



Prifysgol Bangor/ Bangor University

**EFFECTIVENESS REVIEW OF
COUNCIL – 2018/19**

March 2019

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Prifysgol Bangor/Bangor University

Effectiveness Review of the Council, 2018/19: Report to the Council.

Introduction

1. During 2017/18 the Council agreed to undertake a periodic review of its effectiveness, in line with guidance from the Committee of University Chairs (CUC) and in order to meet the expectation of HEFCW with regard to such a review. The Council appointed Dr Chris Turner, former Academic Registrar and University Secretary at Cardiff University, as a consultant to undertake the review, on behalf of the Council, with a view to presenting a report to Council on 12 April 2019.
2. In discussion with the Chair and the Secretary to Council the consultant was invited to undertake a wide-ranging review and to look in particular at University decision making processes and interactions between the executive and the Council. It was also agreed that the review would not be confined solely to matters of compliance with regulatory and good practice requirements but would also encompass issues of boardroom culture.

Executive Summary

3. The review, using the Advance HE template, was undertaken in the period October 2018 – January 2019 and consisted of a questionnaire (10 responses received), 29 one to one interviews, a conversation with HEFCW, observation at three committees (including Council on 30 November 2018) and a review of governance documents and committee minutes.
4. It is recognised that the review was snapshot at a particular time and events have moved quickly and positively in recent months.
5. The main points of context for the review were as follows:
 - A number of improvements have been made to governance arrangements since the last effectiveness review in 2013. These include clarification of the roles of senior post holders, more robust appointment procedures for Council members and the re-establishment of the Strategy and Performance Committee;
 - The University is performing well in a number of areas, in particular student satisfaction and it received a gold rating in the Teaching Excellence Framework (TEF) and an excellent QAA report in 2018;
 - Student recruitment is a major challenge leading to-

- Questions around financial sustainability (a savings plan is underway) and around the capital building programme;
- The recent appointment of new members of Council and a new Chair has ensured that there is now a broader range of perspectives available to Council and there has been an acknowledged improvement in engagement and inclusivity at Council meetings;
- During the course of the review there was a change in executive leadership.

6. The overall conclusions of the review are as follows:

- Council is operating in line with the University's constitutional arrangements and with the CUC's "The Higher Education Code of Governance" (June 2018);
- Council membership is appropriate with a good balance of skills and positive leadership from the Chair and good support from the Secretary to Council;
- Sub-committee terms of reference are appropriate and they are generally effective in undertaking their scrutiny role;
- Students play a full part and positive part in University governance;
- Risk management is comprehensive in scope and effective in application;
- However, there is scope to increase the effectiveness of Council, particularly with regard to its relationships with the executive, Senate and the wider University.
- Council may also wish to consider modernising its constitutional arrangements in order to increase its effectiveness;
- The review and recent developments suggest that the Council is well placed to meet the various challenges confronting it.

Summary of affirmations and recommendations

7. The recommendations and affirmations set out below form part of the executive summary. For the purposes of this summary they have been grouped together but in the report itself they appear under the relevant theme. Affirmations are intended to support actions which are already in train or have been agreed but not implemented at the time of the review. Affirmations are indicated by letters, recommendations are listed numerically; some are amplified by points of note.

Affirmations

Affirmation A

That the work to update the Charter and Statutes, in order to correct titles of officers and other redundant references, should be completed as soon as possible (see also Points of note below).

Points of note

There may be a case for a more radical revision of the Charter and Statutes involving:

- removal of references to the University of Wales;
- confirming Council as the supreme authority;
- amending the powers of Court;
- removal of the title of Treasurer;
- updating the "Model" statute (statute XX) to reflect current employment legislation.

Affirmation B

That the membership of the Audit and Risk Committee is reviewed to ensure there is sufficient accounting/financial expertise available to it.

Affirmation C

That Council and its sub-committees should expect that strategic or policy proposals being presented should have been reviewed and broadly supported by the executive.

Affirmation D

That the development of a written Scheme of Delegation, to encompass non-financial as well as financial delegations, should be completed as a matter of urgency.

Affirmation E

That the urgent actions in support of financial sustainability, currently being planned, are reported to and fully endorsed by Council and, importantly, that they are set within an agreed strategic context.

Affirmation F

That the Chair undertakes 1 to 1 performance/development reviews with all lay members as soon as practicable during 2019 and that the appropriate arrangements for providing feedback to individuals, and more generally to Council, be put in place.

Affirmation G

That, in addition to reports to the Remuneration Committee concerning the Vice-Chancellor's performance, Council should receive a report on the

key objectives set for the Vice-Chancellor by the Chair on an annual basis and that Council be given the opportunity to receive updates on the achievement of those objectives.

Affirmation H

That Council minutes, when approved, are made publicly available on the University website as soon as possible,

Affirmation I

That the Chair, in consultation with the Vice-Chancellor and Secretary, should ensure that a viable means of keeping Council members informed of key developments between Council meetings is developed.

