Bangor University

**COUNCIL MINUTES**

At a meeting of the Council held in the University on Friday, 25th November 2016.

**Present** :

The Rt. Hon Lord Dafydd Elis-Thomas AM (Chair), Dr Tomos Dafydd, Professor Gillian Davies, Professor Andrew Edwards, Dr Peter Higson, Professor John Hughes, Professor Jerry Hunter, Mr Ifan James, Dr Griff Jones, Dr Karen Jones, Mr Marc Jones, Sir Paul Lambert, Mrs Alison Lea-Wilson, Dr Lorrie Murphy, Ms. Ellen Parry Williams, Ms Julie Perkins, Dr Alwyn Roberts, Professor Jo Rycroft-Malone, Mr Conor Savage, Professor David Shepherd, Professor Paul Spencer, Professor Carol Tully, Professor Oliver Turnbull, Professor Graham Upton, Mr David Williams, University Secretary, Director of Human Resources, Director of Finance, and the Director of Estates.

**Apologies** :

Mrs Stephanie Barbaresi, Professor Richard Parry-Jones, Dr Olwen Williams.

**WELCOME**

The Chair welcomed Dr Tomos Dafydd, Sir Paul Lambert and Mrs Julie Perkins to their first meeting of the Council.

**DEATHS**

The Chair referred to the recent deaths of:

 Mr Raymond Tugwell, former member of staff in the Finance Office

 Miss Katrina Rolph, a student in the School of Law

Professor Carl James, a former member of staff in the School of Linguistics and English Language

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**:

Mike Beckett, School of Chemistry

**On the award of Readerships:**

Sue Niebrzydowski, School of English Literature

Diane Seddon, School of Social Sciences

**On the award of an Honorary Chair:**

Karen Hughes

**Other successes were also highlighted:**

Professor David Thomas, Head of the School of Ocean Sciences at Bangor University, has been appointed to the Science Board of the Natural Environment Research Council.

At the *Business Insider Awrds*  in Crdiff, Bangor University was named “University of the Year” and also brought home awards for New Process, for our collaboration with Sain (Records) Ltd and the Partnership Award, for our lead role in the KESS II programme.

The University was also recognised for its #LoveHalls sustainability campaign by the Chartered Insitution of Wastes Management.

The University was nomintaed for the “Education Institutional Partnership of the Year” at the British Council Business Awards Gala.

Stephanie Morris, a third year Adult Field BN Nursing Student has been awarded the Royal College of Nursing Nurse of the Year Student Nurse Award 2016.

**MINUTES**

1. The Minutes of the meeting held on 30th September 2016 were confirmed and signed.
2. With reference to :

[1] **Diamond Review (Page 3);** the majority of the recommendations of the review have been accepted by the Welsh Government and a consultation regarding implementation has been issued.

[2] **Nuclear Energy (Page 5);** the bid to Sêr Cymru was submitted and the Invitation to Tender for Consultancy relating to the test facility has recently been issued by the UK Government.

[3] **Former Canonry (Page 6**); contracts have been exchanged for the sale of the property with an expected completion date of the 30th November 2016.

**VICE-CHANCELLOR’S BUSINESS**

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

[1] **Visit to China; t**he Vice-Chancellor reported back from a successful visit to China. It was noted that the British Ambassador had visited and Bangor had been mentioned a number of times on national television. There are currently 700 students on Campus and a further 63 have transferred to Bangor in the current academic year. The University is being approached by other top Universities in China to develop further partnerships. These partnerships would mean less reliance on the open market and more security about student numbers and associated income.

[2] **Gender Based Violence:** A report has recently been published by the UUK on Gender Based Violence which is currently being considered by the Equality and Diversity Task Group. A more detailed report will be submitted to the next meeting of the Council.

**REPORT FROM THE EXECUTIVE**

1. The Report of the meetings of the Executive held between October and November 2016 (attached as Appendix I to the official copy of the Minutes) was approved.
2. The Council noted that the University has confirmed its intention to submit to the Teaching Excellence Framework Year 2 early in the New Year. Whilst TEF is driven by English Higher Education policy, HEFCW have confirmed that Welsh higher education providers will have the opportunity to apply for TEF on a similar basis to institutions in England, but there is no commitment from the Welsh Government to future increases in tuition fees in Wales linked to TEF ratings.

**ESTATES STRATEGY**

1. The Deputy Vice-Chancellor updated the Council on the current position in relation to the Estate Strategy. Members received two documents; the Estate Strategy Framework and the Executive Summary, which the Council endorsed for wider consultation with stakeholders early in the New Year. The following points were noted:

[1] HEFCW had been allocated £20m for a number of initiatives, including support for estates rationalisation.

[2] The Chancellor’s Autumn Statement included mention of a Growth Deal for North Wales. It was ***agreed*** that funding opportunities for regional regeneration should be explored and discussions initiated with potential partners.

[3] The Estates Strategy needs to be accompanied by a wider vision for the University.

