants into prospective entrants holding an offer from Reading as their first choice was of the utmost priority. In response to a question from Dr Preston in regard to the ways in which members of the Council might help, the Vice-Chancellor suggested that every opportunity be taken to promote the advantages and distinctive features of a Reading education. Dr Erskine enquired as to whether universities might share market intelligence one with another but the Vice-Chancellor pointed out that this was unlikely in increasingly competitive times. Professor Marston assured the Council that such information as was available to the University regarding the ultimate destinations of those applicants who had chosen not to take up the offer of a place at Reading would be analysed and, where appropriate, acted upon. Professor Hawker asked that the Council be provided with an update on the University’s overall marketing strategy and the Vice-Chancellor undertook to invite the newly appointed Director of Marketing and Communication to do so in due course.

In regard to item 5(b), Analysis of Research Grants and Contracts: FQ4 and year end 2011-12, Pro-Vice-Chancellor (Professor Williams) explained that income from research grants and contracts had held steady over the past three years and success rates had been maintained despite increasing competition: applications were monitored for quality and scale prior to submission and due account was taken of the likely attractiveness of proposals to potential funders. Mrs Scott suggested that, since the University’s research programme was central to its vibrancy, the Council would benefit from receiving periodic reports on the work that was enabled by research grants and contracts. Professor Williams undertook to make arrangements for this to happen.

In regard to item 5(d), Barclays Bank – Letter of Variation, the Director of Finance explained the background to Barclays Bank requesting that the University approve the terms of a letter of variation dated 6 September 2012 giving written consent to the disposal of certain Halls of Residence to UPP and amending some of the financial covenants within the £60m loan facility agreement which had enabled the University to fund the construction of Phase 1 of the Halls Accommodation Project. Barclays had been aware of the Halls Accommodation Project from its earliest days and had been kept informed of progress. Oral consent had been given to dispose of the Halls in this way and the letter of variation was now intended to formalise that consent, albeit couched in terms of Barclays waiving its rights in respect of a breach of covenant. The Strategy and Finance Committee had expressed some discomfort at the University accepting any culpability in the matter and had asked that the Director of Finance explore with Barclays the possibility of the letter being recast in this regard. Two letters dated 22 November 2012 addressed to the Council in substitution for the letter dated 6 September 2012 were now deemed to represent an acceptable compromise on the basis of which the Council was content to proceed.

Resolved:

“That:

(a) the report on Student Recruitment, October 2012, now submitted, be received;
(b) the Analysis of Research Grants and Contracts: FQ4 and year end 2011-12, now submitted, be received;

(c) amendments to the Financial Regulations, now submitted, be approved;

(d) with reference to the Barclays Bank Letter of Variation dated 22 November 2012, now submitted,

(i) the amendments set out in the letter are in the interests of and for the benefit of the University and are most likely to promote the success of the University for the benefit of the members as a whole and that such terms and conditions of the letter be and are approved and accepted;

(ii) Mr D C L Savage, Chief Operating Officer and Ms C A B Wright, Director of Finance, be authorised to sign the letter on behalf of the University to indicate acceptance of the terms and conditions;

(iii) the Bank be authorised to act in all matters concerning the Facility (as defined in the facility agreement dated 3 July 2009) as amended by the letter upon instruction from the University, in its capacity as Borrower of the Facility, signed in accordance with the Bank’s mandate for any of the accounts of the University held with the Bank current from time to time.”

12/66 Report of the Appointments Committee (Item 6)

* The Council received the Report of the meeting of the Appointments Committee held on 15 October 2012.

Resolved:

“1. That, with reference to item 4, Mr R Buller, Mr J D Fishburn and Professor A M Hodge each be appointed to membership of the University Court in the category Former members of the Council of the University.”

“2. That the Report of the meeting of the Appointments Committee held on 15 October 2012, now submitted, be approved.”

12/67 Report of the Support Services Policy Committee (Item 7)

* The Council received the Report of the meeting of the Support Services Policy Committee held on 15 October 2012.

As Chairman, Mr Dwyer noted that it had been timely on the part of the Committee to take admissions and recruitment as the major theme for consideration on this occasion. In regard to reported concerns amongst the student body in respect of catering, it was agreed that the matter be pursued at the Catering and Hospitality Committee.
Resolved:

“That the Report of the meeting of the Support Services Policy Committee held on 15 October 2012, now submitted, be approved.”

12/68 Report of the Senate (Item 8)

* The Council received the Report of the meeting of the Senate held on 17 October 2012.

