
Meeting: COURT

Date and Time: Wednesday 9th March 2016 at 3.30pm

Venue: East Building Lecture Theatre

Present:

The Rt Hon Baroness Royall of Blaisdon	Pro-Chancellor (Chair)
Mr P Wyman	Treasurer
Professor Dame G M Breakwell	Vice-Chancellor
Mrs D Aderyn	Director of Finance & Commercial Services
Mr M Humphriss	University Secretary

and 87 other members of Court.

In Attendance:

Dr T Mays	Head of the Department of Chemical Engineering
Mr M Pender	Secretary

Apologies: Apologies were received from 32 members of Court.

ACTION

1. WELCOME AND OPENING REMARKS

The Pro-Chancellor welcomed members of Court to the meeting, which formed part of the University's annual Founders Day.

2. MINUTES

The minutes of the meeting held on 3rd March 2015 (Paper CT15/16-1) were approved as a correct record of the proceedings.

3. MEMBERSHIP OF COURT

- (1) Court noted its current membership as set out in Paper CT15/16-2.
- (2) The deaths of Professor John Thomas and Mrs Molly Ellis were noted with sadness.

4. VICE-CHANCELLOR'S REPORT

Court received the Vice-Chancellor's Annual Report (Paper CT15/16-3).

The Vice-Chancellor began her presentation by reminding the meeting that in her last presentation she had focused on the successes of the previous year, a year which had possibly been the best in the history of the University in terms of objective performance indicators. These successes had continued and the Vice-Chancellor thanked all those who had contributed to this success from within the University and the wider community. As the University approached its 50th anniversary of its Charter, consideration had been given to how the University might best position itself to face the challenges before it and how it could support the local and national economy. Taking these into account, a new University strategy had emerged which the Vice-Chancellor went on to outline.

Current Position

The University was a well-established, research-intensive institution, with just over 3,000 staff, an annual turnover of more than £260m and a research portfolio worth in excess of £150m. As of 1st December 2015 there were 16,417 registered students, of which 12,097 were undergraduates. 3,331 (20%) of the total student body were from outside the EU. The University continued to be placed highly in UK league tables and had risen substantially in international rankings. The University of Bath continued to be a highly sought-after choice for students. To date, 22,000 applications from home/EU students had been received for the 3,000 undergraduate places available for 2016/17. A further 5,296 undergraduate level applications had been received from international students.

Contribution to the Local and National Economy

The University had commissioned Oxford Economics to investigate its contribution to the local and national economy, and their report, published in January 2016, showed that the University directly and indirectly supported over 5,800 jobs in Bath & North East Somerset in 2014/15 (equivalent to 1 in every 17 jobs in the district). Its value added contribution to Bath & North East Somerset's GDP in 2014/15 was estimated to be £294 million (6.2% of the district's economic output). Over £9,500 in extra value added was supported by each additional student, and the economic activity in Bath & North East Somerset supported by the University, its students and visitors generated a total tax contribution of £71m in 2014/15.

Context

With higher education becoming increasingly competitive, additional pressures had been brought to bear by changes at Government level. The removal of the student numbers cap has influenced the strategy of some institutions, and the recent Green Paper on Higher Education and the Nurse Review of Research Councils had introduced elements of uncertainty for the sector. In particular, the introduction of a Teaching Excellence Framework, and its potential impact on the fee levels that universities can charge, had made future planning difficult. On a more positive note, the introduction of postgraduate loans from 2016 would make graduate study more accessible. At a local level, pressure on residential accommodation in Bath had the potential to limit the University's growth, and the University had been working closely with the Local Authority to investigate ways in which these difficulties could be overcome.

Developing a New University Strategy

Responding to the changes in the external environment and building on its existing strengths, the University was devising a new strategy for 2016 onwards, with a vision to become an international leader in graduate education.

In terms of research, the University would seek to increase its critical mass in an increasingly competitive market, appointing more research active staff (including a

In response to the report of the Vice-Chancellor, members of Court raised the following matters:

Medical School

A member of Court asked why the University was one of the few leading institutions without a medical school. The Vice-Chancellor responded whilst she would be happy to have a medical school, the decision not to develop one pre-dated her time as Vice-Chancellor, and due to a lack of Government support there had been limited opportunities to develop one over recent years. There might be opportunities in the future and the University would need to carefully consider how it could best contribute to the future of medical practice.

Sulis Club

A member of Court reported that the Sulis Club had been boarded up for the past three years and the bowling green had been destroyed. He asked what the University intended to do with this facility in the future. The Vice-Chancellor responded that the Sulis Club was an important asset and the University was looking at options to redevelop it in line with the University strategy. She apologised for the issues around the bowling green.

