



Meeting: COURT

Date and Time: Thursday 23rd February 2017 at 2.15pm

Venue: 8 West 2.1

Present:

| | |
|------------------------------|-------------------------------------------|
| Sir J Horn-Smith | Pro-Chancellor (Chair) |
| Mr P Wyman | Treasurer |
| Professor Dame G M Breakwell | President & Vice-Chancellor |
| Mrs D Aderyn | Director of Finance & Commercial Services |
| Mr M Humphriss | University Secretary |

and 68 other members of Court.

In Attendance:

| | |
|---------------|----------------------------------------|
| Mr R Brooks | Director of Human Resources |
| Mrs R Foreman | Recipient of the Chancellor's Medal |
| Mr T Kaner | Director of Marketing & Communications |
| Ms C Evans | Head of Corporate Communications |
| 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 and passed on the apologies of the Chancellor as he was unable to chair the meeting today.

2. MINUTES

The minutes of the meeting held on 9th March 2016 (Paper CT16/17-1) were approved as a correct record of the proceedings.

3. MATTERS ARISING

1) Emeritus Professors

Two members of Court raised the issue of the appointment of Emeritus Professors, and asked what the criteria for such appointments was. The University Secretary responded that the criteria for the appointment of Emeritus Professors had not changed and was available on the University website.

2) Syrian Refugees

A member of Court requested an update on the work the University was doing to support Syrian refugees. The Pro-Vice-Chancellor (Learning & Teaching)

informed the meeting that the focus of the University had been to help build capacity and resilience in the region, with Jordan being at the forefront. The Pro-Vice-Chancellor (Learning & Teaching) outlined the initiatives that the University was undertaking in Jordan, which included providing the MA and PG Certificate in Education to teachers in Jordan, offering scholarships for 12 teachers, and a project to provide sustainable housing for refugees.

4. MEMBERSHIP OF COURT

- (1) Court noted its current membership as set out in Paper CT16/17-2. The meeting was informed that since the publication of the membership booklet Councillor Joe Rayment had been appointed as the representative of the Bath Trades Council, and Mr Hedley Bashforth and Dr Michael Carley had been elected as representatives of Academic Assembly on Court. Dr Christopher Roche had also recently been elected as a member of Council and therefore automatically became a member of Court.
- (2) The deaths of Mrs Molly Ellis, Sir Denys Henderson, Professor Orhan Berkday and Professor Patrick Hodgkinson, Life Members of Court, were noted with sadness.

5. VICE-CHANCELLOR'S REPORT

Court received the Vice-Chancellor's Annual Report (Paper CT16/17-3). The Vice-Chancellor began her presentation by reminding the meeting that the University had recently celebrated the 50th anniversary of the granting of its Royal Charter. The University was also facing a period of significant change, in response to which a new University Strategy for 2016-21 had been approved by Council in October 2016. The Vice-Chancellor then went on update the meeting on the progress that had been made against the University's strategic priorities.

The University's strategic priorities were focused on five main areas:

- Growing the volume of research and increasing its research power by recruiting more researchers and creating a vibrant environment to encourage discovery and impact;
- Attracting more graduate students by providing them with innovative programmes and first-rate training;
- Stabilising undergraduate student numbers in order to focus on enhancing the quality of the student experience;
- Continuing to improve the infrastructure both on and off campus, allowing the University to provide the facilities its communities required;
- Strengthening its international profile and establishing innovative joint teaching and research programmes with universities outside the UK.

The Vice-Chancellor highlighted the rapidly-changing environment in which the University operated, with uncertainty surrounding Brexit, the Higher Education Bill which was being debated in Parliament, the introduction by government of the Teaching Excellence Framework, changes to the USS pension scheme and the introduction of the apprenticeship levy, all of which would have a significant impact on UK universities. The University needed to be agile and able to respond to challenges and opportunities as they arose.

Decisions taken in the last year had been influenced by, and supported, the new

Strategy. These included:

- Undergraduate recruitment had been stabilised.
- The University of Bath has submitted bids to establish a new research and innovation facility. The proposed Institute for Advanced Automotive Propulsion Systems (IAAPS) would deliver future generations of ultra-low emission vehicles, including propulsion systems for electric and autonomous vehicles.
- The 50th Anniversary Prize Fellows scheme which featured 18 posts had built on the successful programme established in 2012, attracting excellent young researchers to join the University community. The nurturing of their talent and fuelling their ambitions would be key to increasing the University's research power.
- The introduction of the Gold Scholarship Programme meant that up to 50 students a year had the opportunity to receive an annual £5,000 bursary funded through philanthropic support.
- Significant advances had been made in raising the University's international profile, including a prestigious doctoral programme with the South African government in HE management and the establishment of a new strategic network with some of the University's best performing strategic partners (University of Stellenbosch (South Africa), Zhejiang University (China) and University of Campinas (Brazil)).
- The creation of a new Pro-Vice-Chancellor (Doctoral and International) post demonstrated the importance to the University of both its international partnerships and its postgraduate research.
- The decision to introduce a Doctoral College and the introduction of new electronic and streamlined PG admissions processes would not only enrich the postgraduate experience but also allow the University to be in a better position to compete internationally for excellent graduate students.
- Investment in infrastructure had continued, with 10 West, 4 East South and the Virgil Building (formerly Bath Police Station) now in full use. In addition, the University of Bath in London at 83 Pall Mall had recently been opened. This was not only the face of the University in the capital, but also provided a new platform for the Institute for Policy Research to engage with Whitehall and Westminster on major public policy challenges. The next wave of development on campus had also started, with turf cutting having taken place for the new Milner Centre, and commencement of the new £34.5m Polden development which would offer living accommodation in the form of 293 en-suite bedrooms.

The Vice-Chancellor informed the meeting that a whole host of events had taken place since the launch of the 50th anniversary year last June. These included overseas alumni reunions, prestigious lectures and the award of over 60 honorary degrees. The anniversary day itself was celebrated with three major events: an inspiring and uplifting celebration in the Abbey featuring staff, students, friends and supporters; a party on campus; and a rugby triumph over Leeds Beckett in the evening at the Rec. The celebrations were still ongoing and served to highlight not only what had been achieved during the University's first half century, but also the tremendous sense of community and pride that was at the heart of this University.

The Vice-Chancellor concluded her presentation by thanking everyone whose involvement with the University during its first 50 years had made it as successful as it was today.

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

50th Anniversary Celebrations

A member of Court commented that as an Emeritus Professor he had received no information regarding the 50th anniversary celebrations and he was therefore unaware of what had taken place. He felt that this was a great shame as several members of Court were founder members of the University. The Vice-Chancellor replied that she was concerned to hear that an Emeritus Professor had not been aware of the celebrations, particularly as the University had used multiple channels to publicise the events. She apologised if the message had not been conveyed to members of Court, and informed the meeting that the celebrations were not over, with a 50th Anniversary Festival taking place on campus on 6th May. The Vice-Chancellor encouraged all those present to attend.

Student Housing

A member of Court raised the issue of the pressure on student housing in the city, which had led to bidding wars between students anxious to secure accommodation and landlords raising rents. It was suggested that the University should match student recruitment to the supply of student housing in Bath in order to avoid this situation. The Director of Finance & Commercial Services responded that the University was aware of the situation, and the stabilisation of undergraduate numbers would help alleviate this problem. In addition, the University was constructing Polden, a new 293 bed accommodation block on campus, and was also entering into agreements with the private sector to secure student accommodation in the city.

The Vice-Chancellor's Annual Report (Paper CT15/16-3) was received and noted.

6. FINANCIAL STATEMENTS

Court received the Statement of Accounts for the year ended 31st July 2016 (Paper CT16/17-4). The Treasurer introduced the accounts, and noted that this would be the last time the Director of Finance & Commercial Services would be making a presentation to Court as she was retiring later in the year. The Treasurer thanked her for all she had achieved during her time in the role and for leaving the University in such a robust financial position.

The Director of Finance & Commercial Services then gave a financial review of the year.

It was reported that the University had exceeded its operating surplus target for the 7th successive year. The underlying historic cost surplus of £18.6m represented 7.3% of income and was well in excess of the 3% target. Operating cashflow at £38.4m remained high, and the gearing ratio remained low at 13%.

Total income increased 7.8% compared to 2014/15, with fee income increasing by £20m to £139m, making up 53% of total income. As fee income increased, Funding Council grants continued to reduce and totalled £35m, or 13% of income compared

to 30% in 2010/11. Research income remained at 14% to 15% after the one-off benefit of Research and Development Expenditure Credit claims received in the previous 2 years. Within Other income, Accommodation and Hospitality now accounted for £30m per annum, 12% of total income.

On the historic cost basis, expenditure increased by 8.5%; a major element of this increase was in staff costs (£7m or 4.9%) as the University continued to invest in staff to support growth in teaching and research. Non-staff operating expenses also increased by £10m (13.3%) reflecting investment in teaching and sports facilities and academic and professional services.

The University set a target of an historic cost surplus of 5% of income in 2012. In 2015/16 the University achieved an operating surplus/income ratio of 7.3% and this continued the above target performance of recent years. Surplus was important to the funding of future investment in people, equipment and buildings.

Net debt increased by £9.6m to £58m in the year. The increase in net assets as the University had grown resulted in this ratio being little changed over the last 5 years, during which £218m had been invested in capital additions and net debt had increased by only £35m.

Capital additions in 2015/16 totalled £50m, of which £46m related to buildings. 10W and 4ES were a major element of this expenditure, providing space for Psychology, the Institute for Policy Research and dedicated postgraduate study space in 10W and Faculty of Engineering and Computing Services in 4ES.