Resolved:

“1. That, with reference to item 1, the following be accorded the title of Visiting Professor:

(a) School of Biological Sciences

Professor A Reith (GSK) for a further period ending 30 September 2015;

(b) School of Chemistry, Food and Pharmacy

Professor B Jarvis (retired) for a further period ending 30 September 2015;

Professor N Stonor (Cancer Research UK) for a further period ending 30 September 2015;

(c) School of Law

Professor C Chatterjee (Institute of Advanced Legal Studies) for the period ending 30 September 2015;

(d) School of Psychology and Clinical Languages Sciences

Dr P F Ferrari (University of Parma) for the period ending 30 September 2015.

“2. That, with reference to item 2, Mr N G Trehewy be accorded the title of Honorary Fellow from 1 October 2012 for a period of five years.”

“3. That, with reference to item 3, each Faculty Director of Teaching and Learning be re-designated Associate Dean (Teaching and Learning), and that the necessary alterations to the Statutes and Ordinances be set in train and approved respectively;”

“4. That the Report of the meeting of the Senate held on 17 October 2012, now submitted, be approved.”

12/69 Charter, Statutes, Ordinances and Regulations for Conduct (Item 10)

The Council received a paper on amendments to the Charter, Statutes, Ordinances and Regulations for Conduct.
Resolved:

That

(a) to provide for the possibility of appointing a Deputy Vice-Chancellor and the Pro-Vice-Chancellors from beyond the University rather than, as at present, from wholly within, amendments to Statute VII (The Deputy Vice-Chancellor and the Pro-Vice-Chancellors) be approved for communication to the Senate and the Standing Committee of Convocation subject to any changes that the Privy Council might require;

(b) to provide for replacing the title of Faculty Director of Teaching and Learning with that of Associate Dean (Teaching and Learning) amendments to Statute XVI (The Senate) be approved for communication to the Senate and the Standing Committee of Convocation subject to any changes that the Privy Council might require; and amendments to Ordinances XII (Management Boards of the Faculties), XVII (Conduct and Discipline Student Academic Engagement and Fitness to Study Academic Misconduct and Performance in Examinations and Fitness to Practise) and XLV (University Board for Teaching and Learning) and to Regulations for Conduct (12), (31) and (37) be approved, subject to any views that the Senate might have in the matter;

(c) to provide for replacing the titles of Reader and Senior Lecturer with that of Associate Professor, amendments to Article III (Powers) of the Charter and to Statutes I (Preliminary), XV (Powers of the Council), XVII (Powers of the Senate), XX (The Deans of the Faculties), XXIX (Ordinances), XXX (University Examinations) and XXXIII (Academic Staff) be approved for communication to the Senate and the Standing Committee of Convocation subject to any changes that the Privy Council might require; and amendments to Ordinances XI (Election and Appointment to Professorships or Readerships or Senior Lecturerships), XII (Management Boards of the Faculties) and XXIII (Conferment of the Personal Title of Professor or Reader or Senior Lecturer be approved, subject to any views that the Senate might have in the matter;

(d) to remove reference to a statutory retirement age, amendments to Statute XXXII (Removal and Retirement of Officers and Members) be approved for communication to the Senate and the Standing Committee of Convocation subject to any changes that the Privy Council might require;

(e) to reflect changes in the titles of certain senior administrative officers, amendments to Statute XVI (The Senate) be approved for communication to the Senate and the Standing Committee of Convocation subject to any changes that the Privy Council might require; and amendments to Ordinances XII (Management Boards of the Faculties), XLV (University Board for Teaching and Learning) and XLVI (University Board for Research and Innovation) be approved, subject to any views that the Senate might have in the matter.
Use of the Seal (Item 11)

* The Council received a paper from the University Secretary in regard to the use of the University Seal.

Resolved:

“That:

1. The Common Seal of the University may be affixed to any document:-

   (a) by specific resolution of the Council or
   (b) which gives effect to any resolution of the Council or
   (c) which is requisite to implement any resolution of the Council
   (d) which, in case of urgency, has been approved in accordance with paragraph 2. below.

3. In case of urgency the use of the seal may be approved by two people, one drawn from each of the following categories:-

   (a) The President or a Vice-President; and
   (b) the Vice-Chancellor or the University Secretary or the Chief Operating Officer.

3. The seal shall be attested by two people, one drawn from each of the following categories:-

   (a) a member of the Council; and
   (b) the University Secretary or the Chief Operating Officer or the Head of University Administration or the Director of Finance

4. When necessary verification by initial or signature of amendments or of supporting documents shall be undertaken by an appropriate official before the seal is affixed and attested.

5. A seal register shall be maintained in which shall be recorded each use of the seal, the names of the persons attesting the seal and the identity of the resolution of the Council or the urgency decision pursuant to which the seal was used.”

Land south of the M4

The Vice-Chancellor was pleased to report that that planning permission for the University’s land south of the M4 motorway had been granted on appeal. The President commented that this provided a favourable context in which the University’s ambitions for a Science Park might now be taken forward.