Studentships for Refugees

A member of Court referred to a petition recently submitted to Senate requesting that, in light of the worsening refugee crisis, the University set up scholarships and bursaries to support refugees and asylum seekers in obtaining higher education in the UK. Whilst the University's response to the petition, which involved a number of partnership initiatives in Jordan to help build the resilience of people in the region, was welcomed, this was not the same as offering scholarships in the UK to those people who needed them most and for whom higher education was currently out of reach. It was requested that Court consider this issue and ask Senate to reconsider the University's response in respect of the refugee crisis.

In response, the Pro-Vice-Chancellor (Internationalisation) outlined the commitments the University had made in Jordan to help build the resilience of people and systems. These included:

- Working with a local University in Amman the University had put in place the training of faculty to doctoral level in areas such as engineering and mathematical innovation;
- Working in partnership with the Royal Scientific Society of Jordan to conduct research in areas of national priority;
- The launch of a Study Centre in partnership with the Amman Baccalaureate School where we will deliver our MA in Education and teach the teachers to provide future leadership in education;
- Strengthening the University's partnership with the British Institute in Amman to contribute to the shaping of policies which explore how governments, NGOs and other parties might more effectively respond to the long-term impacts of the crisis;
- Providing scholarships on the postgraduate MA Education programme in Amman to refugees displaced by the crisis to camps in Jordan. These scholarships will complement work being undertaken by the British Council, whose Laser project is developing English languages skills in Syrian refugee camps.

It was reported there was strong opinion amongst the student population on this issue and it was suggested that there should be ongoing dialogue to ensure the University's response continued to be appropriate. It was recognised that the University was at the beginning of a long term process in respect of the ongoing refugee issue.

Academic Freedom

A member of Court stated that the a key element of academic freedom was the ability to question and test received wisdom and put forward new and potentially unpopular ideas for debate. The Counter Terrorism and Security Act 2015 and the associated Prevent Duty threatened such academic freedom, and reference was made to incidents at other universities where academic freedom and freedom of expression had recently been threatened or potentially undermined.

The Vice-Chancellor responded that the University had to obey the law, but that it was important for academic freedom to be protected and maintained. The University Secretary added that the University was committed to maintaining academic freedom and held firm to its statement on this approved in 1988 (http://www.bath.ac.uk/university-secretary/guidance-policies/docs/Academic_Freedom.pdf).

During the consultation on the Prevent Duty the University had urged the Government to explicitly acknowledge universities' statutory commitment to freedom of expression as set out in the Education (No.2) Act 1986, and the Prevent Duty as introduced by the Government did fully respect this. The University had gone to great lengths to respond to the Prevent Duty in a proportionate manner, with only minor changes being made to the University's Freedom of Expression Code of Practice. The University hosted many events where controversial views were expressed, and to date none had been refused, although conditions had been imposed where necessary. The Students' Union and the wider academic community had co-operated in this process.

Town and Gown

A member of Court congratulated the University on its achievements over the past 50 years and on its contribution to the local economy and culture. There was however concern over the quality and quantity of student accommodation in Bath, and the University was urged to continue to work with the Local Authority to ensure all students had access to good quality accommodation. The Vice-Chancellor responded that it was vital for the University, the Local Authority and other educational providers in the city to work together to ensure the right type of accommodation was provided and developed to ensure there was sufficient quantity of quality student accommodation in Bath. This need to be a pro-active process, and the University would continue to have ongoing dialogue with the Local Authority on this issue.

AGREED that the Vice-Chancellor's Annual Report (Paper CT15/16-3) be noted.

5. FINANCIAL STATEMENTS

Court received the Statement of Accounts for the year ended 31st July 2015 (Paper CT15/16-4). The Treasurer introduced the accounts, following which the Director of Finance & Commercial Services gave a financial review of the year.

It was reported that for the 12th consecutive year the University had achieved a surplus and at £23.7million the historic cost surplus in 2014/15 was 9.5% of income. Net assets (the University's stock of buildings, equipment and financial investments at a point in time) were now almost £500m. Income rose by 9% over 2013/14 and was £243 million in 2014/15. All categories of income grew except grants from the Higher Education Funding Council for England which reduced by £4.6m but this was more than balanced by a £13.6m (13%) increase in tuition fee income.

