Bangor University

**COUNCIL MINUTES**

At a meeting of the Council held in the University on Friday, 14th July 2017.

**Present** :

Dr Alwyn Roberts (Chair), Mrs Stephanie Barbaresi, Dr Tomos Dafydd, Professor Gillian Davies, Professor Andrew Edwards, Dr Peter Higson, Professor John Hughes, Professor Jerry Hunter, Dr Griff Jones, Dr Karen Jones, Mr Marc Jones, Mrs Alison Lea-Wilson, Dr Lorrie Murphy, Ms. Ellen Parry Williams, Mrs Julie Perkins, Miss Ruth Plant, Miss Mirain Llwyd Roberts, Professor Jo Rycroft-Malone, Professor David Shepherd, Professor Paul Spencer, Professor Carol Tully, Professor Graham Upton, Mr David Williams, University Secretary, Director of Finance, Deputy Director of Human Resources and the Director of Property and Campus Services.

**Apologies** :

Sir Paul Lambert, Professor Richard Parry-Jones, Professor Oliver Turnbull, Dr Olwen Williams and the Director of Human Resources.

**DEATHS**

The Chair referred to the recent deaths of:

Dr Glyn Tegai Hughes

Mrs Sue Allely

Ms Sheila Mary Grant

David Taylor

Mrs Patricia Mary Moore

Allan Simpson

Mrs Gwyneth McLean

Professor Bart Banks

Thomas William Roberts

and members stood in tribute to their memory.

**CONGRATULATIONS**

The Chair expressed the Council’s congratulations to the following who had been awarded a **Personal Chair**:

Dr Andy McStay, Creative Studies & Media

**On the award of a Readership:**

Dr Graham Bird, SENRGy

Dr Jeffrey Kettle, Electronic Engineering

Dr Rasha Alsakka, Bangor Business School

Dr Richard Ramsey, Psychology

Dr Rebecca Crane, Psychology

**The Chair also expressed congratulations to:**

The Royal Geographical Society has awarded one of its Royal Medals to a Bangor University Alumnus for his work in agricultural development. Professor Sir Gordon Conway, who studied an undergraduate degree in Zoology at Bangor University and graduated in 1959 was awarded the Founder’s Medal, among the highest honours of its kind in the world.

The Project Administrator for M-SParc, has won a Chwarae Teg Womenspire Award. Emily Roberts, a Bangor Psychology graduate, won the Women in Rural Economy category, which raises awareness of the barriers faced by women living and working in rural areas.

Professor Enlli Thomas, Head of the School of Education has been appointed a member of the new Welsh Language Partnership Council by Alun Davies, Welsh Government Minister for Lifelong Learning and Welsh Language.

**MINUTES**

The Minutes of the meeting held on 7th April and the 23rd June 2017 were confirmed.

**VICE-CHANCELLOR’S BUSINESS**

The Vice-Chancellor raised a number of issues with the Council.

[1] **TEF** – the Council considered the statement of findings relating to Bangor University’s Gold award in the Teaching Excellence Framework. It was noted that alongside the REF, this placed Bangor University in the top 20 Universities in the UK. The Council congratulated the University on this performance.

[2] **ITET** – it was noted that following the Estyn re-ispection in June, 4 of the 7 relevant indicators have been rated ’strong’ and the other 3 as ‘very good’ or ‘satisfactory’. The report is yet to be formally published, but on this basis, the Centre is judged to have made sufficient progress and will be removed from further follow-up activity. A joint strategic board has been established with Chester University to oversee the development of a joint bid for future ITET provision.

[3] **Living Wage** – it was noted that all Welsh universities have agreed to become Real Living Wage employers. They have also confirmed that they will sign-up to the Government’s Code of Practice: Ethical Employment in Supply Chains. As a result the Cabinet Secretary has confirmed that in 2018/19 there will be a return to the pre-2012 policy of an inflation-linked maximum tuition fee level.

[4] **Pro Vice-Chancellor (Teaching & Learning)** - On the recommendation of the Vice-Chancellor, the Council ***agreed*** that the appointment of Professor Oliver Turnbull be renewed for a further term of 5 years from the 1st August 2017.

**REPORT FROM THE EXECUTIVE**

1. The Report of the meetings of the Executive held between April 2017 and June 2017 (attached as Appendix I to the official copy of the Minutes) was approved.
2. The Council noted:

[1] **Home Undergraduate Recruitment**: Following the reduction in the number of applications, huge efforts are underway to maximise conversion.

