

UNIVERSITY OF BIRMINGHAM

COUNCIL

26th November 2008

MINUTES

Members: Professor J S Bale; Mr C N Banks CBE; Dr S Battle CBE ; Ms B Blow; Mr R M Dancey (Deputy Pro-Chancellor); Mrs M C Davies; Mr M G Gilbert (Treasurer); Dr W J Glover (Pro-Chancellor, in the Chair); 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; Professor J M Marshall; Dr S S Sahota OBE; Professor M C Sheppard (Vice-Principal); Professor M J H Sterling (Vice-Chancellor and Principal).

Also present: Ms C M Abbott (Director of Planning, for item 08/064 only); Mrs G Ball (Director of Finance; Mr A B Buckley (Assistant Director of Human Resources (Strategy and Policy) for items 08/063, 08/068 and 08/072 only); Professor L A Clark (Pro-Vice-Chancellor); Dr S J L Gower (Minute Secretary); Ms L Lucas (Head of Internal Audit, for item 08/065 only); Mr W Lumsden (KPMG Senior Manager, for item 08/065 only); Professor J I Petts (Pro-Vice-Chancellor); Mrs C Pike (Director of Legal Services, for item 08/061 only); Mr M Rowley (KPMG Partner, for item 08/065 only); Mr L Sanders (Registrar & Secretary); Professor S C Shute (Deputy Pro-Vice-Chancellor, for item 08/073 only).

Apologies: Mrs M Cass; Mr D Hartnett CB; Ms C L McElroy; Dr N Price OBE; Professor A J Randall (Pro-Vice-Chancellor); Mr D Roy Hon Alderman; Dr J S Taunque MBE

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

LUNCHTIME PRESENTATION08/057 Selly Oak Estate***Received:***

A presentation from Professor Les Clark (Pro-Vice-Chancellor, Estates and Infrastructure) on the Selly Oak Estate, prior to a tour of the Selly Oak estate after lunch.

COUNCIL BUSINESS MEETING08/058 Membership and terms of reference***Received:***

The membership of the Council for 2008/09 and its terms of reference (CO.08.11.01).

08/059 Minutes of previous meeting

Resolved:

That the minutes of the meeting held on 2 July 2008 (CO.08.11.02) be approved.

08/060 Matters arising not addressed elsewhere on the agenda

Legislation Review (08/036 refers)

Noted:

That the Privy Council had recently deferred to its December meeting, approval of the Changes to the Charter and Statutes, pending further advice from the Charity Commissioners on the proposed Statute amendment in relation to the remuneration of Lay Members. The Privy Council had asked that this clause be deferred, and it was hoped that formal approval of the changes would be obtained on 12th December.

Membership of Council Committees (08/041 refers)

Noted: the following appointments:

Council Membership Committee	Professor J S Bale
Strategy Planning and Resources Committee	Professor J M Marshall
Estates and Infrastructure Sub-Committee	Professor J R Bryson
Environment Health and Safety Committee	
	Dr P K Byers, Professor J K Chipman, Ms C Jarvis, Professor E J Jenkinson, Ms C Wellington

08/061 Pro-Chancellor's Items

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

Considered:

A report from the Pro-Chancellor on a number of items for information (CO.08.11.03).

Received:

An oral report from Mr Banks regarding the recent HEFCE Annual Meeting, noting the following as being amongst the key issues raised:

- (i) the issue of increased parity of esteem between research-based and teaching-based institutions;
- (ii) it was most unlikely that the cap on fees would be raised before 2013;
- (iii) widening participation needed to be a core part of each institution's business;
- (iv) employer engagement was to be encouraged and HEIs should take on apprentices;
- (v) RAE focus would be on significance, originality and rigour; increasing importance to be ascribed to research that would lead to products and services, rather than just pure research;
- (iv) there was potential for consolidation in the sector

Resolved:

- (a) That Ms Sara Woofenden of Bevan Brittan LLP and Ms Diane Gilhooley of Eversheds be invited to continue to serve as persons who might be called upon to hear and determine appeals under Part V of Statute 24, for a further year to the end of December 2009 or until the Privy Council had approved the new procedures, if earlier;
- (b) That Professors Shute and Daniels would be reappointed to undertake the functions formerly fulfilled by the Deans in respect of Part V of the above Statute, for a further year to the end of December 2009 or until the Privy Council had approved the new procedures, if earlier.

