Bangor University

**COUNCIL MINUTES**

At a meeting of the Council held in the University on Friday, 24th November 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, Mr Marc Jones, Sir Paul Lambert, Dr Lorrie Murphy, Ms. Ellen Parry Williams, Miss Julie Perkins, Miss Ruth Plant, Miss Mirain Llwyd Roberts, Professor Jo Rycroft-Malone, Professor David Shepherd, Professor Paul Spencer, Professor Carol Tully, Professor Oliver Turnbull, Professor Graham Upton, Mr David Williams, University Secretary, Director of Finance, Director of Human Resources and the Director of Property and Campus Services.

Penny Dowdney attended as an observer.

**Apologies**:

Dr Karen Jones, Mrs Alison Lea-Wilson and Dr Olwen Williams.

**WELCOME**

The Chair welcomed Professor Gareth Roberts who is attending his first meeting of Council since his appointment as Pro-Chancellor and Penny Dowdney, who is observing a Council Meeting as part of the Wales Higher Education Executive Leadership Programme.

**DEATHS**

The Chair referred to the recent deaths of:

Professor J. Gwynn Williams, former Professor of Welsh History, Vice-Principal and Honorary Fellow of the University;

Mr Trevor Rogers, a former member of staff in Property and Campus Services;

Mr Alan Lewis, a former member of staff in the School of Lifelong Learning;

Mr Gwyndaf Hughes, a former member of staff in the Normal College and the Printing & Binding Unit;

and members stood in tribute to their memory.

**CONGRATULATIONS**

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

 Professor Chris Pain

Professor James Intriligator

**The Chair also noted further successes:**

Bangor University is among the top 30 universities in the People & Planet League Table - the UK's only independent ranking of the sustainability of UK universities. It is assessed on a wide range of environmental, social and financial sustainability criteria.

Creative Writer and Lecturer Alys Conran was the stand-out winner at this year’s [Wales Book of the Year](http://www.literaturewales.org/our-projects/wales-book-year/), winning a hat-trick of Awards, scooping not only the English Book of the Year Award, but also winning the Rhys Davies Trust English Fiction Award and the People’s Choice Award, all for her debut novel *Pigeon*.

Dr Liyang Yue of Bangor University’s School of Electronic Engineering has been shortlisted for the 2017 Newton Prize for his project building a super-resolution metamaterial 3D printing system. The Prize is an annual £1 million fund awarded for the best research or innovation that supports the economic development and social welfare of developing countries.

**PRESENTATION BY KPMG**

Mr Mike Rowley from KPMG provided an update to Council members on the development of financial metrics for the HE Sector under the new accounting standard, FRS102.

**MINUTES**

1. The Minutes of the meeting held on 29th September 2017 were confirmed and signed.
2. With reference to:

[1] **Pontio** (page 2); the Director of Property and Campus Services provided the Council with an update on the current position in relation to resolving the final account for Pontio. It was noted that regular meetings are taking place with the contractor and two time extensions have been granted to Galliford Try. The University is keen to avoid a formal dispute and mediation has been suggested. The latest estimates of legal costs and expert witness reports is £575k.

The Council noted the risk model, the potential financial implications, and the arrangements in place to ensure continuity following the departure of the Director.

[2] **Menai Science Park** (page 2); the Director of Finance provided the Council with an update on the project. It was noted that the project is still within budget and the 25 year operational lease for the building has been signed. Oversight of the project is being considered as the project moves from the construction phase to an operational phase. The current Director is stepping down and an advert will be placed for a new Managing Director shortly.

[3] **Chair of Council** (page 3); the Chair reported that, following open advertisement for the post, the Nominations and Governance Committee had agreed to interview two candidates. A recommendation will be made to the next meeting of the Council.

[4] **Pensions** (page 3): the Director of Finance provided an update on the current position in relation to pensions and in particular the outcome of the UUK Questionnaire on the USS Triennial Valuation. It was noted that:

[i] The current proposal is that the contribution rate for employers would increase by at least 6.6% to 24.6% compared with the 18% agreed in 2015.

[ii] The level of risk proposed was at the maximum tolerable with 56% prepared to support at this limit, but 41% wanted a reduction in risk.

[iii] The USS Trustee reviewed its initial proposals in early November and strengthened them such that the deficit would now equate to £7.5bn.