[4] Discussions are underway with Gr**ŵ**p Llandrillo Menai and BCUHB about collaborative estates opportunities.

1. The Deputy Vice-Chancellor also outlined the case for the purchase of the Old Post Office. The building could provide the only possible location in Bangor for student nightclub and would also provide considerable office and storage space, releasing other assets. Following an approach from the owner, an initial offer of £1.8M has been made conditional on Council approval, building condition survey and valuation. The Council ***agreed*** in principle with the purchase and agreed that an appropriate survey and valuation should be undertaken before further action is taken.

**ACHIEVING FINANCIAL SUSTAINABILTIY**

1. The Deputy Vice-Chancellor updated the Council on progress and the actions of the Financial Sustainability Board. The Council received a written progress report accompanied by details of in-year savings; aims, projected financial savings and business benefits for each work stream; and a detailed action plan. The following points were noted:

[1] The individual work streams and the Financial Sustainability Board meet on a fortnightly basis and report to the Executive. A stakeholder communication and engagement plan is also in place.

[2] The University has received the report from Deloitte which includes an historic analysis of performance, the current debt and cash position and identifies further vulnerabilities and sensitivities going forward. It notes the erosion of the cash base of the University in recent years, and confirms the need to make substantial savings. Failure to do so would put the University at risk in the short term.

[3] Action has been taken to deliver £5m of savings in the current financial year. The Financial Sustainability Board is confident that further savings can be made in-year as opportunities arise. A number of voluntary redundancies have been approved and it has been agreed to revisit all applications to maximise savings through voluntary means.

[4] Proposals to discontinue Fine Arts, provision in the School of Lifelong Learning, and single honours in Archaeology have been approved by the Executive. Other Archaeology programmes would remain, including postgraduate provision. Current students on all these programmes will be accommodated through to completion of their degree. Further consultation with the trade unions on the potential impact on staff roles based on the decisions made would be necessary in the New Year.

[5] The University remains committed to the local community and these changes reflect a small element of the Universities community engagement and only 6% of its part-time enrolments. New delivery methods for these programmes are being explored through engagement with Grŵp Llandrillo Menai in order to mitigate the impact of the decisions and to ensure that we offer continuity of provision to existing students while also maintaining the availability of these programmes on an on-going basis. The University is also developing a plan to mainstream appropriate part-time provision

[6] Having made savings in year, the challenge was now to make future sustainable savings. Proposals would also be considered by the Financial Sustainability Board in the coming months for further rationalisation of central service departments and some academic provision.

**STRATEGIC PLANNING UPDATE**

An analysis of performance against the Strategic Plan Key Performance Indicators for 2015/16 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. One such area was research income and the actions being taken to address this were noted. Further benchmarking data would be provided at a later Council meeting once HESA data has been published for the sector.

The Council approved the document for submission to HEFCW.

**ACCOUNTS 2015/16**

1. The Council received and considered the Audited Statement of Accounts for 2015/16. These have been approved by the Resources Committee and have been considered by the Audit and Risk Committee. Introducing the Accounts, the Director of Finance drew attention to:

[1] Changes to the accounting standards and the earlier submission date have led to a final draft being circulated which is subject to minor editorial changes.

[2] The transition to FRS102 has made significant changes to capital grant recognition. This, together with the impact of the USS deficit and Halls coming onto the balance sheet, will lead to greater volatility in surplus and deficit.

[3] The Income position was very close to plan but expenditure had worsened by £6.3m due to impairment of St Marys arising from an external valuation. This led to a deficit of £10.4m.

[4] Surplus/deficit is no longer a useful measure and a new performance metric based on EBITDA, adjusted for volatile elements, is being considered by the Finance & Resources Committee. Under this measure the adjusted EBITDA for 2015/16 would be £10.7m compared with an equivalent figure of £12.1m in the preceding year and £12.9m in the 2016/17 plan.

[5] Covenants are still being tested in old Gaap and new covenant tests and thresholds need to be agreed with lenders. KPMG require evidence of meeting 2017 covenants to support the ‘going concern’ basis of the accounts.

[6] In July 2016, the cash position was £16.4m, equivalent to 39 days liquidity. The Santander Revolving Credit Facility for £15m expires in January 2017, but an extension has been requested. A further drawdown of £20m from EIB is planned in March 2017, subject to Council approval.

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

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

[1] That, subject to finalisation with KPMG, the Accounts for 2015/16 be approved and lodged with HEFCW by 13 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 Treasurer.

**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 Annual Report together with an action plan and recently undertaken audit report had been circulated with the papers.

The Council agreed to approve the annual report for submission to HEFCW.

**FINANCE AND RESOURCES COMMITTEE**

1. The Report of the meeting of the Finance and Resources Committee held on the 9th November 2016 (attached as Appendix II to the official copy of the Minutes) was approved.
2. With particular reference to :

[i] **Minute 623 (Financial KPIs)**; new financial KPIs are under development which are suitable for use under the new financial accounting standards.