The capital building programme also included the refurbishment of older buildings (e.g. 1West) as well as the construction of new space. The impact of this expenditure on the overall quality of space, residential and non-residential showed a steady improvement since 2010/11, with 93% of space assessed as being in condition A (as new) or (B Sound, operationally safe, exhibiting only minor deterioration) in 2014/15.

The Director of Finance & Commercial Services concluded her report by informing the meeting that in the past few days the University had received its initial assessment from HEFCE under its new Annual Provider Review methodology. This was the core mechanism used to assess quality in HE providers, and at this first stage of the process, HEFCE has considered the profile of each provider in the areas of quality and standards and financial sustainability, good management and governance. HEFCE had identified no concerns in respect of these areas, and in the next stage of the assessment expected the University's final risk categorisation to be 'not at higher risk', which was the top rating.

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

Statement of Accounts

A member of Court reported that he had presented the first set of University accounts and that had shown a deficit. He was pleased to see how far the University had come over the past 50 years and complimented the Director of Finance & Commercial Services on a splendid set of accounts.

Remuneration Committee and the Emoluments of the Vice-Chancellor

A member of Court highlighted page 45 of the Financial Statements which provided

details of the emoluments of the Vice-Chancellor. It was questioned how the Remuneration Committee had come to its decision regarding the Vice-Chancellor's salary. He asked that Court send a note to Council requesting that the decisions of the Remuneration Committee should be taken more openly and that there should be representatives of students and staff on the Remuneration Committee.

The Chair of Council outlined the membership and role of the Remuneration Committee, and stated that the Committee had a responsibility to do all it could to ensure the ongoing success of the University. It considered data from a variety of sources and made its decisions in the best interests of the University. There was significant competition amongst Universities for the employment of effective leaders, and the Remuneration Committee wanted the University to hold on to the best people for as long as possible. He was satisfied that the Remuneration Committee had made the right decision in respect of the Vice-Chancellor's salary, but would be happy for Council to look again at the role of the Remuneration Committee as part of the regular review of the University's governance structure, which was next due in 2018.

A motion was proposed:

"That Court makes representation to Council that it is concerned at the lack of transparency and accountability of the Remuneration Committee and the decisions the Remuneration Committee has made in the past year".

On being put to the vote, 30 members voted in favour, 33 voted against and 2 abstained. The motion was therefore defeated.

The Statement of Accounts for the year ended 31st July 2016 (Paper CT16/17-4) was received and noted.

7. PRO-CHANCELLOR APPOINTMENT

The meeting was informed that Baroness Royall, who Council had been recommended to be reappointed as a Pro-Chancellor, had recently been appointed as the next Principal of Somerville College, Oxford. Due to this appointment Baroness Royall sadly felt she would be unable to carry out a second term as Pro-Chancellor as she had anticipated. The Chair thanked Baroness Royall for all that she has done for the University during her term of office as Pro-Chancellor over the past 3 years and wished her well in her new position.

A paper (Paper CT16/17-5) was tabled which proposed that Mr Roger Whorrod, who had served as a lay member of Council for six years until 2016, be appointed as a Pro-Chancellor. The Chair commented that Mr Whorrod had made a significant contribution to the University and was a worthy successor to Baroness Royall.

AGREED that Mr Roger Whorrod be appointed Pro-Chancellor for the period 1st August 2017 to 31st July 2020.

8. CHANCELLOR'S MEDAL

The Chancellor's Medal had been introduced in 1994 as a means of giving public recognition to lay members for outstanding service to the University. There had been fourteen recipients of the Medal to date. This year the medal had been awarded to Mrs Ruth Foreman.

The Chair introduced this item and informed the meeting that Ruth Foreman had been co-opted to the University's Audit Committee between 2007 until 2010. She was appointed a lay member of Council in 2010 and became Chair of the Audit Committee in 2011, a position she remained in until stepping down as a member of Council in 2016. The Chair concluded by saying that Mrs Foreman had made a significant contribution to the work of the University through her service on Council and as Chair of the Audit Committee, and was a worthy recipient of the Chancellor's Medal.

The Pro-Chancellor formally presented the Medal to Mrs Foreman, following which Mrs Foreman made a brief acceptance speech in which she thanked the University for the honour.

9. ANY OTHER BUSINESS

A member of Court raised the issue of the risk of the redundancy redeployment policy having a negative impact on current technical staff progression.

The Director of Human Resources responded that this was a challenging area. There was a difficult balance to be struck as the University did not want to make people redundant or restrict career progression. This was an issue that would be the subject of further discussion and consideration.

10. DATE OF NEXT MEETING

Thursday 22nd February 2018 at 2.15pm.

The meeting concluded at 4.00pm