Recommendations

Recommendation 1

That the executive should ensure that the operation of the key risk management processes is not unduly affected by any staff re-structuring.

Recommendation 2

That Council should ensure that all its (main) sub-committees undertake an annual self-assessment exercise to ensure their continued effectiveness and arising from that in the longer term assess whether it would be feasible/desirable to ask sub-committees to assume increased levels of delegated authority/responsibility.

Point of Note:

An opportunity to declare interests should be provided for on every committee agenda.

Recommendation 3

That the Council and the Students' Union agree what information about Union activities should be presented to Council.

Recommendation 4

That Council and Senate jointly consider how the two bodies can strengthen their relationship and operate more effectively in support of each other, recognising their different but complementary remits.

Recommendation 5

That Council considers giving lay members the opportunity to observe at validation or similar events, to observe at meetings of Senate, as a means

of increasing their understanding of the academic product and the processes involved in assuring quality and standards.

Recommendation 6

That the Chair and the Vice-Chancellor (or the Strategy and Performance Committee) consider how best to present performance data to Council so that members receive greater assurance on what Council would regard as the key performance indicators across the range of University activities.

Recommendation 7

That the Chair, in consultation with the Vice-Chancellor and the Secretary, should assess the need for, and practicalities of, holding informal pre-meetings and/or development sessions for Council.

Recommendation 8

That Council considers appropriate and viable ways of increasing interaction with other members of the University with a view to increasing mutual understanding.

End of Executive Summary

Context

8. The previous effectiveness review was conducted internally in 2013. Whilst no major concerns about the University's governance arrangements were identified at that time, a number of improvements and refinements to process were introduced as a result. Since that time further improvements have been made in line with the University's stated commitment that " ..good governance is a strategic enabler to delivering its mission and vision". These improvements have included:
 - the establishment of robust appointment processes for new members;
 - clarification of the roles of senior post holders, including the Chancellor, Pro Chancellors and the Treasurer;
 - Increasing the number of co-opted (independent) members to 12 with appointments now being made in a more formal and transparent way;
 - Increasing the range of representation on Council and to balance the Welsh language skills with local, national and international perspectives;
 - And, more recently, the re-establishment of a Strategy and Performance Committee to be chaired by the Chair of Council.

9. Since the time of the last effectiveness review the University has performed well in terms of student satisfaction (NSS and league table performance) and achieved a top 40 position for research quality (REF 2014). The University was awarded a gold rating in the Teaching Excellence Framework (TEF) and in 2018 it received a very positive QAA report, providing welcome assurance about the quality and standards of its academic provision. Importantly, the University's demonstrable commitment to the Welsh language and Welsh culture is also widely recognised and applauded. The current strategic plan is coming to the end of its five-year term in 2020 and some work has begun on framing a new plan.

10. One of the recurring comments made by Council members during the review was the evident pride at the University's student satisfaction scores in recent years. This was supported by the direct feedback from the student representatives on Council which was invariably positive about the efforts of the University to hear the student voice and to respond positively to it.

11. At the time of this review the University is facing some significant challenges. The most urgent of these relates to financial sustainability, primarily caused by the failure to meet student recruitment targets in the last two intakes and the

subsequent loss of tuition and hall fee income. It is true that recruitment challenges beset most universities at present but the position at Bangor appears to be acute.

12. The position is not helped by Brexit uncertainty and locally by the challenges posed by the University's capital building programme. Issues related to the construction costs of the Pontio Arts and Innovation Centre were finally resolved during the course of this review, although challenges remain around its sustainability.
13. Following recommendations made by the Financial Sustainability Board (FSB) in 2017/18 a voluntary severance scheme was run in year and, according to the audited financial statements for 2017/18, "Council has mandated that further steps be taken to secure savings and flexibility in the University cost base". The auditors required (very late in the day) that additional narrative be provided in the Letter of Representation to cover the University as a going concern. There is a small surplus reported in 2017/18 but this is down to two one off windfalls which, although welcome, do not improve the underlying position.
14. In terms of governance the prevailing view of Council members is that until recently the University has operated in a very traditional way with Council tending to perform its stewardship duties properly and diligently, but also in a largely reactive and passive way. A number of new lay members have joined the Council in the last 2/3 years and there is evidence that, as a result, a range of new perspectives have been brought to the Council. A new Chair was appointed in February 2018 and many members commented on the clear signs of improvement that had taken place since then, including the more engaging and inclusive way in which Council meetings were conducted.
15. At the Council meeting on 30 November 2018 the Vice-Chancellor indicated his intention to retire. Following that meeting the Vice-Chancellor confirmed that he would retire on 31 December 2018 and appropriate interim arrangements have been put in place with the immediate appointment of an interim Vice-Chancellor.