08/062 Vice-Chancellor's Items

Received:

A report from the Vice-Chancellor containing a number of items for information (CO.08.11.04), including the following:

Admissions update

The admissions targets for 2008 had been exceeded in most categories and quality had been maintained. Recruitment of Home/EU Postgraduate Research students was more challenging, and this issue was being addressed, though it was a problem for many others in the Russell Group

Manufacturing Technology Centre

Considered:

An oral report from the Pro-Vice-Chancellor (Research and Knowledge Transfer)

Reported: that

- (a) since the last meeting of Council progress had been slow. The business plan was largely complete but it required sign-off from the industrial partners;
- (b) the plans for the site at the Ansty Research and Innovation Park, Coventry, had been made public;
- (c) the post of Director had recently been advertised;
- (d) the University of Warwick was keen to become involved in the project, but at this stage it was felt that this should only happen when the special purpose vehicle company was in place;
- (e) if outstanding issues were resolved, Council's approval of a bid to Advantage West Midlands might be required before its next meeting.

Resolved:

That the Pro-Chancellor be empowered to approve on Council's behalf, before the next meeting of Council, the submission of a collaborative bid to Advantage West Midlands (in association with the universities of Nottingham and Loughborough) for the establishment of a Manufacturing Technology Centre and the University's membership of an associated special purpose vehicle company, subject to the provisos previously agreed at Council's last meeting, namely:

- (a) governance arrangements (including the powers associated with the industrial members) acceptable to the University can be agreed by the partners (with the Registrar and Secretary, Directors of Finance, Research and Commercial Services and Legal Services to confirm the University's acceptance);
- (b) a business plan can be produced that adequately protects the University's research interests, minimizes financial exposure and is consistent with any financial or resourcing commitment the University may wish to make (with the Pro-Vice-Chancellor (Research and Knowledge Transfer), Head of College of Engineering and Physical Sciences and the Directors of Finance and Research and Commercial Services to confirm the University's acceptance).

08/063 Pay negotiations for Non-Clinical Academic and Related Staff

Considered:

A paper outlining the national pay situation and a position on withholding of pay for partial performance (CO.08.11.05).

Noted: that

- (a) CUC was encouraging employers in the sector to have a consistent position which would mitigate the effects of any possible pay dispute and facilitate its speedy resolution;
- (b) less than a third of academic and related staff were UCU members, and of those less than a third had taken industrial action in 2006. The actions of a small number of staff might have a disproportionate effect on students;
- (c) the student experience was the University's first priority in any dispute, and communications with the Guild were therefore important;
- (d) good communication with staff was essential. The Heads of Colleges and Heads of Schools had a key responsibility for communicating the University's message to staff and in managing any dispute. As part of the communication with staff Council felt it important that the very difficult financial pressures on the University's financial position should be communicated so that staff understood the financial context of pay negotiations and the issues of affordability for pay and pensions;
- (e) a group had been set up under the chairmanship of the Vice-Principal, and was meeting regularly to identify the potential impact of any dispute, to mitigate its impact, including drawing up a contingency plan, which established key milestones in the examinations process in order to identify slippage as soon as it occurred, and to address communications issues;
- (f) SPRC had considered and supported the paper.

Resolved: that

- (a) the University should, for the time being, continue to subscribe to national pay bargaining for non-clinical academic and related staff;
- (b) the University should adopt a policy, as outlined in the paper, on withholding pay in the event of strike action or action short of a strike, which was consistent with UCEA guidance and informed by the approach of the Russell Group;
- (c) the University should co-operate with UCEA in the management of any dispute, including following UCEA guidelines and adhering to the collective mandate for the negotiations;
- (d) such actions were not dependent upon UCU subscribing to the new national bargaining machinery, and that reference to this should be deleted from the Executive Summary of the paper;

- (e) Council would keep the position on pay negotiations under review.

08/064 Key Performance Indicators

Considered:

A report of the University's performance against the approved set of Key Performance Indicators (CO.08.11.06).

Noted: that

- (a) two areas of specific concern which were being addressed were research (which had been affected by disappointing research income and research student numbers) and knowledge transfer (which had been adversely affected by the BRDL issues, although stakeholder feedback suggested that the University's track record was, in fact, rather better);
- (b) the KPIs had been drawn up in March 2007, and that work would be taking place over the coming year to develop these further in the light of the establishment of the Colleges, the outcome of the RAE and changes to University strategy;
- (c) future KPIs would need to provide a facility for corporate reporting on institutional performance.

