

UNIVERSITY OF WARWICK

COUNCIL

Minutes of the meeting of the Council held on 5 July 2006

Present: Mr J Leighfield (Chair), Mr M Angle, Professor S Bassnett (until item 87/05-06), Professor L Bridges, Professor Y Carter, Mr C Foy, Mr M Greenlees, Professor J Jones, Professor A McFarlane, Mr T Monnington, Professor S B Palmer, Mr L Parks, Mr N Sanders, Professor D VandeLinde, Professor M Whitby, Mr B Woods-Scawen.

Apologies: Professor A Caesar, Sir George Cox, Professor A Harris, Mr J Higgins, Professor R Lindley, Professor M Smith, Ms K Stark, Professor Sir John Temple, Miss R Thorne, Mr P Varney, Mr T E H Walker, Mr M Dunn, Academic Registrar, Director of Estates.

In Attendance: Director of Finance, Deputy Registrar (until item 86/05-06), Registrar, University Secretary, Ms Y Salter Wright, Ms N Snodgrass, Mr B Duggan, for item 87/05-06 the Head of Group Accounting.

The Pro-Chancellor welcomed Mr Brian Duggan, incoming President of the Union of Students, to his first meeting of the Council.

78/05-06 Minutes

RESOLVED:

That the minutes of the meeting of the Council held on 15 March 2006 be approved.

79/05-06 Membership of the Council

REPORTED: (by the Pro-Chancellor)

- (a) That this was the last meeting of the Council for those members whose current periods of office were coming to an end or for those who had resigned because of impending study leave and that he wished formally to record his gratitude to all those who were leaving the Council for their service and support during their period of office.
- (b) That Professor Robert Freedman had been appointed to membership of the Council for the period 1 August 2006 to 31 July 2009 as a representative of the Senate to fill the vacancy occasioned by the resignation of Professor Anthony McFarlane from membership of the Council due to his period of study leave in the academic year 2006/07.

80/05-06 Vote of Thanks: Vice-Chancellor

REPORTED:

(by the Pro-Chancellor)

- (a) That this would be the last meeting of the Council for the Vice-Chancellor, Professor David VandeLinde, prior to his retirement from the University on 31 July 2006.

(by the Vice-Chancellor)

- (b) That he wished to record formally his sincere thanks to all members of the Council as well as the wider University community for their support during his tenure as Vice-Chancellor.

RESOLVED:

That the Council record formally its gratitude to Professor VandeLinde for his dedication to and leadership of the University community and his considerable contribution to the work and strategic vision of the University during his five-year tenure as Vice-Chancellor as well as its very best wishes to him and his family for his forthcoming retirement.

81/05-06 Report from the Senate

CONSIDERED and ADOPTED with the resolutions set out below reports from the meetings of the Senate held on 14 June (C.50/05-06) and 28 June (C.51/05-06) together with an oral report from the Vice-Chancellor.

(a) Emeritus Professors

REPORTED: (by the Vice-Chancellor)

That he had taken Chair's Action on behalf of the Academic Staff Committee and the Senate to recommend the conferral of the title of Emeritus Professor on Professor Terence Whall of the Department of Physics with effect from 30 September 2006.

RESOLVED:

That the following members of staff be granted the title of Emeritus Professor in recognition of distinguished service to the University:

Professor Karen Legge (Warwick Business School), with effect from 31 December 2006

Professor Terence Whall (Department of Physics), with effect from 30 September 2006.

(b) University Committee Structures

RECEIVED:

A report on proposed revisions to the University's existing arrangements for the strategic oversight of accommodation, capital and estates matters.

RESOLVED:

That the proposed revisions to the University's existing arrangements for the strategic oversight of accommodation, capital and estates matters be noted as set out in paper C.51/05-06.

82/05-06 Staff Pay Settlement 2006 and HR Framework

RECEIVED:

A report on the national staff pay settlement recently reached by UCEA and Trades' Unions, the impact of the settlement on the University Financial Plan and the key elements of the University's final proposals for the restructuring of its pay and grading arrangements (C.52/05-06) together with an oral report from the Vice-Chancellor.

REPORTED:

(by the Vice-Chancellor)

- (a) That discussions were currently ongoing within the HE sector on the feasibility of replacing the current system of national pay bargaining with alternative arrangements, including possible moves towards local, regional or cluster pay bargaining.
- (b) That cumulative staffing costs for the University from 2006/07 to 2010/11 were projected to rise significantly above the total University income received from the HR Strategy grant and 70% of additional fee income and that this might constrain the University's ability to fund new initiatives in the future.