The Approach

16. The approach taken in this review has been informed by the CUC Higher Education Code of Governance (2018) and the guidance on conducting effectiveness reviews produced by Advance HE (formerly the Leadership Foundation for HE). In particular, selective use has been made of the guidance contained in "A Framework for Supporting Governing Body Effectiveness Reviews in Higher Education," (June 2017).
17. All members of Council and senior executives were invited to complete a questionnaire comprising a set of selected statements from the Framework document noted in 11. above. The selection was based on the basic set advised

by Advance HE together with those statements that the Chair and Secretary to Council believed were most appropriate to the University in the current circumstances. A total of 28 statements were selected and respondents were invited to use an 8-point scale, ranging from “strongly agree” to “strongly disagree” and also including a “don’t know” option. Respondents were also able to amplify their responses using free text boxes.

18. A total of 10 anonymous responses were received and these were analysed and used to provide a focus for the one to one interviews. The 10 responses received comprised 9 lay members and one from the executive team. Not all respondents provided a response to every statement but comments made in the free text boxes were especially helpful in assessing the strength of feeling in particular areas.
19. Discussions were held during October 2018 to January 2019 with 29 individuals, including the Chair of Council, the Vice-Chancellor, 16 lay members, the Pro Vice Chancellors, the student and staff members and senior executives. Specific attention was given to those areas where there had been a clustering of negative responses in the questionnaire and also where there were more “don’t knows” than might have been expected. It was made clear at the outset that the conversations were non-attributable, that views expressed would not be ascribed to any single individual and that interviewees would be free, and encouraged, to make comments on any relevant matter irrespective of the questions from the consultant.
20. The consultant observed the following meetings:
 - Audit and Risk Committee (12 November 2018)
 - Council (30 November 2018)
 - Finance and Resources Committee (18 January 2019)
21. In addition, a meeting with the Chief Executive and the Director of Institutional Engagement of HEFCW was held on 13 December 2018.
22. The findings of the review, together with a number of affirmations and recommendations, are set out below. Affirmations relate to actions that are already underway or planned. The recommendations are not intended to be prescriptive but focus on specific areas that Council might wish to review. The preceding narrative to any affirmation/recommendation may also indicate possible ways forward. A number of points of note, which may be relevant, though arguably outside the remit of an effectiveness review, are also offered for consideration by the Council.
23. It is appropriate to record the consultant’s thanks to the Chair and to all members of Council and the executive team for giving up their time and for their willingness to contribute positively and frankly to all aspects of the review. Special thanks are due to Kevin Mundy for the always timely provision

considerable amounts of information and to Lynne Hughes for organising the interviews and all other arrangements so efficiently.

Responses to the Questionnaire

24. An analysis of the questionnaire returns reveals the following:

Areas of consistent (positive) agreement included:

- The shared understanding about ensuring effective governance.
- The positive relationship between the governing body and the clerk/secretary.
- Roles and responsibilities of governing body and its committees are well defined and understood.
- The involvement of students and staff in the governing body and its sub-committees.
- Confidence about processes for ensuring quality and standards and the student experience.
- Recruitment of members addresses requirements of equality and diversity
- Induction training is consistently provided.
- The receipt of reliable and up to date information, including that relating to regulatory and legal responsibilities.
- The existence of effective risk management processes and the receipt of regular risk management reports.

Areas of consistent (negative) disagreement included:

- The Council regularly reviews its own performance
- The contribution of members, including the Chair is regularly reviewed.
- Assurance is received that recommendations arising from reviews are implemented
- Performance reviews on the head of the institution are undertaken and reported on.
- Agreed standards on financial health and sustainability are achieved
- The governing body ensures there is effective organisational leadership.

Areas of significant uncertainty (don't know):

- Relationships between the governing body and the head of the institution
- How often does the Council review its own performance?
- The working relationship between the Senate and the Council
- The availability of on-going professional development training
- Council is actively involved in formulating, approving and reviewing institutional strategy
- There is effective communication to and from the Council with key stakeholders

- Existing governance arrangements are appropriate to support long term strategic plans.

Review Findings

25. The review findings are set out below under the headings suggested in the Advance HE guidance but particular focus has been placed on those areas covered by the questionnaire responses and the subsequent discussions and through observation at key meetings. Reference has also been made, as appropriate, to the University's Charter, Statutes and Ordinances, together with Council minutes both in the current year and over the previous two years. The current strategic plan has also been reviewed.

Effective governance structures and processes

26. A review of the current Charter and Statutes has indicated that an update is required following changes in recent years to titles and roles such as the President, Vice-President and the Registrar and Secretary, roles which do not currently exist. References to the University of Wales are also now redundant. The need for these changes is fully recognised by the University and the approval of the Privy Council will be sought in due course. There remains a small risk of procedural challenge until these changes are effected.

Affirmation A

That the work to update the Charter and Statutes in order to correct titles of officers and other redundant references should be completed as soon as possible (see also Points of note below).

