

UNIVERSITY OF BRISTOL

Minutes of the 101st Annual Meeting of the University Court

Friday, 10 December 2010

Present:

The Rt.Hon. The Baroness Hale of Richmond (Chancellor) presided:

Mrs A Bernays (Pro-Chancellor), Professor Dame Carol Black (Pro-Chancellor), Dr JS Foulds (Pro-Chancellor), Sir James Tidmarsh (Pro-Chancellor), Dr JM Woolley (Pro-Chancellor), Mr Denis Burn (Chair of Council) Professor EJ Thomas (Vice-Chancellor), Professor D N Clarke (Deputy Vice-Chancellor), Mr Derek Pretty (Registrar), Professor L Hall (Pro Vice-Chancellor), and Mr JGH Wadsworth (Treasurer).

Prof J Adams	Dr M Crossley	Prof U King	Mr E Parsons
Dr E Albone	Evans	Mrs J Kirk	Prof M Partington
Mr D Alder	Mrs C Davies	Cllr B Knott	Mr B Pont
Miss S Ali	Revd E Davis	Prof S Knox	Prof G Pridham
Mr J Allen	Dr E Dermott	Canon G Kovoov	Mr M Punt
Mr G Ash	Prof R Dixon	Rt Rev D Lang	Prof D Quinton
Mr M Ashmead	Dr H Donoghue	Dr A Leggett	Ms T Rawlinson
Mr J Ashton-Bell	Dr F Duckworth	Cllr T Leimdorfer	Mr W Ray
Dr Ian Ashwell	Mr R Duffton	Dr J Littler	Mr J Richards
Mr R Babington	Prof J Eastham	Mr M Liversidge	Mr R Richards
Prof K Bailey	Mr C Embrey	Dr S Lyne	Prof W Richardson
Prof S Bann	Cllr S Emmett	Prof A Marsh	Ms L Robinson
Mr R Barlow	Mr S Face	Prof H Mason	Prof P Rogers
Mr N Barnett	Mr P Finch	Mr R Massie	Mr R Rossington
Prof Sir John	Ms H Galbraith	Mr P McCarthy	Prof R Sampson
Beringer	Ms S Gilbert	Mr J Medcraft	Mr N Sapsworth
Prof Sir Michael	Dr R Ginham	Mr L Menzies	Dr C Sawyer
Berry	Mr P Golding	Lady Merrison	Mr A Scott
Ms E Billington	Mrs LP Golding	Dr A Merry	Mr C Scowen
Dr D Birdsall	Dr S Goldsmith	Mr A Mezzetti	Mr M Seow
Mr S Biswas	Mr F Greenacre	Ms A Milln	Prof R Severn
Prof L Brady	Mr G Gregory	Mr J Miotla	Prof F Shaw
Prof E Braun	Mr C Gunter	Dr R Moore	Mr L Smith
Dr C Brown	Prof B Gyorffy	Ms S Morris	Dr V Smith
Mrs L Brown	Mrs P Hammond	Mr R Morton	Cllr D Speirs
Prof J Bryce	Dr R Hammond	Mrs B Moul	Prof J Steeds
Mr P Burling	Mr R Harding	Ms A Mughal	Ms A Stephenson
Mr C Burns	Ms V Hartley	Mr G Mullan	Mr T Steward
Mrs A Burnside	Cllr P Hassell	Mr J Munford	Prof F Stone
Dr B Carroll	Dr L Henderson	Mr J Napier	Dr M Symes
Mr C Chapman	Prof R Hodder-	Mr S Neck	Prof R Thomas
Cllr J Clark	Williams	Mr A Nield	Dr J Thompson
Mr D Clarke	Mr A Hollingsworth	Mr A Nikonovas	Dr S Thorn
Prof D Clements	Mr M Jeans	Sir Peter Norriss	Cllr S Townsend
Dr A Collins	Prof M Johnson	Mr B Omar	Mr R Tucker
Prof N Connelly	Dr M Kellaway-	Prof C Orchard	Mr S Vause
Mr P Coombs	Marriott	Mr A Palmer	Prof B Vincent
Mr R Cross	Cllr L Kew	Mr M Parry	Mr K Walton

Prof P Warren	Prof C Wells	Ms A Wilson	Alderman M Withers
Prof R Warren	Mr R Willis	Mr B Wilson	Dr M Wright
Dr D Watkins	Mrs P Willoughby	Mrs L Wilson	

The Chancellor welcomed members to the meeting and reported receipt of apologies for absence.

MINUTES

1. The minutes of the annual meeting held on 11 December 2009, which had been printed and circulated, were, subject the addition of Mr J W Richards to the list of attendees, CONFIRMED.