**FINANCIAL SUSTAINABILITY BOARD**

1. The Vice-Chancellor updated the Council on progress towards achieving financial sustainability and the actions of the Financial Sustainability Board. The minutes of the special meeting of the Council held in June were noted and a paper was considered which addressed the concerns raised. It was reported that the University is now in a period of consultation and, following concerns, steps were underway to ensure consistent communication with all staff.
2. After a full discussion, the following 4 matters were put to a vote of the members, from which 4 staff and student members of the Council abstained. The remaining members of the Council:

[1] **Approved** the plans for restructuring the academic domain, central services and college support teams as considered in detail at the last Council meeting, recognising that such plans are subject to ongoing consultation with the University’s recognised trades unions (under s188 TULRCA 1992) and staff, which must be completed before any final decisions on those proposals are made or any implementation carried out, and furthermore that as a result of such consultation, those plans could change.

[2] **Noted** that they have confidence that the plans are necessary to deliver the necessary savings and place the University’s finances on a firm and stable path for the future.

[3] **Resolved**, in accordance with Statute XX paragraph 10(2), that it is desirable that there should be a reduction in the Academic Staff (a) of Bangor University as a whole; or (b) of any Faculty, Department, School or other similar area of Bangor University, by way of redundancy.

[4] **Resolved**, in accordance with Statute XX paragraph 11(1), to appoint a Redundancy Committee to be constituted in accordance with sub paragraph (3) of this paragraph to give effect to its decision by such date as it may specify and for that purpose: (a) to select and recommend the requisite members of the Academic Staff for dismissal by reason of redundancy; and (b) to report their recommendations to the appropriate body (the Council).

**5-YEAR FINANCIAL FORECASTS**

1. The Director of Finance presented the draft 5-year financial forecasts. He noted that the expected adjusted EBITDA for 2016/17 is £11.7m, a deterioration of £1.2m against last year’s forecasts, mainly due to a revision of pension costs.
2. The Council noted:

[1] The forecasts were produced under FRS102 in line with HEFCW requirements, and were in line with the Fee & Access Plan submitted in June.

[2] The need to produce forecasts that ensure that all active covenant tests on loans and HEFCW requirements are met in future years. New EIB covenant tests and metrics operative from 2017 are yet to be defined but are expected on a neutral basis. No risks arise from the University from covenant tests with Barclays and Santander.

[3] Financial sustainability requires healthy annual cash generation and there is common agreement across the sector that Adjusted Net Operating Cashflow or Adjusted EBITDA are the best indicators. The target for Bangor University should be £20m+ per annum.

[4] Core income assumptions in the plan going forward included broadly flat student numbers, except nursing; funding grant as per HEFCW guidance reduced by 23% until 2019; and research contributions down by £1-1.5m per annum.

[5] Expenditure assumptions included pay savings in line with the FSB proposals; future pay rises at 2% per annum; cash-flat non-pay budgets; minimal capital expenditure until 2020 but urgent repairs to Main Arts of £2.5m.

[6] A number of scenarios were modelled including increasing the fee cap from 2018/19, capital acceleration of an additional £12m per annum (50% grant funded). Sensitivities associated with reduced or increased recruitment and pay scenarios were also considered.

[7] A revised scenario with the fee cap increase and additional capital expenditure resulted in an adjusted EBITDA of £11.9m in 2017/18, followed by adjusted EBITDA of £14.3m in 2018/19, rising to £24.1m by 2020/21. Cash balances would fall from £31.6m to £17.6m over the period of the plan.

[8] Effective delivery of the restructuring plan is critical during 2017/18 and the biggest residual risk going forward relates to student recruitment.

1. After discussion, it was **resolved** that:

[1] Following the Welsh Government’s announcement on index-linking maximum fee levels from 2018/19, tuition fees for Undergraduate and PGCE students should rise to the new maximum (expected to be £9295) in 2018/19 for new students only, and should be index-linked in subsequent years, subject to consultation with the Students’ Union. The financial forecasts should reflect this and the Fee & Access Plan be amended as appropriate.

[2] The capital expenditure scenario considered should be included to support the assumed drawdown of EIB funds in 2019. Engagement should be continued with EIB over future capital plans and covenant revision.

[3] The 5-year Financial Forecasts be approved for submission to HEFCW in line with this scenario, and that the Treasurer be authorised to sign the forecasts and supporting commentary.