[iv] The employer submission to the Joint Negotiating Committee proposed that a hybrid structure should remain, but that all future benefits should be on a DC basis, alongside the retention of existing death and ill-health benefits. The proposed approach would allow the option to re-introduce DB benefits at a future date if circumstances permit.

[v] It is understood that UCU have written to all employers urging them to defend the current structure. A consultative ballot to test member support for defending the current benefits resulted in 87% supporting industrial action.

 [5] **Disciplinary Appeal** (page 8); Following a lack of response from the appellant, the solicitor hearing the appeal will provide a further opportunity to respond before considering whether the appeal is dismissed.

**VICE-CHANCELLOR’S BUSINESS**

1. The Vice-Chancellor informed Council members that the first nuclear research institute in Wales has opened at Bangor University. **The Nuclear Futures Institute** has been established with funding from the Welsh Government’s Sêr Cymru programme, which is helping to attract world leading researchers to Wales, with funding also coming from the European Regional Development Fund and from the University.
2. Discussions were held at the Nominations & Governance Committee regarding the re-establishment of the **Strategy Committee**, It was agreed that the Strategy Committee be re-established, but that the membership and remit should be discussed with the incoming Chair of Council.
3. The inauguration of the new **Chancellor** would take place at the Graduation Ceremony on the morning of 14th December 2017.

**REPORT FROM THE EXECUTIVE**

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

[1] **Student Recruitment**; the latest student numbers for 2017/18 and the risks associated with the recruitment of students in 2018/19 were noted. The Vice-Chancellor reported recruitment and conversion activities were a top priority for the University.

[2] **Website Review**; that a review of the University’s website is ongoing. The costs associated with the changes would be phased in.

[3] **IT Review**; that key recommendations from the review are being implemented.

**FINANCIAL SUSTAINABILITY BOARD**

1. The Vice-Chancellor updated the Council on progress towards achieving financial sustainability and the actions of the Financial Sustainability Board. It was reported that following a second period of consultation, over 350 responses had been carefully considered which had resulted in a number of changes to the plan. These included changes to meet British Psychological Society accreditation, changes to initial proposals for Property and Campus Services, and reviewing the operating model for the Print Unit, rather than closure. The financial impact is less than £250k.
2. Regular constructive meetings have taken place with the Trade Unions together with weekly e-mail updates and a regularly updated Frequently Asked Questions page.
3. To date, 88 Voluntary Redundancy cases have been approved in addition to a number of posts remaining unfilled or vacant. Projected savings in 2017/18 are currently £5.5m against a profiled budget of £6.1m by year-end. The annualised impact of the savings to date is £6.2m against a target of £8.5m in 2018/19. It is now expected that a further reduction of less than 60 posts would be needed to deliver the outstanding £2.3m savings required. The Executive continues to remain committed to do everything it can to deliver these savings through voluntary means where possible.
4. In the subsequent discussion, questions were raised about the impact on students. It was note that this would be minimal as there were no planned closures of academic programmes and subject identity will remain. The creation of administration hubs would increase accessibility to students.
5. After a full discussion, members of the Council:

[1] Noted progress to date including the appointment of the new College Deans and Directors of Professional Services.

[2] Congratulated the Financial Sustainability Board on progress but encouraged them to continue to take all steps necessary to deliver the savings in full.

**STRATEGIC PLANNING UPDATE**

1. An analysis of performance against the Key Performance Indicators for 2016/17 was considered by the Council together with a copy of the Strategic Planning and Engagement Document (SPED) which has been updated for submission to HEFCW. The Council noted the University’s performance against its strategic plan, particularly noting areas where risks were identified. The following points were noted:

[1] Although full-time Home/EU applications were falling due to increased market pressures and demographics, the conversion rate has increased, mitigating the decline in applications in 2017/18 from 12.5% to 6% on entry.

[2] The University has missed all targets for Initial Teacher training recruitment in recent years. This is a high risk for the University and is partly due to greater subsides to students in England and the GCSE requirements in Wales. It was noted that the entire landscape is due to change in future years and the importance of strong teacher training provision in North Wales was noted. The Cabinet Secretary was recently in Bangor and met with the Vice-Chancellor and Professors of Education and a joint bid for delivery with Chester University is due to be submitted shortly.