MATTERS ARISING

(a) Update on the Residential Strategy

RECEIVED: A report by the Registrar, Mr Derek Pretty, setting out an update on progress with implementation of the University's Residential Strategy.

Court, at its meeting in December 2009, had received a detailed presentation from staff who were leading the Residential Strategy Programme. This year's report provided an update on developments and progress made during the past 12 months.

Mr Clive Scowen, Convocation, thanked the Registrar for his report and explained that he and other colleagues, who were also members of Court, had welcomed the news of Dr Crossley Evans' appointment as Head Warden as this signalled to them that the University was committed to delivering an excellent programme of pastoral support within its residences.

Mr Scowen queried whether, in light of the current financial climate, a large-scale redevelopment of the Stoke Bishop site would still be a possibility. The Registrar confirmed that the University's current capital budget did include provision to increase the overall number of student beds in Stoke Bishop, although it would clearly be important to monitor and respond to any significant fluctuations in student numbers over the coming years, particularly once tuition fee changes had come into effect. In addition, the University had developed, and would shortly be initiating, a major maintenance programme for all of its residences, beginning with those sites which were in greatest need. It was hoped that over the coming years, all of the residences would receive maintenance funding from the capital budget.

The introduction of a new dedicated bus service between Stoke Bishop, the University precinct and the University of the West of England had been a significant step forward in terms of implementing the Student Transport Plan. This had been a priority request from the students and early feedback from them about the service had been extremely positive, with over 1,000 students per weekday making use of the service.

Concerns from a number of local residents about student noise in the vicinity of the bus stop on Saville Road at the start of term had been taken seriously by the University with additional security staff employed and disciplinary action taken where appropriate. The University was also discussing with the Traffic Commissioner the withdrawal of the final service of the day on the three days per week (Tuesday to Thursday) when the service operated late in the evening. A review of the location of the temporary stop was being undertaken with officers and councillors of Bristol City Council with the

objective of minimising the disturbance to neighbours whilst protecting the safety of students.

Despite the challenging economic climate, the University had been able to move forward with its investment plans for residences. The new acquisition of property in Colston Street, which was due to open in 2011, would provide an additional 121 bedspaces. The exterior and the internal (residential) areas at the Hawthorns had also been refurbished to include new windows, an upgraded heating system, redecoration and the complete renewal of furniture and fittings to study bedrooms, kitchens and bathrooms.

In response to a query from Steven Vause, Convocation, about the University's relationships with external third party accommodation providers, the Registrar explained that the University had various contracts with external providers, most notably, UNITE. The most significant UNITE contract being for the provision of 400 student beds in UNITE House. This key contract would end in 2013 and the terms of any future UNITE contracts would need to be considered very carefully and assurances about service levels for Bristol students would be sought.

In response to a query from Dr David Birdsall, retired Head of Aerospace Engineering, the Registrar confirmed that a key objective of the Residential Strategy was to reach a point whereby the residences were self-funding and generated a surplus which would fund any general maintenance/refurbishment costs. The costs of providing additional bed spaces, however, would be met from the University's central funds wherever possible.

(b) Electronic Court Papers

Members were reminded that they could contact the Clerk should they wish to receive electronic rather than hard copy Court papers and/or minutes.

CHANGES IN MEMBERSHIP

2. RECEIVED FOR INFORMATION: A list of changes in membership since 11 December 2009.

REVIEW OF THE YEAR 2009/10

3. RECEIVED: The Annual Report from Council to Court 2009/10.

The Chancellor introduced the Review of the Year to Court. She began by thanking the Vice-Chancellor for his excellent presentation earlier in the day and for instilling such confidence in members of Court. The Chancellor was confident that he and his senior team, despite the significant turbulence and financial challenge, were clear about and focussed upon the direction in which they wished to steer the University. The Chancellor congratulated him on his recently announced appointment as the President-Elect of Universities UK. This appointment, which would begin in 2011, would be highly important in terms of raising Bristol's profile.

The Chancellor went on to thank the following members of the senior team, all of whom would be retiring from the University during 2011. All had made a massive contribution to the University over many years. The Chancellor wished them all well in their retirements.

Mr Derek Pretty, Registrar and University Secretary

Mr Pretty had been the University's Registrar since August 1999 and subsequently had also become the University's Secretary. During this time, Mr Pretty had been responsible for all of the professional administrative and support service activities within the University. The Chancellor thanked Mr Pretty for being such an astute and energetic Registrar and for all that he had given to the University over many years.