**PONTIO**

1. The Director of Property and Campus Services provided Council with an update on the current position in relation to Pontio.
2. It was noted that :

[1] Work was ongoing to resolve the final account submitted by Galliford Try. Expert witnesses have been employed and the dispute is at a critical stage. The University is attempting to avoid a dispute with Galliford Try but the current advice is that it is not the right time to attempt a negotiated settlement.

[2] There is a strong possibility that Galliford Try will pursue legal action against the University. The risk associated with this action have been modelled and are constantly being reviewed.

[3] The Finance and Resources Committee have considered a detailed paper in relation to this issue and are satisfied at this stage that the legal fee is necessary and at an appropriate scale.

[4] There is a need to balance effort and cost against the likelihood of succeeding in any legal action. Based on the current evidence, the University is confident that it would be successful.

[5] Charity Commission guidelines require that the Council, as trustees, must be able to demonstrate the reasons behind decisions to proceed with litigation or a defence of a legal action are in the best interests of the charity and are balanced against the risks and consequences that any legal action could bring. As such Council members will receive regular updates regarding costs and timescales associated with the ongoing dispute.

1. Following a discussion it was ***agreed*** to review the risk again after the decision by the contract administrators in mid-August and the response of Galliford Try to that decision. The Council ***agreed*** to delegate decisions about setting limits on costs to the Chair, the Treasurer and the Vice-Chancellor, to report back to the next meeting of the Council.

**INSTITUTIONAL REVIEW**

1. The University Secretary presented the report on the Institutional Review and it was noted that:

[1] In order to meet HEFCW requirements, all Welsh higher education institutions must undergo a cyclical external quality assurance review every six years. Bangor University’s last review took place in May 2012, which means that the University must undergo its next review before the end of May 2018.

[2] HEFCW’s recently published Quality Assessment Framework for Wales places a greater emphasis on the role of governing bodies for providing assurances about quality and standards. Under the framework, governing bodies will be expected to provide an annual assurance on quality to HEFCW, and obtain external assurance on a cyclical basis regarding the quality of the institution’s provision against relevant baseline requirements.

[3] In May 2017, Universities Wales, the representative body for universities in Wales, made the decision to commission the QAA to be the independent external quality reviewer on behalf of all universities in Wales.

1. The Council formally ***resolved*** to commission the QAA to undertake an External Quality Assurance Review in late 2017/18.

**WELSH LANGUAGE STANDARDS**

1. The Pro Vice-Chancellor (Welsh Medium and Community Engagement) presented the report on the Welsh Language Standards.
2. It was noted that:

[1] The Welsh Language (Wales) Measure 2011 changed the legislative context that governs the use of Welsh in public bodies. Welsh Language Standards are written by the Welsh Government and compliance with the Standards is regulated by the Office of the Welsh Language Commissioner. Our current Welsh Language Scheme was drafted with the new legislative context in mind and we are in a very strong position to be able to comply with the Standards.

[2] The University is currently in an eight week consultation period until 4 August 2017.

[3] The University expects to receive the final Notice of Compliance in September and will then need to be in full compliance six months from this date, i.e. February 2018.

C. On the recommendation of the Bilingualism Committee and the Executive, the Council ***resolved*** that the draft response to the consultation be agreed, subject to ongoing discussion with staff.

**FINANCE AND RESOURCES COMMITTEE**

1. The Report of the meeting of the Finance and Resources Committee held on the26th June 2017 (attached as Appendix II to the official copy of the Minutes) was approved.
2. With particular reference to:

[i] Minute 662 (**Report from the Financial Sustainability Board**); the Council agreed to the recommendation of the Committee that additional resources are allocated to ensure that the plan is delivered; this figure was capped at a maximum of £400k.

[ii] Minute 663[b] (**Resources Management Strategy: Overall Projected Outturn**); it was noted that the current M-Sparc Business plan was very cautious and further discussions will be held with the Board.

1. Concern was expressed in relation to attendance at the Finance and Resources Committee and it was ***agreed*** that the Nominations and Governance Committee would review the current membership of the Committee.
2. It was ***agreed*** that an update on the Estate Strategy should be provided to the next meeting of the Council.

**AUDIT & RISK COMMITTEE**

1. The Report of the meeting of the Audit & Risk Committee held on the 19th June 2017 (attached as Appendix III to the official copy of the Minutes) was approved.
2. With particular reference to Minute 434 (**Tender for Internal Audit Contract**); the Council agreed that RSM be reappointed for a five-year term from 1st August 2017, subject to an annual performance review by the Audit & Risk Committee.