[3] Performance against KPIs for teaching and learning were generally good, except for learning resources. It was noted that the University is continuing to invest in these areas through an annual teaching facilities programme and larger projects such as the Music building. There is an urgent need to improve facilities on the Science site that will be addressed through the Estates Strategy and there is a need to respond to the new ways students are learning by developing modern libraries and social learning provision.

B. The Council were pleased with overall progress against the strategic plan and the Key Performance Indicators and approved the document for submission to HEFCW.

**ACADEMIC GOVERNANCE**

1. The University Secretary updated the Council on the new requirement to provide annual assurance on quality and standards to HEFCW, by confirming a number of statements. The Council noted the information received over the past year to provide that assurance including minutes of the Senate, the QA annual report, Key Performance Indicators relating to education, student experience and research, the full NSS results and the TEF outcome, the Student Charter and Relationship agreement.
2. In the light of the Information provided, the Council agreed the five annual assurance statements for submission to HEFCW.

**ACCOUNTS 2016/17**

1. The Council received and considered the Audited Statement of Accounts for 2016/17. These have been approved by the Finance & Resources Committee and have been considered by the Audit and Risk Committee. Introducing the Accounts, the Director of Finance drew attention to:

[1] The income and expenditure position was very close to plan, subject to final movements on research income and expenditure. The £6m savings target had been exceeded by £0.5m in year.

[2] There was a small underlying improvement in EBITDA to £11.5m.

[3] Pension estimates are the biggest movement which reflect the underfunding of the BUPAS Scheme.

[4] Covenant tests have been met for EIB and Santander when tested on a Frozen Gaap basis. The 2018 EIB test is very tight and will require a £1.1m improvement on the plan after the fee shortfall.

[5] In July 2017, the cash position was £31.0m (including £20m ring-fenced EIB funding), slightly below prediction and equivalent to 74 days liquidity. The Santander Revolving Credit Facility for £15m expires in March 2018, but an extension has been requested. A further drawdown of £8m from EIB is available in March 2019, subject to Council approval.

[6] The Strategic Report complements the Public Benefit Statement and is a narrative on progress and outcomes, highlights risks and uncertainties and references the going concern of the University.

[7] The Letter of Representation is an annual requirement by the auditors and includes additional statements that the Council are confident that future income and saving targets will be met and that provisions for settlements with Galliford Try are appropriate.

1. After full consideration, it was **resolved**:

[1] That, subject to finalisation with KPMG, the Accounts for 2016/17 be approved and lodged with HEFCW by 1 December.

[2] That copies be signed by the Vice-Chancellor, Treasurer and Director of Finance.

[3] That the Letter of Representation to the Auditors be signed by the Acting Chair of Council.

**FUNDRAISING ANNUAL REPORT**

The Council received and noted the first annual report on fundraising, to provide assurance of compliance with the CUC Higher Education Code of Governance. The Director of Development will be invited to a later meeting of the Council to provide a full report on development, alumni relations and fundraising activities.

**PREVENT ANNUAL REPORT**

The University Secretary provided the Council with an update on the progress with implementing the requirements of the Counter-Terrorism and Security Act 2015 and the *Prevent* duty. The Council noted the contents of the Annual Report and approved the document for submission to HEFCW.

**FINANCE AND RESOURCES COMMITTEE**

1. The Report of the meeting of the Finance and Resources Committee held on the 10th November 2017 (attached as Appendix II to the official copy of the Minutes) was approved.
2. With particular reference to

[i] Minute 676 **(Capital Programmes)**; it was noted that the University is well-placed to secure funding from the North Wales Growth Deal for the Science & Technology Quarter.

[ii] Minute 677 **(Statement of Audited Accounts)**; the Committee agreed to recommend the accounts to Council for approval subject to minor changes to the accompanying narrative statements, tax clearance on the University and subsidiary companies, and final review and audit clearance by KPMG.

[iii] Minute 678 **(Resources Management Strategy)**; the Committee noted the importance of the need to meet covenant tests and the need to control expenditure due to the lack of flexibility in the current projections.

**AUDIT & RISK COMMITTEE**

1. The Report of the meeting of the Audit & Risk Committee held on the 13th November 2017 (attached as Appendix III to the official copy of the Minutes) was approved.
2. The Council noted the External Audit Management letter and the management response. It agreed that the Audit and Risk Committee’s Annual Report should be submitted to HEFCW.