Points of note:

- (i) The University follows a traditional governance model and the Charter and Statutes are in need of updating in relation to officer titles etc. It is clear that work on removing some details to Ordinances has already taken place over the last 10 years or so but it might be appropriate to undertake a more radical revision with a view to achieving the following:
 - The removal of all references to the University of Wales as these are effectively redundant;
 - The expectation of regulators is that the Council is the "supreme" authority of the University. Whilst Council has all the duties, obligations and accountabilities of a supreme body this status is not stated explicitly in the current Charter and Statutes.

- In order to be the supreme authority, the existing power of Court to amend/revoke articles would need to be amended (subject of course to consultation with the Court);
 - Many universities have removed the title of Treasurer from their constitution on the basis that the title is largely outdated (both Aberystwyth and Cardiff have done so in recent years). However, the duties related to the role remain important and are often allocated to the Chair of the Finance (or equivalent) Committee.
- (ii) At its meeting on 30 November 2018 Council debated whether a change should be made to Statute XX (the Model Statute). There is a consensus within HE that this statute is outdated and needs amendment to be more in line with current employment legislation. Some universities have done this by retaining the statement about academic freedom and stating that all processes will be subject to the principles of fairness and justice but have removed the (updated) procedural detail to an ordinance. This means that future changes to the Ordinance can be made by Council itself without having to seek Privy Council approval. It is known that the Privy Council is open to requests of this kind provided the necessary safeguards are in place. Achieving this change would of course require extensive consultation.

27. The Ordinances appear to be appropriate though Ordinance IV - Membership of the Court – requires updating as it refers to President and Vice-Presidents (now replaced by Chancellor and Pro Chancellors) and Health Trusts (now Health Boards).

The Committee structure (Council and its sub-committees)

28. The current committee structure appears to be generally fit for purpose. Worthy of note is the recent re-establishment of the Strategy and Performance Committee, chaired by the Chair of Council. This has been widely welcomed within the University as meeting a specific requirement about increasing the visibility of Council's involvement in developing long term strategy and in monitoring performance.
29. Although the consultant did not attend the Remuneration Committee, it is appropriate to note that the Council has formally adopted the CUC's Higher Education Senior Staff Remuneration Code (June 2018).
30. The Audit and Risk Committee has a clear remit and in the observed meeting there was a good level of scrutiny by the members. The executives responded fully to questions from members. Additionally, HEFCW officers confirmed there were no specific issues about the University's compliance with the Audit Code of Practice or the Financial Management Code.

31. A point of note for the future concerned the fact that one of the issues discussed in detail at the Audit and Risk Committee was the Financial Statements for 2017/18. However, at the subsequent Council meeting (30 November 2018) the external auditors added some notes to the statements around the issue of “going concern” which had not been raised at either the Finance and Resources Committee (9 November 2018) or the Audit and Risk Committee (12 November 2018). Whilst there were clearly good reasons for the change, the auditors might be reminded that the situation whereby key scrutiny committees were not aware of an important change to the Financial Statements, prior to its submission to Council, should be avoided if at all possible.
32. The risk management system appears to be well developed and well understood within the committee and more widely and this is helped by the existence of an active Risk Management Task Group. However, one potential risk appeared to be that as a result of re-structuring the loss of key staff may affect the accuracy and coverage of risk management processes. At a time when the financial challenges require such immediate attention the correct operation of the risk management processes will be especially important.

Recommendation 1

That the executive should ensure that the operation of the key risk management processes is not unduly affected by any staff re-structuring.

33. One point of good practice within the Audit and Risk Committee is the routine assessment of the performance of internal and external auditors. This is to be commended and, importantly, the Committee was assured that feedback from this exercise was given to the auditors. The Committee was rightly keen to receive internal audit benchmarking advice about how the University performs in terms of the number of medium/high recommendations in audit reports in comparison with other institutions.
34. The Audit Committee has an experienced Chair and membership. It has a co-opted member with specific accounting expertise but it was not clear whether other members had an accounting background. Whilst it is appropriate to have a balance of skills available to the committee, it might be helpful to have an additional member with an accounting/financial background. This is especially the case when the committee is asked to scrutinise the more technical aspects of accounting requirements. It is understood that this has been recognised and efforts to recruit a suitable individual are continuing.

Affirmation B

That the membership of the Audit and Risk Committee is reviewed to ensure there is sufficient accounting/financial expertise available to it.

35. The Finance and Resources Committee observed (18 January 2019) was provided with clear papers and was characterised by clarity around the scale of the financial challenges, good scrutiny from lay members and a clear process for bringing forward viable responses from the interim Vice-Chancellor and from the executives present.
36. Some senior members of staff were concerned that in the past some important papers/proposals had not been fully consulted upon by the executive team before being presented to the Council or a sub-committee. Several individuals were frustrated by the lack of discussion at relatively short executive team meetings. Whilst it will often be the case that contentious proposals will not command unanimous support there should be an executive majority for seeking Council or sub-committee approval and Council members would expect this to be the case. Since January 2019 there are reported indications of a definite and positive change with regard to the length and focus of executive team meetings.