**BILINGUALISM COMMITTEE**

1. The Report of the meeting of the Bilingualism Committee held on the 15th June 2017 (attached as Appendix IV to the official copy of the Minutes) was approved.

**NOMINATIONS & GOVERNANCE COMMITTEE**

1. The Report of the meeting of the Nominations and Governance Committee held on the 7th April 2017 (attached as Appendix V to the official copy of the Minutes) was approved.
2. With particular reference to :

[1] Minute 138 (**Chancellor**); in accordance with Statute II, the Council ***agreed to recommend*** to the University Court that George Meyrick be appointed to the role of Chancellor from 1st September 2017 for a term of five years. The Court will be consulted by correspondence.

The Council also ***agreed to recommend*** to the Court that Emeritus Professor Gareth Roberts be appointed to the role of Pro Chancellor from 1st September 2017.

[2] Minute 140 (**Chair of Council**); the Council ***agreed*** that the advertisement for the Chair of Council be advertised in September with a view to having a new Chair in place by the time that Dr Alwyn Roberts’ term as Pro Chancellor comes to an end in January 2018.

**HEALTH AND SAFETY COMMITTEE**

1. The Report of the meeting of the Health and Safety Committee held on the 24th May 2017 (attached as Appendix VI to the official copy of the Minutes) was approved.
2. With particular reference to :

[1] Minute 515 (**Health and Safety Task Group**); the recommendation that the FSB should specifically consider the health and safety implications of their approach to ensure risks are managed or mitigated was noted.

[2] Minute 516 (**Health and Safety Policy Standards**); the Council noted that three Health and Safety Policy Standards have been revised namely; University Diving Projects, Control of Substances Hazardous to Health (COSHH) and the Manual Handling Operations. It was further noted that following a gap analysis the Violence at Work Policy Note and the Safe Handling, Storage and Transportation of Disposal of Clinical Waste Policies would be removed as these are no longer required.

[3] Minute 517 (**Audit/Review Reports**); the new auditing package which is directly aligned to the Leadership and Management of Health and Safety in Higher Education Institutions is now in place. Two ‘Themed’ Reviews/Audits have been undertaken; Radon and Handling, Lifting and Carrying Injuries.

[4] **Fire Safety**; A review of fire safety has been undertaken within the University, in the light of the Grenfell tragedy. Current arrangements for all buildings on the estate include immediate evacuation following activation of the fire alarm. Active fire suppression is in the place in newer buildings. There is no aluminium cladding with a combustible core on any residential buildings. The Council were re-assured by the prompt action taken.

**REDUNDANCY COMMITTEE**

1. The Report of the meeting of the Redundancy Committee held on the 10th February 2017 (attached as Appendix VII to the official copy of the Minutes) was approved.
2. With particular reference to Minute 5 (**Anonymised List of Staff**); the Council agreed that the staff whose fixed term contracts were due to expire between 1st February 2017 and 31st July 2017 be dismissed by reason of redundancy should no suitable alternative employment opportunities be identified.

**HUMAN RESOURCES MATTERS**

1. The Council received a report on Human Resources matters including the negotiations being held on pay.
2. The Council agreed to the recommendation that Professor Bob Woods be awarded Emeritus status.
3. A list of recent senior appointments was received for information.

**SENATE**

The minutes of the Senate meetings held on the 2nd May and the 6th June 2017 were received for information.

**FINANCIAL MANAGEMENT CODE**

The new Financial Management Code which comes into effect on the 1st August 2017 was circulated for information. The Code will be considered in detail by the Audit & Risk and Finance & Resources Committees. The greater emphasis on the governing body in HEFCW documents, following the new HE Act 2015, was noted. This will result in greater training and briefing of Council members.

**KEY PERFORMANCE INDICATORS**

The Council received data concerning research grants and contracts awarded, student numbers, applications, and quarterly financial performance indicators.

**UPDATE FROM THE STUDENTS’ UNION**

The Council received an update report from the Students’ Union for information.

**SEALING**

The Council ratified the sealing of documents listed in Agendum 16.

**VALEDICTION**

The Chair expressed the thanks of Council members to Professor Richard Parry-Jones, whose term on Council will end shortly, for his contribution to the University over the past 8 years.