Professor Avril Waterman-Pearson, Pro Vice-Chancellor

Professor Waterman-Pearson had worked at the University for almost thirty years. Beginning in 1981 as a Research Associate, she then became a Professor of Veterinary Anaesthesia in 1997 before becoming a Pro Vice-Chancellor with the Education portfolio in 2006. Professor Waterman-Pearson had presented and reported information about a very large range of student and education issues to Court on many occasions and Court had been extremely grateful for these informative accounts.

Professor Len Hall, Pro Vice-Chancellor

Professor Hall had also worked at the University for almost thirty years, beginning as a New Blood Lecturer in Biochemistry before being promoted to the position of Professor of Molecular Genetics. He became Dean of the Faculty of Medical and Veterinary Sciences in 2004 before becoming Pro Vice-Chancellor with the Personnel and Staff Development portfolio in September 2008. The Chancellor thanked Professor Hall for the service that he had given to the University in his various roles.

The Registrar then drew Court's attention to the Review of the Year. He stressed the importance of reading both the Review of the Year and the Annual Financial Statements alongside each other. The Review of the Year was an important document as it provided the University with an opportunity to demonstrate how it delivered public benefit. There was a great amount of detail about the University's activities and about the student experience which Court members were encouraged to read.

The new Chair of Council, Mr Denis Burn, then presented the Annual Review for the session 2009/10 to Court and highlighted some of the principal initiatives taken by Council during the year. (A transcript of Mr Burn's address is attached to the minutes at **Annex A**).

Mr Burn paid tribute to the Vice-Chancellor and his senior team for their excellent leadership throughout what had been a year of significant challenge and change. Mr Burn reflected that during such difficult times, the role of Council became even more important. Council was committed to do all that it could to ensure that the University remained focused on its long-term goals whilst safeguarding its immediate future. While Council was very aware of the threats and challenges, it also recognised that this presented a time of considerable opportunity for the University. Council's role over the coming year would be to understand, to challenge and to support the Vice-Chancellor and his team in making important and long-term decisions about the future of the University.

Mr Burn expressed thanks to all Council members for their continued commitment and support, in particular those four members who had retired or

would be retiring during the year: Mr Chris Curling, Mr John Bramhall, Mr Tim Stevenson and Mr Tim Ross.

In closing, Mr Burn reflected upon the key challenges that he felt the University would need to tackle during the coming year, these included: meeting the expectations of students who may be paying much higher fees to study at Bristol; reducing the cost base of the University; widening access to study at the University; building even stronger links with business; further developing the University's national and international profile; and investing in existing and new buildings, all with less available cash. Mr Burn expressed confidence that the University was well placed to respond to these challenges. The University's aspirations remained firmly in place and the Council fully understood the need to challenge what the University did and how it did it so that it could continue to succeed in a very different environment.

The Chancellor, on behalf of Court, thanked Mr Burn for his informative and inspiring address and congratulated him on a very successful first year in the role of Chair of Council.

In response to a query from Mr Clive Scowen, Convocation, the Deputy Vice-Chancellor assured Court that the University's decision to close its BSc in Deaf Studies had been taken entirely on academic grounds and had been based upon a thorough and carefully undertaken equality risk assessment. The Deputy Vice-Chancellor went on to confirm that the University had no current plan to terminate the employment of key staff in the Centre for Deaf Studies, or indeed to close the Centre. Inevitably, it would be necessary to make reductions in the numbers of staff who currently taught on the BSc programme but core research in that area would continue. Following an academic review, the School of Applied Community and Health Studies had been closed as a School and the various components of the School had been relocated, primarily to the School of Policy Studies. The Centre for Deaf Studies would also be relocated to a School and it would be necessary to undertake a further review of the Centre to identify which School it would be best placed within.

Robert Duffton, Deputy Chair, Convocation, invited the Registrar to consider whether the information presented in the Annual Review about delivery of public benefit could be expanded next year to describe the impact of the University's activities upon the public. The Registrar thanked Mr Duffton for his helpful comment which would be borne in mind when the Annual Review was drafted in 2011.

Eric Albone, representative of the Royal Society of Arts enquired about the prominence that the University had placed on its role on the global stage, and how the Vice-Chancellor envisaged Bristol's international role developing in future. The Registrar responded by encouraging members of Court to view the University's new global webpage (<http://www.bris.ac.uk/global/>) which would be launched later that week. Much effort and research had gone into developing these webpages, the aim of which would be to make Bristol both visible and understandable on a world-wide basis.