Affirmation C

That Council and its sub-committees should expect that strategic or policy proposals being presented should have been reviewed and broadly supported by the executive.

37. Members were not particularly concerned about the size of Council though some did express the view that a smaller Council would make it easier to contribute to discussion. The current membership is relatively large and many universities are settling on a membership of 18-24. It is not the intention of this review to be prescriptive about the size of Council but should the Council seek to take forward some of the suggestions set out under Affirmation A (page 11) then this might give some scope for reducing the number of *ex officio* members and providing a context for a more thorough review of Council membership.
38. The meeting of Council that was observed had a full agenda with clearly presented papers and a good level of interaction from members. It was probably not a typical meeting and the discussion was understandably dominated by a number of significant financial matters but the Chair ensured that any member wishing to contribute was able to do so. At this meeting, and unusually, a vote was required to be taken. Whilst there was no doubt about the outcome, the voting procedure and the number of votes for or against could have been somewhat clearer. Nevertheless, assurance has been provided that the minutes contain an accurate record of the vote taken and will therefore be a matter of public record.
39. The sub-committees work effectively but the University may wish to consider in the longer term giving increased delegated authority to those committees. This

would of course require a level of trust in the membership of those committees but if they were to be given specific authority in certain specified areas this might assist the management of Council business and reduce paperwork. The volume of information to be absorbed was cited by many members as a concern.

40. The Audit and Risk Committee undertakes an annual self-assessment and this is seen as helpful in ensuring continued effectiveness. According to their terms of reference each Council sub-committee is required to undertake an annual self-assessment but this does not appear to have happened routinely.

Recommendation 2

That Council should ensure that all its (main) sub-committees undertake an annual self-assessment exercise to ensure their continued effectiveness and arising from that in the longer term assess whether it would be feasible/desirable to ask sub-committees to assume increased levels of delegated authority/responsibility.

Point of note

The University's Declaration of Interest policy is well set out in Ordinance and included in the Guide for Council members. Most public bodies and universities would additionally have a specific item at the start of any agenda (of key meetings) inviting all members to declare any interests regarding items on that agenda and giving an opportunity to declare any recently acquired interests.

Scheme of Delegation

41. At present there is no formal scheme of delegation in place. This does not mean that appropriately approved delegations are absent but it means that it is not always easy to locate the detail of a specific delegated authority or action as such delegations are distributed across the University. Most universities would have a readily available and centrally produced scheme and it is understood that work on preparing such a scheme is already underway.
42. The Vice-Chancellor and other executives confirmed that they would welcome the existence of a scheme of delegation, particularly in relation to (but not confined to) spending limits attached to individuals or committees. Whilst it will need to be as comprehensive as possible it could be built up incrementally over time. It would be appropriate to incorporate Ordinance XXXII into the consolidated scheme.

Affirmation D

That the development of a written Scheme of Delegation, to encompass non-financial as well as financial delegations, should be completed as a matter of urgency.

Involvement of Students/the Students' Union

43. The University is justifiably proud of the way in which student representatives are fully involved in all aspects of the Council's decision-making processes, including representation on all key sub committees. The student representatives themselves readily acknowledged that the student voice is both heard and responded to and that all student officers had ready access to the Chair of Council, the Vice-Chancellor and the Pro Vice Chancellors.
44. A Students' Union update report is presented to each Council meeting but is presented under "Matters for Information." Council might wish to consider that, given the excellent working relationships between the Council and the student representatives, the Unions' update is brought into the main agenda, thereby giving it parity with other reports. It is understood that this has recently been agreed. Some feedback was also received as to whether some of the student information presented was relevant to the Council. It is understood that Council also receives an end of year report from the Union together with a University response to any issues raised. This would be regarded as good practice.

Recommendation 3

That the Council and the Students' Union agree what information about Union activities should be presented to Council.

Relationship with the Senate

45. According to the Charter and Statutes, the Senate is the academic authority of the University. This is undoubtedly correct and would be standard within most chartered universities. However, the Council's overall responsibility for the University's affairs, and the more clearly defined need for Council to provide assurance to HEFCW about the quality and standards of the academic provision, mean that a good working relationship between the two bodies is necessary.
46. It is understood that some joint meetings have been held between Council and Senate in the past but there appears to be little evidence of an active working relationship. This may not be a particular issue as, following positive reports on quality assurance, including the QAA report (August 2018), Council expressed "the highest level of confidence" in signing the annual quality assurance statements (as provided by Senate) to HEFCW.
47. Nevertheless, most Council members wish to see a more obvious relationship between the two bodies but seemed unclear as to what the relationship should be. At the same time staff members expressed frustration that Senate meetings were very short and were in the main "rubber stamping" exercises. Senate membership has recently been increased to help improve both representation and debate. Council receives Senate minutes but from a review of the minutes

there appears to be little discussion on matters that arise from meetings of the Senate.

Recommendation 4

That Council and Senate jointly consider how the two bodies can strengthen their relationship and operate more effectively in support of each other, recognising their different but complementary remits.

