Present: The Chair of Council  
The Vice-Chancellor  
The Treasurer  
Pro-Chancellor (Mrs D Jagger)  
Pro-Chancellor (Ms J Unwin)  
Mr S Bayley  
Mr P Carpenter  
Ms C Chamberlain (GSA)  
Dr R Curwen  
Dr C Dye  
Professor A Field  
Mr M Galloway  
Professor C Hunter  
Mrs N Inchbald  
Professor Q Summerfield  
Mr C Thompson  
Mrs C Thomson  
Mr A Urquhart (SU)  
Registrar & Secretary, Ms J Horsburgh  
Pro-Vice-Chancellor (Teaching, Learning & Students), Professor J Robinson  
Pro-Vice-Chancellor (Partnerships & Knowledge Exchange), Professor J Timmis  
Director of Finance, Mr J Lindley  
Governance Officer, Dr P Evans  
Governance Administrator, Ms B Carter Ellis  
SU President Elect, Mr J Durcan (from M17-18/77)  
Business Intelligence Analyst, Mr W Mackintosh (for M17-18/79)  
Director of Estates & Campus Services, Mr S Talboys (for M17-18/84-86)  

Apologies for absence were received from the Deputy Vice-Chancellor, the Pro-Vice-Chancellor (Research), Dr R Curwen and Dr K Dittrich.

17-18/76  
University Strategy  
[FOI exempt/commercially confidential]  

17-18/77  
Declaration of Conflicts of Interest  

Members were invited to declare any potential conflicts of interest relating to the business of the meeting. The following interests were declared:
(a) Denise Jagger declared an interest as a partner in Eversheds law firm which was involved in due diligence work on behalf of the University (M17-18/84 below refers);

(b) staff members declared an interest as members of the USS pension scheme (M17-18/83 below refers).

17-18/78 Minutes

The unreserved minutes of the meeting held on 7 March 2018 (C.17-18/67) were approved. Council also noted the action-schedule based on the minutes (C.17-18/68) and decided that it should be updated to include receipt of the University’s updated Safeguarding Policy, once this had been approved by UEB.

17-18/79 Key Performance Indicators

Council received for information the current RAG rating of its revised key performance indicators (C.17-18/69).

Attending the meeting to present the refreshed data, the Business Intelligence Analyst (Mr W Mackintosh) noted that the indicator for research income per academic had changed to red on the basis that the 2016/17 value was lower than the previous year. It was noted that this reduction would be discussed in the annual executive report from the Pro-Vice-Chancellor/Research (to be received at the next meeting), but was thought to relate to new junior academic appointments in disciplines with relatively low research income targets. It was noted that total research income had actually increased in the same reporting period, although the gap from competitors was also increasing due to the University’s limited capacity in biomedical research (the largest source of such income).

As regards the indicator for operating cash flow, it was noted that the University’s strategic growth in this area over the reporting period (20%) was not as large as the competitor group of larger institutions (52%).

With regard to the metrics used in league tables, it was noted that entry tariff data was based on University returns to HESA and therefore showed a time lag of almost two years. It was reported in this context that the league table data would shortly be updated following the imminent publication of the Guardian University Guide. As a general point on league tables, it was also reported that the elements drawn from the National Student Survey (NSS) had been somewhat affected by institutional boycotts during the previous year, which had a detrimental effect on the University’s ranking. It was also noted that, while attention
was paid to league table movements, some caution needed to be employed in their interpretation as they used varying methodologies and data sources. In addition it was agreed that year-on-year movements were not as instructive in some areas as longer term trends over 10+ years as the latter tended to illustrate more clearly the effects of past strategic decisions, even if there was not always a direct causality (e.g. between growth and tariff).

In response to a comment on the unchanged amber rating for employee engagement despite the recent industrial action, it was noted that this related to the underlying data source which was the triennial staff survey. Given the importance of employee engagement to strategy delivery, it was suggested that more frequent sampling in this area might be valuable, as long as this did not lead to ‘survey fatigue’.