The Vice-Chancellor reminded members of Court that Bristol was a founder member of the Worldwide Universities Network and that he had now taken up the Chair of the Council for Advancement of Science and Education (CASE)

(Europe). He was also a Board member of the North American CASE Board. The University's international academic links were very extensive and expanding all the time. One area that the Vice-Chancellor felt the University might consider developing in future was further internationalisation of its curricula to better prepare its students for the global world.

Michael Jeans, Convocation, congratulated the University on raising £53m from its Centenary Campaign. He enquired whether more emphasis on this fundraising success could be made within the Annual Review and/or the Financial Statements. The Registrar stressed that fundraising and donor income was incredibly important to the University and drew members' attention to page 27 of the Annual Review which highlighted the Centenary Funds raised and listed the names of those who had donated money. HEFCE was, however, very prescriptive of the format and content of the Annual Review and the scope of the document's page count would make it difficult to expand this section further.

Caroline Brown, Convocation, enquired about the extent to which a change in tuition fee levels might enable the University to have greater freedom about the number and demography of students that it could accept each year. The Vice-Chancellor began by clarifying that currently the University could accept as many overseas students as it wished. It was his expectation that Bristol's undergraduate student numbers (i.e. those receiving financial support from the Government) would continue to be capped at the current levels. The rate-limiting factor in terms of undergraduate numbers would be the level of the Government's financial support funding for undergraduate students. Currently, the Government was obliged to provide financial support (maintenance grants/loans) for any student who attended a UK University and it was unlikely that the Government would be in a position to increase or extend this financial support in the foreseeable future.

Mike Kellaway-Marriott, North Somerset Council, invited the senior team to outline to Court information about the University's involvement with renewable energy technology and research and also about renewable energy installations within the University's estate. The Vice-Chancellor explained that the University's academic endeavour in relation to renewable energy was vast and too wide-ranging to cover during the meeting. There was, however, a wealth of information about this on the University website.

The Bursar, Mr Patrick Finch, outlined some of the key sustainability initiatives that the University was implementing across the estate. The Estates Division was currently looking at the entire energy saving agenda, including the use of renewable energy. Examples of work being undertaken included the introduction of solar electricity panels on the roof of the new National Composites Centre building, and possibly similar installations on other University buildings. The University had put much effort into generating power through Combined Heat and Power (CHP) plants. Although CHP plants were powered by gas or oil, they had a significant impact in terms of reducing the University's energy consumption and its reliance on the commercial energy markets. There were currently three CHP units in operation across the University estate and the University was considering proposals to introduce more, for example as part of the refurbished Queen's Road building, which housed the University of Bristol Students' Union.

The University was undertaking a £1.7m project aimed at reducing its overall electricity use through voltage optimisation. As well as delivering a significant carbon reduction, the University hoped that this bid would reduce its annual electricity bill by about £500k. A whole raft of other initiatives were being implemented, including improving boiler efficiency, better insulation, and more efficient energy use in new and refurbished buildings. The University had ring fenced approximately £20m within its capital programme to address the sustainability agenda.

Judith Bryce, Emeritus Professor, asked the senior team whether, in an attempt to minimise staff anxiety about job changes and/or losses, the University was in a position to be more explicit about the number of planned job losses.

The Registrar explained that a cost reduction plan was in place across the Support Service divisions and the aim was to reduce support staff numbers by approx 120 posts, although in the event that government funding cuts were more severe than envisaged, this number might have to increase. There was a voluntary severance scheme in place and it was hoped that the majority of job losses could be dealt with on a voluntary basis.

The Deputy Vice-Chancellor, Professor David Clarke, spoke in respect of the academic staff and explained that in response to the funding cuts announced by the Labour Government and the general downturn in the economy, the University had sought to reduce the growth in academic staff numbers. This growth had been consistent over the past decade and the University could no longer afford to allow this to continue. Each Dean had been asked to identify ways in which growth in staff numbers within their faculty could be controlled and/or reduced. The majority of job losses had been dealt with via voluntary redundancy or early retirement packages. The University had worked closely with the campus trade unions in seeking to avoid compulsory redundancies wherever possible. Academic posts tended to be less generic than support service roles and re-deployment of staff was often more difficult. As the University had sought to find the most appropriate establishment for each academic discipline, there had been a number of areas identified where it had been necessary to make compulsory redundancies. Although highly regrettable, the numbers had been relatively small.

RESOLVED: *that the Annual Review 2009/10 be received.*

ANNUAL REPORTS AND FINANCIAL STATEMENTS 2009/10

4. RECEIVED: The University's Annual Report and audited Financial Statements for the session 2009/10.

The Treasurer, Mr James Wadsworth, presented the University's Annual Report and the audited Financial Statements. He began by expressing personal thanks to Mr Derek Pretty, Registrar, for the advice and support that he had given to him since he had taken up the post as University Treasurer and for the leadership and support that Mr Pretty had given to the University's finance team and the other excellent support services teams that Mr Pretty had built across the University.

