

UNIVERSITY OF BIRMINGHAM

COUNCIL

1st July 2009

MINUTES

Members present: Mrs M Cass; Dr R M Dancey (Deputy Pro-Chancellor); Mrs M C Davies; Professor D S Eastwood (Vice-Chancellor and Principal); Mr M G Gilbert (Treasurer); Dr W J Glover (Pro-Chancellor, in the Chair); Mr R Halton; Mr D Hartnett CB; Professor J K Heath; Ms J Larbie (President, Guild of Students); Ms H Lazell (Vice-President (Democracy & Resources); Guild of Students); Mr G R Mackenzie OBE; Dr N Price OBE; Dr S S Sahota OBE; Professor M C Sheppard (Vice-Principal); Hon Alderman D Roy; Dr J S Taunque MBE

Also present: Mrs G Ball (Director of Finance); Mr B Casey (Director of Academic Services) for item 09/52 only; Professor L A Clark (Pro-Vice-Chancellor); Dr S J L Gower (Minute Secretary); Miss B Jones, (Vice-President-elect (Education and Access), Guild of Students (observer)); Mr F Neuner ((President-elect, Guild of Students (observer)); Mrs H Paver (Director of Human Resources) for items 09/43, 09/44 and 09/47 only; Professor J I Petts (Pro-Vice-Chancellor); Mrs C Pike (Director of Legal Services) for items 09/44 and 09/52 only; Mr L Sanders (Registrar & Secretary); Ms J Thomas (Chief Executive, Guild of Students) for item 09/52 only; Professor L S Young (Head of College)

Apologies: Professor J S Bale; Mr C N Banks CBE; Dr S Battle CBE; Ms B Blow; Professor J M Marshall; Professor A Pauwels (Head of College); Professor E W Peck (Head of College); Professor M C Press (Head of College); Professor A J Randall (Pro-Vice-Chancellor); Professor N P Weatherill (Head of College)

Papers: The minute book contains copies of all written papers or reports to which reference is made below unless indicated otherwise.

LUNCHTIME PRESENTATION

09/41 Second Century Campaign

Received:

A presentation from Mr Nick Blinco, Director of Development and Alumni Relations

COUNCIL BUSINESS MEETING

09/42 Minutes of previous meeting

Resolved:

That the minutes of the meeting held on 7th April 2009 (CO.09.07.01) be approved.

09/43 Matters arising not addressed elsewhere on the agenda

Revised Health and Safety Policy (Minute 09/29(ii) refers)

Reported:

That following advice at the last meeting of Council, and in the light of subsequent discussions with Council members, the Policy had been further revised. The Environment Health and Safety Executive Committee had recently approved the changes, and the Policy would be resubmitted to Council in the autumn.

09/44 Pro-Chancellor's Items

(Note: there is a separate confidential minute in relation to this item.)

Received:

A report from the Pro-Chancellor on a number of matters for information and one item for approval (tabled as CO.09.07.02).

(i) Acquisition and Disposal of Land

Resolved: that

- (a) the transactions proposed in the paper be approved;
- (b) the continuation of the Acquisitions and Disposal Group be approved for a further year to 31st July 2010.

(ii) Council / UEB Meeting of 9th June 2009

Reported: that

- (a) the event had served to brief members of Council on the continuing work that was underpinning the development of the University's academic and financial planning. Costed proposals resulting from this work would be presented to Council at its November meeting;
- (b) the comments and feedback from the 9th June meeting were usefully set out in the Pro-Chancellor's report;
- (c) the meeting of Council on 29th September would be an all-day event, concluding with dinner. It would be addressed by two key-note speakers: Professor Janet Beer, the Vice-Chancellor of Oxford Brookes University and Chairman of the NSS Steering Committee would speak on teaching, learning and quality issues as they related to Governing Bodies; Sir Mark Walport, Director of the Wellcome Trust, would speak on the research environment. The Away day would provide an opportunity to discuss the development of a new strategic framework, to receive an update on the process for

producing costed proposals resulting from College planning. The day would also include a business meeting of Council.

(iii) Summary of Issues raised by Council Members during one-to-ones with Lay Officers

Reported:

That the series of one-to-one meetings had been valuable to both Lay Officers and to members. The issues identified in the course of these meetings mirrored points arising out of the meeting between Council and UEB on 9th June.

(iv) Reports from Governor Development Programme events

Received: reports on two recent events.