17-18/80  Cryo-EM Investment Proposal
[F0I exempt/commercially confidential]

17-18/81  Strategic Direction of Health Sciences
[F0I exempt/commercially confidential]

17-18/82  HEFCE Assurance Review

Further to M17-18/67 (HEFCE Assurance Review), Council received for information the draft interim report on the outcome of the cyclical HEFCE review visit in March 2018 (C.17-18/71).

The Registrar reported that the final report had subsequently been received in which a number of factual errors reported by the University had been accepted and corrected. Council noted the overall positive assessment of the manner in which the University exercised accountability for the public funding it received, with some minor areas for improvement that mainly related to the disclosures and narrative in the Annual Report (e.g. in respect of public benefit and fundraising).

17-18/83  Executive Report from the Vice-Chancellor

Council received an Executive Report from the Vice-Chancellor (C.17-18/72) covering the following areas:

- government review of post-18 education;
- HEFCE Assurance Review (M17-18/82 refers);
- OfS payments audit;
- OfS registration process;
- development of a performance culture;
- USS pension dispute;
- campus masterplan (M17-18/84 refers).
During discussion the following points were noted:

(a) The Vice-Chancellor had attended an event at which Philip Augar, the recently appointed Chair of the independent post-18 education review panel, had been a speaker. Mr Augar had expressed a broad view of the role of HE and suggested he would like to see FE and HE brought into a single framework. It remained to be seen how the government would respond in policy terms to the review’s findings once published in Spring 2019.

(b) With a requirement to submit all staff with a responsibility for research in the next Research Excellence Framework, Heads of Department would play an important role in addressing under-performance in collaboration with Human Resources.

(c) In the ongoing USS pension dispute the Trustee was expected to initiate §76.4 of the scheme which would require the cost of maintaining current benefits to be shared between employers and employees. With a potential increase of 7% in the employer contribution (from 18% to 25%), this would have significant financial implications for the University, although it was hoped that the increased contribution would be phased, allowing any developments to be informed by the work of the recently established Joint Expert Panel. As regards the timing of the impact on the University’s financial statements, the Finance Director reported that this remained uncertain and clarity was currently being sought, but it would affect debt capacity and external investment (i.e. not a cash impact). It was also noted that, although not in the remit of the JEP, any alternative models for risk sharing in the scheme were likely to require primary legislation.

(d) As regards the impact of the industrial action on student awards and progression, the Pro-Vice-Chancellor (Teaching, Learning & Students) reported that where necessary appropriate mitigations had been put in place to ensure all modules were assessed and all final-year students would graduate in July. It was however expected that a higher number of appeals and complaints would be submitted by those students who felt that they might have achieved a higher grade without the contingency mitigations in respect of lost credits. As a general point on the management of the industrial action, the Registrar noted the considerable collegial effort between academic departments and professional services, managed by the academic contingency group, which had enabled the situation to be navigated and students supported.
17-18/84 Acquisition of Market Square
[FOI exempt/commercially confidential]

17-18/85 Appointment of Internal Auditors

Following a full formal tendering exercise led by the Finance Department and the Chair of the Audit and Risk Committee, Council approved the recommendation that PwC be re-appointed as the University’s internal auditors for a further two years, i.e. for the 2018/19 and 2019/20 audit cycles (C.17-18/74).

17-18/86 Estates Committee

Council considered a report from the inaugural meeting of the new Estates Committee held on 4 May 2018 (C.17-18/75).

As Chair of the Committee Mrs Inchbald drew Council’s specific attention to the following elements of the report:

- A significant proportion of planned estates work was remedial maintenance required to bring the University back in line with competitors.
- The Committee would consider options for consultation with staff and students at its next meeting.
- Clear linkage was noted with various other Council reports (e.g. HEFCE’s annual risk assessment, development of finance strategy etc).
- Consideration would be given to how the estate might contribute to income generation.
- The Director of Estates and Campus Services was considering appropriate metrics for prioritising particular projects and value for money parameters.