Mr Andy Nield, Finance Director, then presented an overview of the University's financial position. He began by informing Court that 2009/10 had

been a very positive year for the University in terms of financial results. For 2008/09, the University had recorded a deficit (pre exceptional charges) of ca. £1m compared with a surplus (pre exceptional charges) of £10m for 2009/10. The improvement had come from a number of sources: the very positive outcome of the Research Assessment Exercise which had significantly increased the level of research funding grant that the University received from HEFCE; significant contributions from the cost saving initiatives that the University had put in place (controlling staff numbers for example); and growth in student numbers. The operating surplus (before exceptional items) of £10m was also an improvement on the £8m that had been budgeted for the year 2009/10.

An exceptional charge had been made in the accounts in respect of the costs associated with restructuring both academic and support staff activities. In 2008/09 a charge of ca. £3m had been made and in 2009/10 a charge of £7.5m had been made. The aim of the programmes was to reduce the University's future overall operating costs base, particularly in support services activities.

Cash flow generated from operations in 2008/09 had been £20m; this had almost doubled to £38m in 2009/10. The net asset value of the University was just over £500m, the key component of this being the value of the University's estate portfolio.

Pensions had been a major agenda item for the University over the past 12 months and would continue to be for some time. The University of Bristol Pension and Assurance Scheme (UBPAS) had recently been subject to a triennial actuarial evaluation and as at July 2009, the UBPAS Trustees had concluded that the Scheme had a deficit of £89m. UBPAS' assets had been valued at ca. £120m and liabilities at over £200m. Following a rigorous process by the UBPAS Trustees, including a formal review of the strength of the University's financial covenant, a 20 year recovery plan had been agreed whereby the University would inject an additional £5m into the Scheme each year to reduce the deficit (it normally paid only £5m per year into the scheme). In view of its positive year-end cashflow situation, the University had made an advance contribution of £9m into UBPAS.

A critical change to UBPAS during the year had been the measures taken by the University to reduce the level of risk and cost associated with the scheme. This involved a very challenging yet constructive consultation period with the trades unions and with staff. The outcomes of this consultation had been: closure of the scheme to new members, with the provision of an alternative defined contribution pension scheme; and benefits for existing UBPAS members remaining unchanged although the level of employee contribution to the scheme had increased.

The University's other main pension scheme was the Universities Superannuation Scheme (USS). This was a sector-wide scheme, with Bristol representing only ca. 2% of it. A national consultation about a series of proposed changes to USS was currently being undertaken, the aim of which would be to manage the costs and risks associated with the scheme. Mr Nield clarified that although there was a significant deficit relating to the scheme, current accounting rules did not require the University to disclose its share of the deficit on its balance sheet.

The University had long-term borrowing facilities of £250m, of that £190m had been drawn down and the remainder would be drawn down in March 2011. During the year both Council and HEFCE had approved the lifting of the University's imposed net debt limits so that the University could make full use of its borrowing facilities, which were a key component of financing its capital programme.

The Finance Director then moved on to consider prospects for 2010/11 and beyond. The University had budgeted delivery of an operating surplus of £5m for the year, including a £5m contingency. The University did not yet have certainty over HEFCE's funding for the year but had anticipated a significant reduction. HEFCE would not be able to confirm its funding levels until the New Year.

Both overseas undergraduate and postgraduate student numbers had increased significantly over the year and the associated income had also increased over and above that which had been budgeted.

If the cap on home undergraduate tuition fee levels was lifted, it would not be effective until 2012/13 and at that point would apply only to new students. The full impact and increase in income would not, therefore, be realised until ca. 2017/18. Alongside this, there would be significant reductions in the HEFCE teaching grant (from nearly £4bn to £0.7bn) by 2014/15. This mismatch in timing could present challenges to the University and until the quantum of funding reductions, widening participation regulations and confirmation of tuition fee levels had been confirmed the University would operate in a very uncertain financial environment.

The University's current financial strategy, which had been developed approximately 18 months ago, was based on the financial climate as it was understood at the time. It included an assumption that HEFCE funding would remain flat. The senior team, at that point, had concluded that the University needed to achieve a £15m per year financial improvement by 2012/13 in order to generate sufficient funds to enable a capital programme to move the University forward at an appropriate pace. The University had calculated that it needed to spend ca. £25m per year on capital projects just to maintain its current level of activity.