(a) Equality and Diversity: Key Issues for Governing Bodies (Mr M Gilbert)

- The event had been attended almost exclusively by members of post-1992 Universities.
- It had been informed by research undertaken by the University of Cranfield, based on questionnaires across the sector, though it was unclear how representative the range of respondents had been.
- An update on legal developments had been provided – the key message was the need to avoid a compliance-driven approach.
- Ideally, the Governing Body should reflect the diversity of the University community. The issue of how success was to be measured was raised but not answered.

(b) The Student Experience – what's the deal? (Ms J Larbie)

- The principal issues at the conference had been the costs of being a student, working whilst studying and the blurring between full-time and part-time study.
- The quality of teaching had the biggest single impact upon students' experience of higher education.
- Society now accepted that students would incur debts whilst studying.
- Government and society needed to appreciate that a first degree was a stage in a process of life-long learning.

09/45 Vice-Chancellor's Items

Received:

A report from the Vice-Chancellor containing two items for information and one item for approval (CO.09.07.03)

(i) Appointment of Pro-Vice-Chancellor (Estates and Infrastructure)

Professor Heath left the meeting for this item.

Resolved:

That Professor J K Heath be appointed Pro-Vice-Chancellor (Estates and Infrastructure) with effect from 1st August 2009 for a period of three years in the first instance.

(ii) Pay Negotiations

Reported: that

- (a) April had marked the start of the new JNCHES negotiation process. The UCU had called for a ballot on an 8% pay claim. It had subsequently linked the issue of redundancies to the pay claim;
- (b) the ballot had been withdrawn. The union's National Executive appeared to have received limited support from local branches. Serious issues had also been raised in relation to membership data, which was inaccurate and would not therefore comply with the legal requirements;
- (c) new JNCHES was continuing, and a 0.4% offer was on the table. UCU was pressing for a statement from UCEA on job protection, though UCEA could not speak on this issue for 140 institutions, since this was a matter for individual institutions. The JNCHES process of dispute resolution was underway.

(iii) Outcome of the Institutional Audit

Reported: that

- (a) the Institutional Audit had passed very satisfactorily (a copy of the interim report was enclosed with the Report of Senate, CO.09.07.16). A judgement of confidence (the highest available) had been made by the auditors;
- (b) the University's own Internal Audit team had conducted its own review and had identified a number of areas that required attention. These would serve as a basis for continuing work in the next two to three years.

Resolved:

That Professor Randall, Pro-Vice-Chancellor (Academic Quality and Students), and all staff who had contributed to the Institutional Audit, be congratulated on the successful outcome.

(iv) HEFCE Annual Assessment of Institutional Risk

Reported:

That the annual risk letter had been received from HEFCE (and was copied in the Report of the Audit Committee, CO.09.07.15). The overall assessment was that the University was "not at higher risk", which was the lowest category of risk used by HEFCE. HEFCE had asked to be informed of the outcome of the final investigation into the BRDL financial irregularities as soon as this became available.

(v) Possible Additional Student Numbers

Reported:

That, although the Government had announced that 2009 admissions would be constrained to the outcome of the 2008 round, Lord Mandelson had, the previous week, announced the possibility of an additional 30,000 undergraduate student places, the funding of which was unclear. How many places were ultimately made available and their funding were the subject of much uncertainty even at this late stage in the annual admissions round.

(COMMERCIAL IN CONFIDENCE)

Considered:

The University Budget for 2009/10 (CO.09.07.04)

Reported: that

- (a) the draft budget had been prepared following a series of Compact meetings with Colleges and Corporate Services and discussion at UEB;
- (b) income was expected to rise by about 1% and expenditure by slightly more than this, but it was anticipated that the target cash surplus of £30m would be met in 2009/10;
- (c) the key risks that might impact on the budget were a failure to meet student recruitment and research activity targets or to achieve savings targets;
- (d) £3m had been set aside for restructuring in 2009/10. A managed scheme of voluntary severance would be available – this was not a means of dealing with poor performance; rather it was a management tool and decisions on cases would be made in the management interest. It would be overseen by the Vice-Principal and the Remuneration Committee, which had been consulted on the details of the scheme, would receive regular reports on its operation;
- (e) whilst the budget confirmed the current financial strength of the University in challenging circumstances, there was a strong need to prepare for the future when these challenges were likely to be even greater;
- (f) the assumptions in the Forward Look suggested a likely shortfall in the £30m target cash surplus from 2010/11 onwards. This would have to be addressed by growing income streams and by restructuring in the light of the developing academic strategy. Proposals for this would be brought to Council at its November meeting.