(by the Registrar)

- (c) That confirmation had been received from UNISON and the TGWU that their members had voted to accept the 13.1% staff pay settlement reached by the Joint Negotiating Committee for Higher Education Staff and that it was expected that the outcome of national ballots of members of other Trades' Unions would be announced during the week commencing 17 July.
- (d) That the introduction of annual review as part of the implementation of the University's HR Framework and new pay and grading arrangements would be monitored by University management.

RESOLVED:

That the Council support the University taking steps to progress debate at a national level on the replacement of the current system of national pay bargaining with alternative negotiating arrangements, including local pay bargaining.

83/05-06

University Financial Plan: 2006-2010

CONSIDERED:

The University Financial Plan for the period to 2009/2010, incorporating a risk analysis of the Financial Plan, recommended for approval by the Strategy Committee, the Finance and General Purposes Committee and the Senate (C.53/05-06) together with an oral report from the Vice-Chancellor and a presentation from the Director of Finance noting that the following major assumptions and provisions had been incorporated within the Plan:

- (a) The application of inflation factors of between 3.5% to 4.3% and provision for an increase in the overall remuneration package for staff of £5.2m in 2006/07 rising to £6.7m in 2009/10 resulting from the costs of the single pay spine to be implemented in August 2006.
- (b) The application of a vacancy factor of 4% on general activities' staff costs, excluding early retirements, amounting to £4.7m in 2006/07 and rising to £5.7m by 2009/10.
- (c) Maintenance of University contributions to the University of Warwick Pension Scheme and the Universities Superannuation Scheme at rates of 21% and 14% respectively per annum.
- (d) Forecast future increases in grant settlements from the HEFCE of 2.5% per annum for both T and R Grants.
- (e) Average growth in Research Grant and Contract Income of 8.9% per annum.
- (f) A forecast increase of 35% in student fee income for accredited courses over the plan period from £78m in 2006/07 to £105m in 2009/10, including a £17m rise in home and EU student fee income arising from the introduction of variable fees in 2006/07 and a £10m rise in overseas student fee income, together with a forecast 1% rise in full-time undergraduate student numbers, a 15% rise in full-time equivalent Government Supported postgraduate student numbers and a forecast increase of approximately 15% for both PGT and PGR numbers.
- (g) A forecast 10% rise in the total number of students enrolled on independently-funded courses over the plan period resulting in an approximate 18% rise in independently-funded course fee income to £37m by 2009/10.
- (h) Average increases in other operating income of 3.7% per annum.
- (i) Provision for new University-wide academic infrastructure activities

incorporating £1m per annum for the Vice-Chancellor's Planning Fund, £0.9m for the Education Innovation Fund (2006/07 only) and a fund of £300k per annum for academic posts, together with an early retirements provision of £300k per annum.

- (j) Increased spend on the Library over the life of the plan to £9.1m by 2009/10 including funding for racking and service delivery costs for the new library external store, new racking for the Modern Records Centre to expand capacity and additional staffing expenditure.
- (k) An increase in central IT expenditure from £8.9m in 2005/06 to around £11.8m by 2009/10 net of external grant income including funding to improve information security and risk management, extend hours of availability and improve collaborative file sharing, and additional substantial investment in the IT network amounting to £294k in 2006/07, £2.08m in 2007/08, £2.7m in 2008/09 and £324k in 2009/10.
- (l) Increased spend on the Estates Office from £13m in 2004/05 to £18.5m by 2009/10, including 2-year funding for a transport manager to overhaul the University's vehicle policy, additional spend on cleaning and £2m in capital and revenue costs for carbon management.
- (m) Additional expenditure of £652k in 2006/07, £864k in 2007/08, £813k in 2008/09 and £841k in 2009/10 on services funded through the Central Administrative Budget, the costs for these increases to be part-funded by savings of £100k per annum in other areas of the central administration.
- (n) An increase in the block grant to the Students' Union of £86k in 2006/07.
- (o) Steady growth in income for the Warwick Medical School, the Warwick Business School over the plan period.
- (p) Improvements to the five-year plan for Warwick HRI against the 2005 Financial Plan.
- (q) Total capital expenditure on buildings, refurbishments and equipment of £117.4m over the period 2006/07 to 2009/10 including expenditure on Millburn House, the new Estates Office building, the Indoor Tennis Centre, the extension of and new build facilities for the Warwick Medical School, Graduate Student and Teaching facilities, extension of the Zeeman Building, the refurbishment of the Butterworth Hall, the Warwick Digital Laboratory and the redevelopment of Students' Union South.
- (r) Net safety factors of £2.1m in 2006/07, £3.3m in 2007/08, £4.1m in 2008/09 and £4.7m in 2009/10.
- (s) Net current liabilities of £5.2m in 2006/07, £13.4m in 2007/08, £12.8m in 2008/09 and £10.4 in 2009/10.
- (t) Investment of £3m per annum within the University's Investment Fund.