Tuition fee income amounted to £120 million, 49% of total income. A further year of home/EU undergraduates paying the £9,000 fee accounted for £11.1 million of income, a smaller uplift than in the previous two years as this was the year when students on 4 year placement degrees went on placement for a year and paid the lower fee of £1,800. Research income remained at around 15% of income. In 2014/15 this was boosted by a one-off £3.2m Research Development Expenditure Credit claim but the underlying research income grew by just under £3m with Research Council grant income particularly healthy, growing by 12% and now making up 57% of research income. External income from Accommodation and Hospitality activity contributed 12% of income or just over £28m. A new 708 bed student residence, The Quads, opened in September 2014 along with the adjacent Lime Tree Refectory. Both were extremely popular with students. The opening of The Quads had increased the number of on-campus rooms to approximately 3,200.

Excluding the impact of the depreciation charge on revalued assets, expenditure increased by 7% or just over £14m. Staff costs accounted for £8.5m (also 7%) of the increase and make-up just over 55% of expenditure. The average number of staff grew by 5% to 2,700 and the remainder of the cost increase was due to a 2% national pay award and incremental increases.

The Director of Finance & Commercial Services then gave a detailed report on the latest position in respect of the Universities Superannuation Scheme (USS). The scheme's deficit was not included in the University's accounts because the scheme was unable to identify the University's share of the underlying assets and liabilities. USS underwent a valuation at 31st March 2014 which produced a deficit of £10.5bn, mainly arising from a more negative investment outlook and a proposed change in the investment strategy of the Scheme to reduce the level of investment risk within the Scheme assets. Due to the cost of addressing this deficit the difficult decision had been taken to close the final salary scheme, not only to new members but to future accrual of benefits by existing members. It was estimated that this change reduced the scheme deficit by £5bn. Together with changes in assumptions introduced after consultation with UUK, the trustee anticipates that deficit would be reduced to just over £5bn.

The Final Salary Scheme would close on 31 March 2016 and all staff eligible to be members of USS would join a revised career revalued benefits or CRB section. From 1 October 2016 CRB benefits would be built up in respect of salary up to a threshold of £55,000 per annum, with contributions above this being paid into a new defined contribution section of the scheme. Both employer and member contribution rates would increase from 1 April 2016 to 18% for employers and 8% for employees (from 6.5% for current CRB members and 7.5% for final salary members). This would increase the cost base of the University by just over £2 million.

The funding of the scheme had continued to deteriorate since March 2014. The last update in October 2015 indicated that the funding ratio, the proportion of the

In response to the report of the Director of Finance & Commercial Services, members of Court raised the following matters:

International Student Fees

A member of Court asked whether, given the fee income from EU and international students, the University was vulnerable should the UK decide to leave the EU or if there was some form of crisis overseas. The Director of Finance & Commercial Services responded that the income from overseas students was substantial, and to minimise any risk the University sought to ensure it did not concentrate its recruitment in one particular area of the world. The Pro-Vice-Chancellor (Internationalisation) added that the University was mindful not to overexpose itself in any one market and had looked to diversify its overseas recruitment in areas such as India, Africa and South America.

Living Wage and the Gender Pay Gap

A member of Court highlighted the issues around payment of the living wage and the gender pay gap at the University, and how this could be reconciled with the University's surplus which was higher than the sector average. The Director of Finance & Commercial Services responded that the national living wage as introduced by the Government was already being paid to all members of staff, and the HR would shortly be reviewing the lower part of the pay scale. In respect of the gender pay gap, the University Secretary reported that this was not out of line with other institutions and that the biggest contributor to this was the gender profile of the professoriat. Work was ongoing to address this issue.

AGREED that the Statement of Accounts for the year ended 31st July 2015 (Paper CT15/16-4) be noted.

6. PRO-CHANCELLOR APPOINTMENT

Court considered the recommendation of the University Council that Mr Peter Troughton be re-appointed as Pro-Chancellor.

The Chair thanked Mr Troughton for all he had done for the University during his term of office as Pro-Chancellor over the past 3 years, following his service as Chair of Council from 2006 until 2014.

AGREED that Mr Peter Troughton be appointed Pro-Chancellor for the period 1st August 2015 to 31st July 2018.

Note: Mr Peter Troughton declared an interest in this item of business. He left the meeting for the duration of this item and took no part in the decision or discussion thereon.

7. ANY OTHER BUSINESS

Emeritus Professors

A member of Court reported that he had heard rumours that the title of Emeritus Professor would no longer be applied and asked the Vice-Chancellor to comment on this. The Vice-Chancellor confirmed that there were no plans to abolish the title of Emeritus Professor.

8. DATE OF NEXT MEETING

The Chair thanked members of Court for their attendance, and encouraged them to stay for the Founders Day Lecture which would commence at 5.30pm.

The meeting concluded at 5.00pm.