**HEALTH & SAFETY COMMITTEE**

1. The Report of the meeting of the Health & Safety Committee held on the 1st November 2017 (attached as Appendix IV to the official copy of the Minutes) was approved.
2. The Chair of the Health and Safety Committee reported the salient points taken from the Annual Report, together with key performance indicators, based on quantitative and qualitative assessments.

**ETHICS COMMITTEE**

1. The Report of the meeting of the Ethics Committee held on the 9th November 2017 (attached as Appendix V to the official copy of the Minutes) was approved.
2. The Council noted the Animal Welfare and Ethical Review Body Annual Report.

**NOMINATIONS & GOVERNANCE COMMITTEE**

1. The Report of the meeting of the Audit & Risk Committee held in the October 2017 (attached as Appendix VI to the official copy of the Minutes) was approved.
2. With particular reference to:

[i] Minute 143 (**Membership of Council**); the Council ***agreed*** with the recommendation that Dr Tzo Zen Ang be appointed as a co-opted member of the Council from the 1st January 2018 for a period of 4 years.

[ii] Minute 144 (**Appointment to Committees and Other Representatives**); it was ***resolved*** that the following Council members be appointed to serve on the Committees shown:

* Finance and Resources Committee : Professor Graham Upton
* Audit and Risk Committee : Professor Gareth Roberts
1. The Council noted that a number of amendments to Ordinances were proposed following a recent meeting of the Nominations & Governance Committee. A full copy of the changes would be circulated to members for approval.

**REDUNDANCY COMMITTEE**

The Report of the meeting of the Redundancy Committee held on the 29th September 2017 (attached as Appendix VII to the official copy of the Minutes) was approved.

**PROPERTY**

1. Members received a paper relating to the disposal and acquisitions of properties.
2. Following discussion, the Council approved in principle to:

[1] the disposal of Nantporth Boathouse without going to open market and to enter into negotiations with the new owner of the adjacent property.

[2] the disposal of Ynys Faelog, and agreed that Property and Campus Services can negotiate with the owner of Ynys Faelog Cottage in order to optimise the outcome for both parties, before advertising on the open market.

1. Following discussions at a previous meeting the Council considered whether the University should proceed with the acquisition of Fron Heulog for the sum of £750,000 as soon as the Health Board have the equivalent agreement in place. (*Dr Higson noted a conflict of interest and left the room for this discussion.*)

[1] The Council noted that, in accordance with advice from the Charity Commission in respect of the acquisition of land, a surveyor’s report has been obtained.

[2] Council members agreed that they were satisfied that the terms on which the acquisition was proposed to be made are the best that can reasonably be obtained for the University and that the purchase can proceed, subject to finalisation of the contract.

**PROJECT MANAGEMENT FRAMEWORK**

The Council noted the changes that have been made to the Project Management Framework in response to comments, observations and suggestions from the University’s Auditors and others since its approval by Council in 2015. The Framework remains constantly under review.

**HUMAN RESOURCES MATTERS**

1. The Council received a report on Human Resources matters.
2. The Council **approved** the recommendation that the following be awarded Emeritus status:

Professor Chris Richardson

Professor Miles Cox

1. A list of recent senior appointments was received for information.

**KEY PERFORMANCE INDICATORS**

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

**UPDATE FROM THE STUDENTS’ UNION**

The Council received a report from the Students’ Union on recent activities. It noted that the Charitable Incorporation Process is underway. A new support service for students to replace Nightline has been agreed and by the end of the month the Students’ Union will have fully launched the Big White Wall, which is an online peer supported service.

The Council congratulated Miss Mirain Lloyd Roberts on her appointment to the post of Welsh Language Officer for the National Union of Students in Wales.

**SEALING**

The Council ratified the sealing of documents listed in Agendum 17.

**ANY OTHER BUSINESS**

**HEFCW Institutional Visit:** As part of HEFCW’s three-yearly cycle of Institutional Assurance Review, the HEFCW Council would like to meet with members of the Council during the morning of Friday 26th January 2018.

**VALEDICTION**

The Chair expressed the thanks of Council members to Mr Dylan Roberts, Director of Property and Campus Services, who is leaving the University at the end of the year to work at Grŵp Cenefin Housing.

The Vice-Chancellor expressed the thanks of Council members to Dr Alwyn Roberts, Acting Chair of Council, whose term as Pro-Chancellor ends on the 11th January 2018, after many years of service to the University as both a member of staff and a Council member.