In summary, much progress had been made towards achieving the required financial improvements. Student numbers had continued to grow, savings of ca. £3m had been made through the initial voluntary severance programme in 2009 and significant progress had been made in terms of restructuring academic units and the Support Process Review over the past year.

Other increasing financial pressures included: ongoing pay awards, promotions and incremental drift; the planned VAT increase in early 2011; introduction of the Carbon Reduction Tax, and significant reduction in research funding from various sources.

Having considered the issues in detail, and having taken account of the huge level of uncertainty surrounding future funding levels, the senior team had concluded that a capital programme funding envelope of £400m over the next 10 years would be appropriate for the University. A key component of the capital programme going forward would be investment of £50m in a new Life Sciences Building for the University.

In response to a question from Peter Warren, Emeritus Professor, Mr Nield confirmed that the University was paying an average interest rate of ca. 5.3% on its Barclays loans. In the senior team's judgement, this rate remained below that which could be achieved in the financial markets today. Members were reminded that the loans had a 30-40 year term.

Alice Merry, Convocation, queried whether the University was committed to draw down the remainder of the Barclays loan in 2011. Mr Nield confirmed that the University was committed to doing so. He explained that having taken into consideration the confidence that the University had in being able to service the debt, and given the strategic importance of the funds for investment in capital projects, the loans remained a very attractive source of funding.

Although there was a short-term mismatch in terms of the interest rate levels that the University was receiving on its cash and short-term investments and that which it was paying out on the long-term loans. This was considered to be a reflection of short-term market conditions and should not be used as a long-term judgement on the value of the loans as a financing package. Members were reminded that for the first two years of the loan, the University was making a net gain in interest payments. The overall objective, however, was to invest the money into key University projects, for example, through the Life Sciences Building.

Malcolm Johnson, Emeritus Professor and representative of the Academy of Social Sciences, commented that final salary pensions schemes had been and would continue to be very attractive to staff. He expressed concern that any move to a defined benefit scheme would translate into a significant reduction of future benefits to current employees. In view of this, he asked whether the University had considered introducing a "pensions holiday" in an attempt to mitigate loss of benefits for staff.

Mr Nield explained that the new defined contribution scheme for new staff had been structured so that the University would contribute the equivalent of ca. 14% of pensionable salary to the scheme, which was broadly comparable with the University's contribution to UBPAS. The key objective of the changes had been to alter the risk profile of the scheme, which was significantly important as the schemes were very large in relation to the financial size of the University. The University simply did not have the ability to take on this level of risk.

The position was different for USS, which was a much bigger scheme upon which the University was not empowered to dictate changes. The current USS consultation covered proposals which would maintain the benefit structure broadly as a final salary scheme. The significant difference would be for new entrants who would be offered a career average rather than final salary scheme.

Councillor Sean Emmett, Council of the City and County of Bristol, echoed Malcolm Johnson's concerns. He went on to ask what steps the University was taking to manage the pensions deficits. He noted that Mr Nield, in his earlier presentation, had reported that the overall USS deficit was in the region of £7bn. The University's 2% share of this meant a potential liability of £150m for the University. Councillor Emmett asked whether the University

had a joint and several liability to all stakeholders in the USS scheme, and whether there were other, less-robust institutions involved in USS which if unable to meet their USS financial commitments, could leave the University of Bristol in a position where it was bound to meet additional costs.

Mr Nield explained that USS was structured as a Mutual Scheme and so did not have individual conditions for individual employers. If there were defaults by individual employers, financial liability would fall upon all other employers who were still part of USS. Mr Nield was optimistic that the proposals to change the USS benefit structure, including the introduction of career average arrangements for new entrants, would de-risk the scheme to an extent but nevertheless it remained a major concern for the University. The Vice-Chancellor suggested that Court could take some reassurance from the fact that USS, as a relatively immature scheme, (i.e. it had a large number of relatively new entrants) was expected to remain cash flow positive for at least another 15 years.

Chris Burns, Convocation, asked for clarification about how the University was managing and de-risking movement in the level of the UBPAS assets.

Mr Nield outlined that UBPAS assets were invested in a portfolio of: UK and overseas equities; government bonds; UK corporate bonds; and property and hedge funds. This was a classic pension portfolio aimed at delivering a mixture of return-seeking and defensive investments. The UBPAS Trustees had made some radical changes to the investment strategy over the past 12 months. The Trustees had moved from a single investment manager to a series of new investment managers. This included a significant passive investment portfolio with Legal & General and a dynamic asset investment fund run by Barings. The Trustees were continually looking at the balance of assets and liabilities. Whilst moving a substantial proportion of the portfolio into bonds would provide a better matching against liabilities, the relatively poor funding position of UBPAS made this unattractive currently.