Resolved:

That the University Budget for the year ending 31st July 2010 be adopted as set out in the paper, and the proposed voluntary severance scheme be approved.

Received:

A report from the Assistant Director of Human Resources (CO.09.07.05)

Reported: that

- (a) the response rate of 56% was very encouraging. The results were generally positive, but they also highlighted a number of areas that required attention. Action planning was now being undertaken by UEB and within Colleges, Schools and Corporate Services as appropriate;
- (b) the exercise provided a valuable set of bench-marks against which progress would be monitored by future surveys.

Resolved:

That the paper be received, and a more detailed presentation on the Staff Survey be arranged for a future lunchtime session at Council.

09/48 Report from Investment Sub-Committee

Considered:

A proposal for a General Pool Investment to create a Hedge Fund of Funds portfolio (CO.09.07.06)

Reported: that

- (a) the approval of Council was required prior to any investment in shares;
- (b) appropriate due diligence had been carried out by Legal Services and an independent legal firm.

Resolved:

That an investment in a Hedge Fund of Funds portfolio be approved.

09/49 The BPAS Pension Scheme – 2009 annual update

Considered:

A report from the Director of Finance (CO.09.07.07)

Reported: that

- (a) the recent annual actuarial update of the scheme had shown that the deficit now stood at £112m, which could be mitigated by £30m - £40m if some of the expected out-performance on corporate bond investments was recognised;
- (b) in view of the increasing deficit it was now proposed that the 10-year recovery plan approved by Council in February be extended to 20 years, if the 2010 actuarial valuation confirmed that this was necessary.

Resolved: that

- (a) a 20-year recovery plan of £4.3m per annum be approved, subject to the 2010 actuarial valuation;
- (b) the need for, and level of, investment be reviewed after each triennial valuation;
- (c) at the time of the next valuation, in 2010, Council should receive information on the full range of options in relation to the future management of the Scheme.

09/50 Report of the Strategy, Planning and Resources Committee

Considered:

A report from the meeting of the Strategy, Planning and Resources Committee held on 16th June 2009 (CO.09.07.08)

Reported:

That the proposals for capital investment from EISC were consistent with the desire to create a smaller and better estate. They were environmentally-friendly and aimed to reduce the University's carbon footprint.

Resolved: that

- (a) the proposed standard non-regulated and recommended fees be approved as set out in the paper;
- (b) the redeployment Policy and Procedures, and the revised Attendance Management Policy for Support Staff be approved;
- (c) proposals for a £6.6m investment in the campus network, a £10.7m refurbishment of the Gisbert Kapp building and a £29.6m refurbishment of the Metallurgy and Materials Building be approved as set out in the paper.

09/51 Key Performance Indicators – June 2009

Received:

A report outlining performance against the University's Key Performance Indicators.
(CO.09.07.09)

Reported: that

- (a) the paper provided information on those areas that could be updated at present. A full report on KPIs was submitted to Council each November;
- (b) work would commence next year on a substantial revision of the KPIs to update them in the light of the University's new strategic framework which, it was envisaged, would be developed by Council in 2010 when the existing strategic framework ended.

Resolved:

That the paper be received.

09/52 Proposed Memorandum of Understanding between the University of Birmingham and the Guild of Students

Considered:

A proposed Memorandum of Understanding (CO.09.07.10)

Reported: that

- (a) the Memorandum of Understanding sought to detail the relationship between the University and the Guild of Students following the incorporation of the latter in August 2008;
- (b) the statutory Code of Practice was required under the Education Act 1994;
- (c) the University Council had certain statutory responsibilities under the Education Act 1994 to oversee the good governance, elections and finances of its student union;
- (d) the University was governed in a way that involved independent lay accountability through the senior Lay Officers. In light of this, and Council's statutory responsibility for the Guild of Students, the proposed role for the Pro-Chancellor and Chair of Council in dispute resolution was therefore appropriate
- (e) in light of its statutory responsibilities under the Education Act 1994, it was appropriate for the University Council to approve the Guild's bye-laws.

Resolved: that

- (a) the Memorandum of Understanding between the University and the Guild of Students be approved;
- (b) all substantial changes to the Guild's bye-laws (notably where they related to the governance, elections or finances of the Guild) be submitted to the University Council for approval as and when they occurred. Other, more routine amendments to the Guild's bye-laws should only be submitted to the University Council for ratification on an annual basis. A process would be identified to ensure this operated in as efficient a way as practicable;
- (c) the final review of any issues of dispute relating to the Memorandum of Understanding should be resolved by the Chair of Council;
- (d) the Pro-Vice-Chancellor (Estates and infrastructure) and the Director of Estates should continue the negotiation of the proposed lease of the Guild Building from the University to the Guild of Students.