Note: A revised version of Appendix 1 to paper C.53/05-06 was tabled at the meeting.

REPORTED: (by the Director of Finance)

That the HEFCE was in the process of changing the calculation basis for the cost of capital adjustments and that it was anticipated that the estimated TRAC-adjusted net deficit would improve as a result of the revised calculation basis.

RESOLVED:

That the University Financial Plan for the period to 2009/2010, recommended for approval by the Strategy Committee, the Finance and General Purposes Committee and the Senate, be approved as set out in paper C.53/05-06 and forwarded to the HEFCE (minute 87/05-06(a) below also refers).

84/05-06 University Corporate Planning Statement

CONSIDERED:

The University Corporate Planning Statement for 2006 providing a general update of the University's progress during 2005/2006 against previously identified strategic priorities and to present an outline of strategic priorities and areas for activities in 2006/2007 (C.54/05-06) together with an oral report from the University Secretary.

REPORTED: (by the University Secretary)

That a number of further minor amendments to the University Corporate Planning Statement would be made prior to submission of this document to the HEFCE.

RESOLVED:

That the University Corporate Planning Statement, including the proposed outline of strategic priorities and areas of activity for 2006-2007, be approved as set out in paper C.54/05-06 for submission to the HEFCE at the end of July subject to the inclusion of any additional minor amendments into the document by the University Secretary.

85/05-06 HEFCE Assessment of Institutional Risk

RECEIVED:

A copy of a letter from the HEFCE providing confirmation that the University had not been assessed by the HEFCE as being at high Institutional risk (C.55/05-06).

86/05-06 Report from the Strategy Committee

CONSIDERED and ADOPTED a report from the meetings of the Strategy Committee held on 4 May, 25 May and 22 June 2006 (C.56/05-06) together with an oral report from the Vice-Chancellor.

87/05-06

Report from the Finance and General Purposes Committee

CONSIDERED and ADOPTED with the resolutions set out below:

- (a) A report from the meetings of the Finance and General Purposes Committee held on 18 May and 22 June 2006 (C.57/05-06 {Parts 1 and 2}).
- (b) A paper concerning the University of Warwick Pension Scheme (C.57/05-06 {Part 1, II}, tabled at the meeting) and an oral report from the University Treasurer.

(a) University of Warwick Pension Scheme (UWPS)

CONSIDERED:

A report from the Committee setting out proposals, prepared in the light of the advice of the independent actuary for the UWPS, for an additional lump sum contribution of £2m to be made by the University to the UWPS in the current financial year and the maintenance of a 19% contribution rate to the UWPS for the financial year 2006/07 (Paper C.57/05-06 {Part 1, (II)}, tabled at the meeting).

REPORTED:

That the University would be seeking further advice from its independent actuary on the contribution rate to the UWPS to be applied in the longer and would submit a report to the Council on this matter in due course.

RESOLVED:

That the following recommendations of the Finance and General Purposes Committee be approved:

- (i) That an additional lump sum contribution of £2m be made to the UWPS in the financial year 2005/06.
- (ii) That, notwithstanding the provision made in the draft University Financial Plan for a 21% contribution rate to the UWP Scheme, the current contribution rate of the University to the Scheme be maintained at 19% of pensionable earnings for the financial year 2006/07.

(b) Report from the Budget Steering Group

CONSIDERED:

The Committee's report of its consideration of a report from the meeting of the Budget Steering Group held on 14 June 2006 and its recommendations concerning the charging of additional expenditure items to the 2005/06 University Accounts (extracts from paper FGPC 82/05-06).