48. A number of lay members expressed a wish to understand better the nature of the academic provision and the processes involved in ensuring the quality and standard of that provision. It will be important that lay members are not seen to direct academic business but a deeper understanding may help members to seek and then to assess the appropriate level of academic assurance required by the Council.
49. One way of achieving greater understanding is for members to observe at validation or similar events or possibly observing at Senate. It is understood that this has been suggested previously but, for some reason, was not pursued at the time. It is accepted that this kind of observation can be time consuming but it has been done successfully elsewhere and one of its key benefits is that it provides an opportunity to see academic peer review in action. It is suggested that this could be offered as part of an ongoing development programme for lay members though it need not be compulsory.

Recommendation 5

That Council considers giving lay members the opportunity to observe at validation or similar events, to observe at meetings of Senate, as a means of increasing their understanding of the academic product and the processes involved in assuring quality and standards.

Financial Sustainability

50. It has been evident throughout the review process that the University's financial sustainability is a major challenge. Institutional sustainability is a key responsibility of the Council. The financial statements for 2017/18 show that "the reported surplus for the year is unrepresentative of underlying performance". As a result, Council has agreed that "further steps be taken to secure savings and flexibility in the University's cost base." Council members are clearly concerned about the current position and HEFCW have expressed similar concern in their Institutional Risk Review letter (November 2018).
51. A view expressed by a number of members is that the Financial Sustainability Board was stood down prematurely in 2018 and that this has contributed to the

urgent need to take further immediate action. The overwhelming view of members is that any cost saving measures must take place within the context of a strategic vision of what the University is trying to achieve and where it wants to be over a three to five-year period.

52. A number of Council members and members of the executive team expressed concern that some areas of the University appeared to be unduly protected and not subject to the same level of financial scrutiny as other areas. Questions were raised, for example, about the University's international activities and whether the income derived from these activities provided value for money. It will be important that Council receives appropriate assurance in this regard.

Affirmation E

That the urgent actions in support of financial sustainability, currently being planned, are reported to and fully endorsed by Council and, importantly, that they are set within an agreed strategic context.

Effective Governing Body membership

53. Council membership has changed considerably in recent years and there is now a formal appointments process for lay members. It is striking that all members consistently displayed a sincere commitment to ensuring the success of the University and a desire to contribute to achieving such an outcome. Looking at the skills matrix for the Council, there appears to be a good balance of skills and expertise, especially with regard to finance/business though some members believed that the Council would benefit from more members with an education/ higher education background. The range of skills and the diversity within the membership of the Council is kept under review by the Nominations and Governance Committee and, whilst there was no evidence of any major imbalance in this regard, the challenge of appointing members with diverse backgrounds will need to be closely monitored.
54. All members appointed in the last few years were able to confirm that they had received appropriate induction training. Members were appreciative of the support they received from the Secretary to Council in respect of induction and continuing general support. The position was less clear as regards the on-going development of members but most members indicated that they would welcome such a development programme (see Recommendation 7 below).
55. The Chair has indicated that 1 to 1 performance reviews will take place with all members and there was a general welcome for this as a means of ensuring that skills and expertise were being appropriately deployed and to ensure the continued commitment of members. It will be important that members receive individual feedback from these reviews but a composite report to Council (perhaps via the Nominations and Governance Committee) on general themes

identified through the process might also be helpful. Arrangements will also need to be made to review the Chair's performance and this will presumably be undertaken by a Vice-Chair.

Affirmation F

That the Chair undertakes 1 to 1 performance/development reviews with all lay members as soon as practicable during 2019 and that the appropriate arrangements for providing feedback to individuals, and more generally to Council, be put in place.

Effective strategic development and performance measurement

56. The experience of most members was that, whilst they were aware of the University's strategic direction, they had not been routinely involved in developing strategy and as a result have little sense of ownership of the strategy. More generally there is an impression that the strategy is top down with little or no attempt to balance this with a bottom up approach. This also points to another widely held view, namely that Council rarely hears directly the views of the generality of University staff.
57. There is a general welcome for the establishment of the Strategy and Performance Committee. This will be an important conduit for Council to become more directly involved in developing strategy, though it is recognised that the committee's priority in the short term is to ensure financial viability within an agreed strategic context that includes academic and estate priorities. Detailed information about the University's estate performance and future strategy was a specific priority for a number of members.
58. Council receives a great deal of performance information, including a detailed Annual Performance Report. Much of the reporting is driven by HEFCW requirements and can be very detailed. Council members believed the information was well presented but as there is so much information to absorb, they would appreciate guidance on what really matters and to have their attention specifically drawn by the executive to downward trends and emerging problems. Members acknowledged that executive summaries (introduced in 2018) had certainly helped.
59. A recurring perception amongst lay members is that performance reports in the past have often been presented in an optimistic light and often with a degree of inherent defensiveness. Importantly, members of the executive, including the previous Vice-Chancellor, accepted that this occasionally can be the case though they were clear that specific concerns would always be brought directly to Council's attention.