08/065 Annual Accounts for the year ending 31st July 2008

Considered:

- (a) the University annual accounts for the year ending 31st July 2008 and the accounts for each of its subsidiaries and confirmed that Council had discharged its corporate governance responsibilities;
- (b) audit highlights and the management letter from KPMG for the University and its subsidiaries;
- (c) the letter of representation for the University for submission to the external auditors, KPMG;
- (d) the actual Financial Outturn for the year ended 31st July 2008.

Received:

Oral reports from:

- (a) Mr Mike Rowley of the University's external auditors (KPMG) confirming that the accounts met the auditors' requirements and that no financial control weaknesses had been identified in the audit.
- (b) the Director of Finance and the Treasurer, noting that:
 - (i) the accounts did meet the University's key financial indicators for 2007/08;
 - (ii) the historic position over the last five years had been one of financial stability;
 - (iii) financial controls over the Schools had remained effective through the period of University reorganisation in the financial year;

- (ii) the University's cash investment portfolio was spread across 51 banks. Losses were presently limited to c. £70k;
 - (iii) the University's financial performance had been strong in relation to the higher education sector as a whole on 2006/07 data.
- (c) the Head of Internal Audit confirming that the internal audit plan had been completed and that it had been reported to the Audit Committee that the University had adequate systems in place for governance, risk management, operational control and value for money.
 - (d) a report from Dr S S Sahota, a member of the Audit Committee, confirming that the Council's corporate governance responsibilities with respect to the annual accounts had been properly discharged.

Resolved:

- (a) That the annual accounts for the year ended 31 July 2008 be approved and adopted as set out in paper CO.08.11.07;
- (b) That the letter of representation be approved for signature by the Pro-Chancellor;
- (c) That the accounting policies and estimation techniques on which the accounts were based be approved, as recommended in the report from the Strategy, Planning and Resources Committee;
- (d) That the Finance Office, the Internal Auditor and the Audit Committee be thanked for their work with respect to the annual accounts.

08/066 Financial Forecast submission to HEFCE for the period to 2011-12

Considered:

The 5-year financial forecast for submission to HEFCE as part of the "Single Conversation" (CO.08.11.08).

Reported: that

- (a) the Financial Forecast to 2011/12 suggested a rapid decline in operating surpluses, based on levels of expenditure that were rising faster than income;
- (b) the success in attracting extra students this year would bring an additional fee income of £2m in 2008/09 – 2010/11;
- (c) additional USS contributions that might be required in the future had not been directly factored in to the forecast, but it was expected any costs would have to be met from the overall provision for pay increases;
- (d) UEB had recognised that action was needed to address the declining operating surpluses at an early stage. Discussions had already commenced on future recruitment targets and other income generating activities;
- (e) the outcome of the RAE and the corresponding changes to the HEFCE grant were expected to reinforce the need to address selectivity at the University.

Resolved: that

- (a) the paper should be approved for submission to HEFCE as part of the "Single Conversation";
- (b) staff should be appropriately informed about the financial challenges faced by the University.

08/067 Report from the Audit Committee

Considered:

A report from the meeting of the Audit Committee held on 4 November 2008 (CO.08.11.09).

Received:

The annual report from the Audit Committee for the academic year 2007/08.

Resolved:

That KPMG be re-appointed as the University's External Auditors for the year ending 31 July 2009.

08/068 Report from the Strategy, Planning and Resources Committee

Considered:

A report from the meetings of the Strategy, Planning and Resources Committee held on 14th October and 17th November 2008 (CO.08.11.10).

Resolved: that the following matters be approved as set out in the Report:

- (a) the Corporate Planning Statement 2007/08;
- (b) IT Codes of Practice;
- (c) the Investment Appraisal for the Chancellor's Court Auditorium Project for the figure stated in the paper, subject to an income target of £5m being met through fundraising before any contract was let;
- (d) the revised policy on Pay Protection.

08/069 Report from the Senate

Considered:

A report from the meeting of the Senate held on 5th November 2008 (CO.08.11.11) containing a number of items for information.

08/070 Report from the Membership Committee

Considered:

A report from the meetings of the Membership Committee held on 15th October and 17th November 2008 (CO.08.11.12).