RESOLVED:

That, in the light of a higher than expected outturn for the 2005/06 financial year as reported in paper FGPC 82/05-06, the Vice-Chancellor and the Treasurer, in consultation with the Pro-Chancellor and the Director of Finance, be authorised to consider and approve the charging of certain additional expenditure to the 2005/06 University Accounts as set out in paper C.53/05-06 (Part 1) and that a report be made to the Council at its next meeting on the decisions reached on the charging of any additional expenditure.

(c) Insurance Desktop Reinstatement Valuation

CONSIDERED:

The Committee's report of its consideration of a paper on progress towards securing adequate insurance cover for the University estate in the light of a recent desktop reinstatement valuation (paper FGPC 90/05-06).

RESOLVED:

On the recommendation of the Finance and General Purposes Committee, that responsibility for approving the final loss limit and premium costs in relation to the securing of adequate insurance cover for the University estate in light of the recent desktop reinstatement valuation be delegated to the Vice-Chancellor and the Treasurer.

(d) New Corporation Tax Legislation

CONSIDERED:

The Committee's report of its consideration of a paper notifying the Committee of potential issues arising from new corporation tax legislation in the 2006 Finance Bill (paper FGPC 76/05-06).

RESOLVED:

On the recommendation of the Finance and General Purposes Committee, that responsibility for arranging the transfer of activities to subsidiaries be delegated to the Director of Finance should this be deemed appropriate in the light of professional advice regarding the new corporation tax legislation in the 2006 Finance Bill.

(e) Millburn House

CONSIDERED:

The Committee's report of its consideration of a paper seeking delegated approval for the refurbishment and extension budget for Millburn House (paper FGPC 70/05-06).

RESOLVED:

That responsibility for the approval of the final development costs of Millburn House be delegated to the Vice-Chancellor and the Treasurer subject to the final development costs not exceeding £10.9m including VAT.

(f) Incorporation of the Russell Group

CONSIDERED:

The Committee's report of its consideration of a paper notifying the Committee of the intention of the Russell Group to become incorporated as a company limited by guarantee and seeking approval for the University to become a member of this incorporated body.

RESOLVED:

That responsibility for the approval of the final draft of the Memorandum and Articles of Association for the new Russell Group of Universities Limited on behalf of the University be delegated to the Vice-Chancellor, the Registrar and the Director of Finance.

(g) Science Park

RESOLVED:

That the signing of a three-year lease with the University of Warwick Science Park for space to accommodate the National Centre for Patient and Public Involvement be approved at a cost of approximately £76k per annum.

88/05-06 Report from the Audit Committee

CONSIDERED and ADOPTED with the resolution set out below a report from the meetings of the Audit Committee held on 21 April and 20 June 2006 (C.58/05-06) together with an oral report from the Chair of the Audit Committee.

FRS 17 Relating to Pensions

RESOLVED:

That the impact of FRS17 on the University strategy on pensions be included as an item of business for discussion at a future meeting of the Council

89/05-06 Report from the Building Committee

CONSIDERED and ADOPTED a report from the meeting of the Building Committee held on 25 May 2006 (C.59/05-06) together with an oral report from the Registrar.

90/05-06 Report from the Research Ethics Committee

CONSIDERED AND ADOPTED with the resolution set out below a report from the Research Ethics Committee (C.60/05-06).

Constitution of the Research Ethics Committee

RESOLVED:

That proposed revisions to the Constitution of the Research Ethics Committee be approved as set out in paper C.60/05-06 to provide for the following:

- (a) The inclusion in membership of the Committee of the Chairs of each of the Sub-Committees of the Research Ethics Committee.
- (b) The removal of specific identification of academic expertise against each of the five senior members of academic staff appointed to membership of the Committee.

91/05-06 Report from the Nominations Committee

CONSIDERED:

A report from the Nominations Committee on the progress of identification of new lay members of the University Council and proposals for the constitution and terms of reference of the new University Board of Advocates (C.61/05-06) together with an oral report from the Pro-Chancellor.

REPORTED: (by the Pro-Chancellor)

- (a) That the Nominations Committee, at its meeting on 5 July 2006, considered nominations for the appointment of a non-academic member of staff to the Council for the period 1 August 2006 to 31 July 2009 to fill the vacancy arising from the expiry of the term of office of Mr Terry Monnington and would be bringing forward a recommendation for appointment to this position at the meeting of the Senate to be held on 4 October 2006.
- (b) That the Nominations Committee, at its meeting on 29 June 2006, resolved that the University Secretary's Office explore the possibility of enhancing the programme of events surrounding formal meetings of the Council from the academic year 2007/08 onwards with a view to introducing an ongoing programme of social and communication opportunities for all members as well as reviewing the timing and format of Council meetings.