60. Some members would also welcome clearer benchmarking data that allowed easier comparisons to be drawn about performance. Clarity on why a set of benchmark institutions had been selected would also be welcomed. The view was expressed that with School/College performance it would be more helpful if performance data was presented in an integrated way such that recruitment, retention, employability, financial data etc. were presented in an integrated way at one meeting rather than at separate meetings. It does appear that integrated performance reports are presented to Council on an annual basis but the fact that Council members were unclear about this may require further consideration, perhaps about the way the data are presented.
61. In the context of the current financial challenge one particular requirement for many members is that all areas of activity should be subject to a benefits realisation or return on investment test. There was a view, shared by a number of lay members and staff, that some areas were not subject to the same level of scrutiny as others. One example cited was that the Bangor College China certainly generated income but it was not clear what the precise return on investment might be from this initiative as it was difficult to assess the true scale of the investment.

Recommendation 6

That the Chair and the Vice-Chancellor (or the Strategy and Performance Committee) consider how best to present performance data to Council so that members receive greater assurance on what Council would regard as the key performance indicators across the range of University activities.

62. One of the matters that needs particular attention is that most Council members did not know whether the Vice-Chancellor had been subject to a performance development review. Such a review would normally be expected to be undertaken by the Chair on an annual basis. The Chair has confirmed that such a review has been undertaken recently with the previous Vice-Chancellor and the report to Council was being agreed at the point at which the Vice-Chancellor retired. It appears that prior to this review, although discussions between the Chair and Vice-Chancellor have no doubt taken place, no record has been kept and no feedback has been provided to Council since the Vice-Chancellor took up post in 2012. The Remuneration Committee will no doubt have received reports on the Vice-Chancellor's performance but these appear to have been oral reports.
63. A common requirement within HE is that the key objectives set for a Vice-Chancellor (usually 5-10 objectives) are reported to the Council and updates on progress are provided either at each Council meeting or annually. This is seen as being a key component of the Vice-Chancellor's direct accountability to the Council as well as individually to the Chair.

Affirmation G

That, in addition to reports to the Remuneration Committee concerning the Vice-Chancellor's performance, Council should receive a report on the key objectives set for the Vice-Chancellor by the Chair on an annual basis and that Council be given the opportunity to receive updates on the achievement of those objectives.

Effective communication and information

64. The Secretary has provided a helpful and comprehensive, "Guide for Council Members" which is given to members on appointment. The guide includes *inter alia* a statement of the Council's responsibilities, the mission, strategy and values of the University and guidance regarding declarations of interest. Section 7.6 on "Open Government" indicates that Council minutes are publicly available on the University website. Although this is not currently the case there are plans to do this in the near future and this will certainly improve transparency.

Affirmation H

That Council minutes, when approved, are made publicly available on the University website as soon as possible,

65. Members of Council generally found information provided at meetings of Council and its sub committees to be timely and useful. The standard of papers was seen as good, although concern was expressed about the amount of information that members were expected to read in a relatively short period of time. The production of summaries of papers presented to Council was widely welcomed.
66. The time lag between Council meetings is seen as a problem as it can be difficult to maintain focus on University business when members have many other responsibilities and commitments. It appears that some information is sent out between meetings but several members complained that they often heard things about the University through the media rather than directly from the University. The University has recently decided to send staff bulletins to Council members on a fortnightly basis and this will be helpful. Some universities also produce newsletters or e-bulletins with key information specifically for Council members.
67. Some members indicated that they were uncertain about their role as charitable trustees. This is covered in the Guide for Council members and there has been a briefing session in the recent past but members might benefit from a more detailed and regular briefing. This could be included in any on-going development programme (see Recommendation 7).

Affirmation I

That the Chair, in consultation with the Vice-Chancellor and Secretary should ensure that a viable means of keeping Council members informed of key developments between Council meetings is developed.

68. A general view expressed by members is that they would welcome the opportunity for greater informal interaction between meetings. It is recognised that it can be overwhelming for lay members when they attempt to assess a set of Council papers when they have not been exposed to previous discussions at sub-committees or other briefings. It is recognised that the additional time commitment can be difficult for members who have to travel considerable distances but the increased interaction could be in the form of a pre-meeting or development session on the day of Council. This has happened in the past but appears to have been discontinued for some reason.
69. Another theme emerging from the 1 to 1 interviews was that lay members wished to hear more from the executive team as a whole, with a view to building constructive relationships and greater mutual understanding. Some members favoured pre-meetings of lay members only (as happens in other universities/health boards) so that information can be shared more widely and questions on the agenda agreed. In this case it would be important that such a meeting would be informal (no set agenda or minutes taken) so as to avoid it being seen as an “alternative” Council meeting.
70. Another area where members seemed very unsure about the position was in relation to the University’s external relationships. A number of members mentioned the opportunities presented by the North Wales Deal but seemed uncertain about what discussions had taken place. This is given as an example only but it provides a possible item for a briefing/development session around building local/national relationships.