Resolved: that

- (a) Mr R Halton be appointed as a Lay Member of Council from 1 January 2009 to 31 July 2012;
- (b) Ms M Davies, Ms C McElroy and Hon. Ald. D Roy be reappointed as Lay Members of Council for second terms of office from 1 August 2009 to 31 July 2013;

- (c) Mr R Halton be appointed to serve as a member of the Remuneration Committee and the Strategy Planning and Resources Committee from 1 January 2009 to 31 July 2012.

08/071 Sustainability Report

Received:

A report from the Sustainability Task Group (CO.08.11.13).

Noted: that

- (a) the University was believed to be amongst the first HEIs to produce such a Report;
- (b) it aimed to place sustainability at the heart of the University's research and teaching as well as its business and external engagement;
- (c) The University was keen to ensure that current and potential students were aware of the Report and the commitments;
- (d) the Report would be subject to regular review and update.

Resolved:

That the Report be approved and welcomed.

08/072 Redundancy Committee & Redundancy Appeals

Considered:

Recommendations regarding the establishment of a Redundancy Committee and of panels to hear two Redundancy Appeals (CO.08.11.14a and b).

Resolved: that

- (a) a Redundancy Committee with the following membership be established to consider the potential redundancy of a member of academic staff:

Chair:	Mr R Dancey (Deputy Pro-Chancellor)
Two Lay Members of Council:	Ms B Blow and Hon. Ald. D Roy (Ms C McElroy as alternate)
Two members of Senate:	Professors J Heath and S Shute (Dr P Byers and Professor L Clark as alternates)
A member of clinical academic staff nominated by Senate:	Professor D H Adams

- (b) an appeal panel with the following membership be appointed to hear an appeal from an academic-related staff employee against dismissal following the expiry of a fixed-term contract;

Chair:	Professor A J Biddlestone
A Nominee of Council	Mr T G Fuery or Ms T Lancaster
Third Member	A Nominee of the recognised trade union

Noted:

That an appeal panel to hear and determine an appeal against dismissal on the grounds of redundancy (previously approved by Council on 2 July 2008) would convene.

08/073 Community, Play and Youth Programmes

Received:

A progress report regarding discussions about Community, Play and Youth activity (CO.08.11.15).

Reported: that

- (a) Council had suspended the considerations of the Redundancy Committee in July 2007 to allow discussions to take place regarding transfer of the provision and staff to Birmingham City University;
- (b) the three members of staff concerned had subsequently indicated that they did not wish to transfer.

Resolved:

That the Redundancy Committee should resume its considerations of the cases of the remaining three CPY staff with the membership proposed in the paper.

08/074 Environment, Health & Safety Executive Committee

Received:

The annual report of the Environment Health and Safety Executive Committee for 2007/08 (CO.08.11.16).

08/075 Report from the Remuneration Committee

Received:

A report from the Membership Committee of the Council (CO.08.11.17).

08/076 Annual reports from University Companies

Received:

Annual reports from the following University Companies for the financial year ending 31st July 2008:

- (a) Alta Estates Services Ltd (CO.08.11.18a)
- (b) Alta Library Services Ltd (CO.08.11.18b)
- (c) Alta Cyclotron Services Ltd (CO.08.11.18c)
- (d) Alta Innovations Limited (CO.08.11.18d)
- (e) Birmingham Research & Development Ltd (BRDL) (CO.08.11.18e)
- (f) Birmingham Research Park Ltd (BRPL) (CO.08.11.18f)

08/077 Report from the Development Executive

Received:

A report from the Development Executive (CO.08.11.19).

08/078 Capital Projects Update

Received:

A progress report on capital projects above £5M approved by Council (CO.08.11.20).

08/079 Grievances

Received:

Reports on the following grievances considered by Grievance Committees during the summer vacation:

- (a) Student T (CO.08.11.21a)
- (b) Student V (CO.08.11.21b)

08/080 IXC UK Limited

Received:

Amendments to the Memorandum and Articles of Association in line with status changing from charitable to not-for-profit structure (CO.08.11.22).

08/081 Items approved under the procedure for approval between meetings of Council

Received:

A list of items approved since the meeting of the Council on 2nd July 2008, under the procedure for approval of business between meetings of Council (CO.08.11.23).

08/082 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.08.11.24).

08/083 Any other business

There was none.

08/084 Date of next meeting

Reported:

That the next meeting of the Council would take place on Wednesday 4th February 2009, at 2.00 pm in the Senate Chamber.