RESOLVED:

- (a) That, notwithstanding the provisions of University Ordinance 4 on the Procedure for the Appointment of Lay Members of the Council and following the outcome of approaches made by the Pro-Chancellor and the Vice-Chancellor to those individuals identified by the Nominations Committee as being potentially suitable for appointment to the vacancies arising in lay membership of the Council, recommendations from the Committee for

appointment to the vacancies arising in lay membership for the period 1 August 2006 to 31 July 2009 be submitted for the approval of the Council in writing in advance of the meeting of the Council to be held on 5 October 2006.

- (b) That the constitution, terms of reference and procedures for the appointment of members of the University Board of Advocates be approved as set out in paper NC.10/05-06 (revised2).
- (c) That, following the outcome of approaches made by the Pro-Chancellor and the Vice-Chancellor to those individuals identified by the Nominations Committee as being potentially suitable for appointment to membership of the Board of Advocates, recommendations from the Committee for appointment to the Board be submitted for the approval of the Council in writing in advance of the meeting of the Council to be held on 5 October 2006 with a view to the Board being established with an initial membership of 20 to 30 members during the academic year 2006/07.

92/05-06 Awards and Distinctions

RECEIVED:

A paper setting out the awards and distinctions that had been conferred on members of the University since the meeting of the Council held on 15 March 2006 (C.62/05-06).

RESOLVED:

That the Council record its congratulations to all members of the University upon whom awards and distinctions had been conferred since the meeting of the Council held on 15 March.

93/05-06 University Committee Timetable and Term Dates

CONSIDERED:

The Committee Timetable for the academic year 2006/2007 and University term dates for 2016/2017 (C.63/05-06).

RESOLVED:

That the draft Committee Timetable for the academic year 2006/2007 and University term dates for 2016/2017 be approved as set out in paper C.63/05-06.

Note: The Committee Timetable will be undergoing further minor revisions which will be reflected in the final published version of the Timetable.

94/05-06 Register of Members' Interests

RECEIVED:

A copy of the Register of Interests of members of the University Council for the academic year 2005/2006 (C.64/05-06).

REPORTED:

That the University Secretary would be writing to each of those members of the Council who would continue to serve in 2006/2007 to update existing information on their interests.

95/05-06 Report from the Equality and Diversity Committee

RECEIVED:

A report from the meeting of the Equality and Diversity Committee held on 17 May 2006 (C.65/05-06).

Disability Equality Scheme

RECEIVED:

The Committee's report of its receipt of a paper outlining the progress being made on the implementation of a Disability Equality Scheme for the University (EDC 18/05-06).

96/05-06 Report from the Safety Committee

CONSIDERED and ADOPTED together with the resolution set out below a report from the meeting of the University Safety Committee held on 26 May 2006 (C.66/05-06).

Revision of the University Safety Policy "Safety in the University" (SITU)

RESOLVED:

That the proposed amendments to SITU Part 2 (Smoking Policy) be approved as set out in paper USC 28/05-06.

97/05-06 Constitution of the Union of Students

CONSIDERED:

Proposed amendments to the Constitution of the Union of Students, including the provision that only legally enforceable and financially feasible policies may be submitted for voting on at referendum, a change in the existing eligibility provisions for Sabbatical and Executive Committee posts within the Union and a reduction in the number of constitutionally-required Annual General Meetings of the Union from two to one (C.67/05-06).

RESOLVED:

That the proposed amendments to the Constitution of the Union of Students be approved as set out in paper C.67/05-06.

98/05-06 Amendments to University Ordinances

CONSIDERED:

For the first time, proposed amendments to University Ordinances 7, 14 and 16 (C.68/05-06).

RESOLVED:

That, for the first time, proposed amendments to University Ordinances 7, 14 and 16 be approved as set out in paper C.68/05-06.

99/05-06 Amendments to University Regulations

CONSIDERED:

Proposed amendments to University Regulations 2.1, 3, 6, 8.10, 8.12, 9.5, 10, 11, 12, 13, 14, 16, 27, 33 and 34 (C.69/05-06).

RESOLVED:

That proposed amendments to University Regulations 2.1, 3, 6, 8.10, 8.12, 9.5, 10, 11, 12, 13, 14, 16, 27, 33 and 34 be approved as set out in paper C.69/05-06.