Recommendation 7

That the Chair, in consultation with the Vice-Chancellor and the Secretary should assess the need for, and practicalities of, holding informal pre-meetings and/or development sessions for Council.

Working Relationships /boardroom behaviour

71. As has already been noted most members believed that the functioning of Council had improved under the current (and previous Chair) and that there was now a greater sense of inclusiveness and involvement. However, most members were of the opinion that Council generally found it difficult to engage

with the then Vice-Chancellor. The perception was that, whilst questions were answered, those answers tended to be brief or even dismissive and that challenge to the executive position from lay members was not particularly sought or welcomed. This was acknowledged generally by the executive members present at Council and in his interview with the consultant the previous Vice-Chancellor expressed a willingness to rectify this perception.

72. Other members of the executive expressed a view that they found it difficult to contribute views at Council and would welcome the opportunity to engage with lay Council members on a more regular basis. Executive members also commented on the need for Council to be more visible to staff generally.

73. From the meetings that were observed there appeared to be a good understanding of the difference between governance and management though, perhaps because of the immediacy of the financial challenges, there could be an occasional blurring of that distinction. It will be important for the future to formulate a mutual understanding and acceptance of the appropriate boundaries in this regard.

The Future

74. All members of Council were clear about their commitment to ensuring the success of the University and that they always acted in its best interests. Although there are signs of recent improvement there does appear in the past to have been a lack of mutual trust between those involved in the governance of the University and those involved in its management. This may be caused, at least partly, by the fact that the governance model being utilised is a fairly traditional one. This model relies on Council positively reacting to executive strategic proposals rather than being part of the governance system that develops those proposals, albeit that a first draft will always be prepared by the executive.

75. The tensions arising from the existing model of governance may have been further exposed by the new perspectives and expectations of the new members who have been appointed to Council in the last 2/3 years, though it should be noted, in fairness, that the Council deliberately set out to achieve such a wider perspective by seeking out and appointing such members.

76. Within the Council there is a high level of commitment to, and support for, the University and this will provide a solid basis for future development. In addition to the local challenges there are those posed by the continuing uncertainty about the impact of Brexit and the forthcoming Augur review in England. It will therefore be important for Council to consider building a constructive relationship with the executive team and also with Senate and indeed with the staff more generally. The visibility of Council and what it does is not widely seen or understood within the wider University.

77. Lay members should also be given more opportunities to learn more about the University in action and be equally they should be prepared to take such opportunities to increase their understanding. Lay member commitment to attend, as outlined in the role description, other University events such as public lectures, Court meetings, graduation etc would also help to increase interaction with staff and students.
78. Some universities adopt a school/professional services linkage scheme whereby lay members are linked with particular schools/professional services, for a defined period, in order to visit those areas and understand better the work done and the people involved. It is important of course that members do not become “spokespersons” for the linked area and it is usual therefore to rotate members every six months or so.

Recommendation 8

That Council considers appropriate and viable ways of increasing interaction with other members of the University with a view to increasing mutual understanding.

Conclusions

79. Bangor University has a long and proud tradition and has performed very well, by a number of measures, in recent years. From the findings outlined above it can be concluded that the Council is generally operating within its own constitutional framework (the Charter, Statutes and Ordinances) and in line with the CUC Higher Education Code of Governance. A review of Council minutes from recent years indicates that the Council appropriately fulfils its statutory and regulatory obligations.
80. Amongst the lay members there is a good balance of skills available to the Council, though some additional education/higher education expertise might be advisable. The active involvement of student representatives in all discussions is an acknowledged strength of the current arrangements and should be maintained and further developed.
81. The model of governance at Bangor is a traditional one and is similar to many other chartered universities, particularly in Wales, and derives from the time when Bangor was a constituent of the University of Wales. This may not in itself be a problem but there appear to be some issues with the way in which this model is operating in practice. The normal expectation, and certainly one shared by HEFCW, would be that there could and should be a more evident level of lay/independent member participation and inclusiveness. This should then lead to greater transparency and a culture where constructive challenge is welcomed and responded to and at the same time where the differences

between governance (Council) and management (executive) are fully respected on both sides.

82. A primary aim of the recommendations contained in this report is to help improve both transparency and accountability as the University faces a number of short and long term challenges. The affirmations and recommendations offer some points for consideration should the Council wish to improve its effectiveness through “modernising” some of its governing instruments.

83. The Council is well placed to meet these challenges but needs to build a closer and more constructive relationship with the executive and its leadership, with Senate and also with the generality of the staff. At the same time, it should further maintain and develop its excellent relationship with the student representatives. As this report was being finalised there were already signs of positive improvements in these relationships. There is undoubtedly a solid base of support for, and commitment to, the University’s success and the consultant sincerely wishes the University well as it develops and drives forward its vision and ambition to be a centre of excellence across all its activities.

Dr Chris Turner,

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