In response to a further question from Mr Burns, Mr Nield explained why he had considered that the £13m Profit and Loss surplus would generate extra cash of £25m. The Income and Expenditure account included a net charge for depreciation, which was a measure of the use of assets during the year but was a non-cash charge, and so, all things being equal, one would expect the cash generated to be higher than the surplus.

Judith Bryce, Emeritus Professor, invited the Deputy Vice-Chancellor to explain how the University proposed to meet the outstanding requirement to reduce academic staff costs.

The Deputy Vice-Chancellor confirmed that the University had set out with a target of saving ca. £9m in academic staff costs. At the year end, savings of £6m had been identified and substantially achieved; the process for identifying the remainder was well underway.

Bristol's staffing costs were noted to be amongst the highest in the Russell Group. From March 2007-March 2009, core staff numbers had increased by 2% and the cost of employing them had increased by 19%. The Vice-Chancellor re-iterated that this cost structure was unsustainable and the University was doing everything possible to achieve the necessary savings through natural staff turnover and/or voluntary redundancy or early

retirements. Compulsory redundancies would only be used when there was no practicable alternative.

Dr Vincent Smith, Convocation, commented that pensions and pay were interrelated and changes to both would impact upon University staff. He urged the University to consider the issues associated with pay and pensions alongside each other.

ELECTION OF SIX LAY MEMBERS OF COUNCIL

5. RECEIVED: Brief background information about the six people nominated by the Nominations Committee of Court (Dr Moira Hamlin, Dr John Manley, Mrs Dinah Moore, Mr David Ord, Mr Mohammed Saddiq and Ms Victoria Stace).

The Chancellor expressed thanks on Court's behalf to the following lay members of Council who had retired during the year or who would be retiring at the end of the year. All four members had dedicated many years service to the University and their valuable contributions to debate at Council had been much appreciated.

The Chancellor wished them all well in their retirements:

Mr John Bramhall was first elected to Council in January 2002. As well as serving for nine years on Council, Mr Bramhall had served on the Finance Committee and the Nominations Committees. He was Chairman of the Information Services and Systems Committee, a member and past Deputy Chairman of the Redundancy Committee, and a member of the Audit Committee, the Student Affairs Committee and the Risk Strategy Group.

Mr Tim Ross was first elected to Council in January 2002. As well as serving for nine years on Council, Mr Ross had been Chair of the University's Health & Safety Committee, and a member of the Ethics of Research, Estates and Audit Committees.

Mr Chris Curling was first elected to Council in January 2005. As well as serving for six years as a lay member of Council, Mr Curling had been a member of the Estates Committee and the Finance Committee, the University's Enterprise Advisory Board and the Engaged University Steering Group.

Mr Tim Stevenson was first elected to Council in January 2003. As well as serving for seven years on Council, Mr Stevenson had also served on the Finance Committee and until he retired in February 2010, was Chair of the Estates Committee.

The Chair of the Nominations Committee of Court, Sir James Tidmarsh, presented his report.

Mr James Wadsworth proposed the collective motion that each of the six candidates be elected. Dr Stuart Goldsmith seconded the motion. The individual names of nominees were put to the vote and it was RESOLVED that all six candidates should be invited to serve as follows:

Dr Moira Hamlin (appointment to 31 December 2013)
Dr John Manley (appointment to 31 December 2013)

Mrs Dinah Moore (reappointment to 31 December 2013)
Mr David Ord (reappointment to 31 December 2013)
Mr Mohammed Saddiq (appointment to 31 December 2013)
Ms Victoria Stace (appointment to 31 December 2013)

ELECTION OF TREASURER

6. Mr Denis Burn proposed Council's nomination of Mr James Wadsworth as Treasurer. The Vice-Chancellor seconded the motion.

It was RESOLVED: *that Mr James Wadsworth be appointed Treasurer for a period of one year to 31 December 2011, in accordance with Statute 8.*

APPOINTMENT OF AUDITORS

7. Council's nomination of PriceWaterhouseCoopers LLP as Auditors for the current year was proposed by Mr James Wadsworth and seconded by the Vice-Chancellor.

It was RESOLVED: *that Messrs PriceWaterhouseCoopers LLP be reappointed as Auditors to the University for the current year.*

GOVERNANCE ISSUES

8. **Changes to Statutes and Ordinances made during the year ending 31 July 2010**

RECEIVED FOR INFORMATION: a report of Statute and Ordinance changes made in the period 1 August 2009 to 31 July 2010.