[ii] **Minute 626 (Year-end Financial Potion and Statement of Audited Accounts)**; the Committee had agreed to recommend to the Council that the annual accounts be approved subject to the completion of the Operating and Financial Review statement, tax clearance on the University and subsidiary companies, and final review and audit clearance by KPMG.

[iii] **Minute 628 (Estates Matters)**; discussions are ongoing with the main Pontio contractors. Adjudication found in the contractors favour that the building is deemed to be completed, however that decision will not affect damages or defects. The final project account claimed by the contractor is £6.8M higher than the amount recognised by the University. The University may commence legal proceedings soon to pursue the contractor for losses incurred.

**AUDIT AND RISK COMMITTEE**

1. The Report of the meeting of the Audit and Risk Committee held on the 14th November 2016 (attached as Appendix III to the official copy of the Minutes) was approved.
2. With particular reference to :

[i] Minute 409 **(Statement of Audited Accounts 2015/16**); concern was expressed that the presentation under the new accounting standards did not provide sufficient information to underpin robust, well-informed decision-making by lay members of Council. The Committee was also concerned about the low ratio of current assets to current liabilities.

[ii] Minute 410 **(External Audit Report and Management Letter)**; the management letter contained one high priority recommendation, that the University must then proactively manage achievement of the required efficiency savings, taking into account actual student recruitment. Appropriate oversight of this by the Council is also seen as critical as part of this process.

1. The Council noted the External Audit Management letter, the management response, and the Audit and Risk Committee’s Annual Report and agreed that these would now be submitted to HEFCW.

**HEALTH & SAFETY COMMITTEE**

1. The Report of the meeting of the Health & Safety Committee held on the 2nd November 2016 (attached as Appendix IV to the official copy of the Minutes) was approved.
2. With particular reference to :

[i] Minute 499 **(Annual Health and Safety Report**); the new Annual Report was noted.

[ii] Minute 499[a] **(Institution Health and Safety Audit**); two areas were highlighted, namely not being able to evidence training courses arranged locally and not being able to directly match overseas travel purchases to the travel insurance system. Work is being undertaken on addressing both areas.

[iii] Minute 499[b] **(University Level Risk Control**), a qualitative assessment of the performance of a number of University-wide hazards/risk noted two areas of weakness, namely pedestrian safety and external arrangements to mitigate slips, trips and falls risk. It was agreed that work should be undertaken next year to address both these areas.

**BILINGUALISM COMMITTEE**

1. The Report of the meeting of the Bilingualism Committee held on the 11th November 2016 (attached as Appendix V to the official copy of the Minutes) was approved.
2. With particular reference to Minute 356 **(Language, Work and Bilingual Services)**; the Committee’s support to the Welsh Government’s strategy for the Welsh language and its commitment to work with the Government in realising its vision was noted. It was further noted that the University’s record in this area is very strong.

**NOMINATIONS AND GOVERNANCE COMMITTEE**

1. The Report of the meeting of the Nominations & Governance Committee held on the 21st October 2016 (attached as Appendix VI to the official copy of the Minutes) was approved.
2. With particular reference to Minute 131 **(The Role of Chancellor)**; it was noted that the Chancellor has decided that at the end of his third term as Chancellor, in January 2017, that he is not seeking re-appointment for a further term. The Secretary outlined the process for nominating and appointing a new Chancellor with a view to presenting a proposal to the meeting of the Court in February 2017.
3. The Chair informed the Council that he was intending to stand down as Chair of Council before the summer. It was agreed to commence the process for appointing a new Chair of Council in the New Year.

**HUMAN RESOURCES MATTERS**

1. The Council received a report on Human Resources matters.
2. It was **resolved** that Professor Roger Thorpe and Professor John Thornton be granted the title ‘Emeritus Professor’.
3. It was ***agreed*** to approve the recommendation that a Redundancy Committee be established in line with Statute XX to consider any redundancies arising for decisions of the Financial Sustainability Board. Mr David Williams was appointed as Chair of this Committee and decisions about the further membership of the Committee were delegated to the Chair.
4. A list of recent appointments was received.

**SENATE**

The minutes of the Senate meeting held on 28 October 2016 were received for information.

**BANGOR STUDENTS UNION**

1. The Presidents of the Students’ Union and Undeb Myfyrwyr Cymraeg Bangor presented a paper in relation to the unification of the two bodies. It was noted that :

[1] UMCB became independent in 2009, but cannot work to its full potential without the support of the Students’ Union.

[2] Under the current arrangements the President of UMCB is not elected by the student constituency, is not a trustee of the SU and has no formal staffing support.

[3] The plan is to unify the two unions and create a post of Vice-President (Welsh Students) to be elected by all Welsh speakers and learners.

1. The Council noted its oversight role of the Students Union and gave its full support to the proposed changes. The Chair congratulated the unions for their stand for both bilingualism and unity.

**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.