09/53 Financial Forecast for the Guild of Students 2008/09 – 2013/14

Considered:

Adoption of the Guild of Students' Five Year Financial Forecast. (CO.09.07.11)

Reported: that

- (a) the Guild was affected by the current economic uncertainties and this was reflected in the papers;
- (b) a substantial investment of £1.6 million was being made in buildings. The Guild was also embarking on three new projects, and it was anticipated that these would make a profit from Year 2 onwards;
- (c) commercial income generated by the Guild were set to remain at their current levels or rise;
- (d) finance for the mentoring scheme was set to continue.

Resolved:

That the allocations to the Guild of Students for 2009/10 and the Financial Forecast for 2008-2013 be approved.

09/54 Report of the Membership Committee

Considered:

A report from the meeting of the Membership Committee held on 16th June 2009. (CO.09.07.12).

Resolved:

That the report and its recommendations be approved, including:

- (a) confirmation that, in line with the process for confirming the appointment of the Pro-Chancellor in the Ordinances, and in light of Council's decision to search externally for the next Pro-Chancellor, this appointment be made by an open election;
- (b) the appointment of Hon. Alderman D Roy to the vacancy on the Estates and

Infrastructure Sub-Committee for a period of three years from 1st August 2009.

Reported:

That Professor E Irwin had recently confirmed that he wished to retire as a co-opted member of the Estates and Infrastructure Sub-Committee

Resolved:

That Professor Irwin be thanked for his contribution to the University.

09/55 Scheme of Delegation of Council's Powers

Considered:

A Scheme of Delegation (CO.09.07.13).

Reported: that

- (a) the Scheme sought to codify a number of delegations, many of which were already delineated in existing documentation, which included University's Legislation, Committee Terms of Reference and the Finance Office Manual of Financial Rules;
- (b) in the interpretation of the Scheme of Delegation the University's Legislation was paramount.

Resolved:

That the Scheme of Delegation be approved.

09/56 Student Grievances

Received:

A report detailing recent student grievances (CO.09.07.14).

Noted:

That Council would receive a report in the Autumn on the progress of students from all Grievance Committees since 2006, together with details of actions undertaken in response to recommendations from the Committees.

09/57 Report from the Audit Committee

Received:

A report from the meeting of the Audit Committee held on 2nd June 2009 (CO.09.07.15).

09/58 Report from the Senate

Received:

A report from the meeting of the Senate held on 17th June 2009 (CO.09.07.16).

09/59 Report from the Development Executive

Received:

A report from meeting of the Development Executive held on 3 June 2009 (CO.09.07.17).

09/60 Capital Projects update

Received:

A progress report on capital projects above £5M approved by Council (CO.09.07.18).

09/61 Guild Quinquennial Review Action Plan

Received:

The Action Plan following the Guild of Students Quinquennial Review (CO.09.07.19).

09/62 Items approved between meetings of Council

Received:

A list of items approved since the meeting of the Council on 7th April 2009 (CO.09.07.20).

09/63 Arrangements for Transaction of Business between Meetings of Council

Received:

A note regarding arrangements for transaction of business during the summer vacation. (CO.09.07.21).

09/64 Affixing of the Seal

Received:

A report noting the transactions which had required use of the University Seal since the last meeting of the Council (CO.09.07.22)

09/65 Any Other Business

Retiring Council members

Resolved:

- (a) That the Deputy Pro-Chancellor, Dr Roger Dancey, be warmly thanked for his outstanding contribution to Council during the past ten years.
- (b) That Ms Christine McElroy, Ms Jen Larbie and Ms Hannah Lazell also be warmly thanked for their contributions to the University Council.
- (c) That the Council's best wishes be extended to Professor Les Clark, Pro-Vice-Chancellor, Estates and Infrastructure, who was attending his last meeting of Council before his retirement from the University in July 2009.

09/66 Date of next meeting

Reported:

That meetings of the Council would take place on the following dates during 2009/10:

Tuesday 29th September 2009 : Council Away Day
Thursday 26th November 2009
Wednesday 3rd February 2010
Wednesday 14th April 2010
Wednesday 30th June 2010

The Council Away Day on 29th September would be an all-day event including a business meeting of Council and a dinner.

All other meetings would commence at 2.00 p.m., preceded by lunch and a presentation from 1.00 p.m.