Council noted that, subject to ongoing investment appraisal and following discussions with the departments concerned, UEB was considering a variation to the planned usage of the Smith & Nephew building, namely that it would be occupied solely by the Management School. It was noted that this was in accordance with the wishes of Department of Politics which wished to remain in its present location. The transfer of Management to Campus West would also provide expansion space for the Law School on Campus East. As regards the possibility of increased costs from the change of plan, the Finance Director confirmed that the planned growth in Management was progressing at a faster rate than anticipated, which would support a revised business plan. Further work was currently being undertaken before any final decision would be taken with regard to the building’s future usage.
As a general point in respect of building cost estimates, and with reference to the funding shortfall in the Cryo-EM project (M17-18/80 refers), the Director of Estates and Campus Services outlined the difficulties in forecasting costs before a project had been closely defined. In this context it was reported that the Estates Committee had discussed the possible development of multiple, phased approval levels that would help to generate more accurate cost estimates.

Following discussion of the report Council approved the Committee’s recommendations that:

(a) all Council members should receive an open invitation to attend Estates Committee meetings as observers;

(b) the Chair of Estates Committee should attend any UDG meetings convened to discuss estates matters.

**17-18/87 Remuneration Committee**

Council received a verbal report from the Registrar on a policy meeting of the Remuneration Committee held on 14 May 2018, noting that a written report would be submitted to the next meeting. The following points were noted:

- The Committee had discussed matters relating to benefit-in-kind valuations as they pertained to staff contracts.
- The final employer offer for the national pay award for framework grades was 2%, rising to 2.8% for lower grades. With approximately half of framework staff also receiving incremental progression, the pay award for those staff was closer to 5%. The increase in the national pay award would be factored into the University’s budget.
- The Committee had decided to ask UEB to work to a budget of 2% for the senior salary review process.
- A report on the gender pay gap had confirmed that with a mean gap of 19.3% the University was in the lowest quartile in the Russell Group (range 17.1% to 26.5%).
- The updated CUC code on remuneration was imminently expected, and the next sector-wide accounts direction was still awaited from the OfS, but it was possible that these might require information to be published about the ratio of the Vice-Chancellor’s salary to the University median. However, as the Committee had already undertaken a review of its own policies and practices, the University was likely to be ahead of any recommendations arising from the revised code.
- Information had been received about severance payments made during the last year.
An update had been requested for the next meeting in respect of lifetime and annual allowance requirements for pension tax.

17-18/88  **In-Year Financial Performance**  
*[FOI exempt/commercially confidential]*

17-18/89  **Office for Students Registration**

Council received for information the following documents that had been approved by the Chair on its behalf before submission to the OfS:

(a) self-assessment of the University’s governance and management arrangements (C.17-18/77);
(b) self-assessment against guidance on consumer law protection (C.17-18/78);
(c) Student Protection Plan [including Policy for Refunds/Compensation] (C.17-18/79);
(d) Access and Participation Plan (C.17-18/80)

It was noted that feedback from the OfS on the University’s submission was still awaited.

17-18/90  **Business from Committees**

Business from the following committee meetings was noted and/or approved (C.17-18/81):

(a) Audit and Risk Committee: 23 February 2018  
(b) Finance Committee: 16 March 2018  
(c) Equality, Diversity and Inclusion Committee: 17 April 2018  
(d) Nominations Committee: 27 April 2018  
(e) Student Life Committee: 12 April 2018

Further to (d) above, it was reported that one of the Committee’s nominations for the award of an honorary degree (Kailash Satyarthi) had been withdrawn by the Director of External Relations following due diligence testing in respect of a pending court case.

17-18/91  **HEFCE Reports**

Council received for information the following HEFCE reports:

(a) annual assessment of institutional risk [*February 2018*] (C.17-18/82)  
(b) Prevent Duty: monitoring outcome [*March 2018*] (C.17-18/83)
**Unreserved Business from Senate**

Council noted the following unreserved business from the meeting of the Senate held on 8 May 2018:

- Postgraduate Research student outcomes *(C.17-18/84)*

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**Use of Seal**

Council approved the use of the Common Seal of the University *(details available in the Registrar and Secretary’s office)*.

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**Date of Next Meeting**

The date of the next meeting was noted as Wednesday 18 July 2018 (12:00).