The report outlined in detail amendments that had been made to the following Statutes and Ordinances (a report detailing the approved amendments is attached to the minutes at **Annex B**):

Introduction of the Title 'Emeritus Dean': Statutes 2, 11, 17 and 21

This amendment was made to permit the award of the title Emeritus Dean to colleagues who had served as Deans at the University but who had retired from the University without having been awarded the title of Professor, and to assign them the same status as Emeritus Professors.

University of Bristol Students' Union's Membership of University Council: Statute 15

This amendment had been the result of a restructure of the University of Bristol Students' Union's (UBSU) representation systems, and, in particular, of changes to its postgraduate representation mechanisms. The Students' Union had reported that it had become increasingly difficult to fill the postgraduate officer post in the Students' Union, largely because postgraduate students did not feel that they had the time to commit to this role on top of their studies. In view of this, the Students' Union had proposed instead to appoint two elected Union officers who would represent all students, both undergraduate and postgraduate.

Amendment of the term "Non-Academic Staff" to "Support Staff": Statutes 11 and 15 and Ordinances 4 and 5

This change had been made to align the Statutes and Ordinances with the terminology used by the Personnel and Staff Development Division. The term 'Non-Academic Staff' had become out-dated.

Replacement of the “Staff Committee” with the “Personnel and Staff Development Committee”: Ordinances 26, 28, 29, 30, 31, 32 and 33

This had been a technical amendment made to reflect current practice.

Re-designation of University Academic Departments as Academic Schools: consequential amendments to Statutes 19, 21 and 22 and Ordinances 6, 8, 9, 10, 12, 25, 27, 28, 29, 30, 31, 33 and 35.

The last 10 years had seen three significant developments across the University;

- (a) A reduction in the number of academic departments (only 26 from 1 August 2010) with the majority of them now styling themselves as ‘School of x’.
- (b) A large number of academic departments had merged into Schools that contained a number of distinct academic disciplines.
- (c) Following the creation of such Schools in recent years, distinct areas of academic activity within those Schools had become Primary Units but had been permitted, for various good academic reasons, to retain the title ‘Department’. As a result, the University would have had, if it had not changed, more Primary Units known as ‘Departments’ than academic departments within the Ordinances styled as ‘Departments’.

It therefore seemed sensible that all academic departments within Ordinance 8 should be known as Schools. Primary Units (or a group of Primary Units) within Schools may be styled as a ‘Department’ if a distinctive academic discipline constitutes the Primary Unit(s) concerned; but there was no requirement whatsoever for Primary Units to be known as Departments if that remains inappropriate or undesirable.

Mr Clive Scowen, Convocation, expressed concern that the new definition of the term “Appropriate Manager” was ambiguous and could lead to staff being unclear about who their “Appropriate Manager” would be in the event of a complaint, grievance or other personnel issue. The Personnel and Staff Development Director explained the Ordinance had been re-drafted in such a way that it was relevant to both academic and support staff, and that it had not presented any problems or confusion since it had been implemented. Mr Scowen’s concerns were noted and it was agreed that the Director of Personnel and Staff Development would discuss this matter with Mr Scowen outside of the meeting.

Michael Liversidge, Convocation, noted that History of Art had been removed from the list of subjects offered by the Faculty of Arts. The programme was still delivered within the Faculty but had been subsumed within Historical Studies. It was agreed that the Deputy Vice-Chancellor would ensure that the University prospectus made it clear to prospective students that the University did in fact offer a History of Art programme.

The University of Bristol Students’ Union: Amendments to Ordinance 24

The Union had been incorporated as a charitable company limited by guarantee on 30 July 2009 and the unincorporated association had subsequently transferred its charitable undertaking to the company. The Union staff, who had previously been employed by the University, became employees of the Union. Prior to incorporation, the Charity Commission approved the Memorandum & Articles for charitable registration when

students' unions lost their exempt status. As a condition of approval, the Charity Commission required the deletion of Clause (3.4) of the Students' Union Memorandum:

The objects of the Union are the advancement of education of students at the University of Bristol for the public benefit by:

3.4 any ancillary or incidental charitable activities for the benefit of the community.

The Charity Commission had taken the view that clause 3.4 was potentially not charitable and should be deleted. On advice from the University's solicitors that the activities envisaged under clause 3.4 were in any event encompassed by the preceding objects, this deletion was agreed by Council in February 2010. The University was also advised to replace the term 'student members' with 'members' (in clauses 3.1 and 3.3). In order for Ordinance 24 to be consistent with the Memorandum and Articles. Council, at its meeting in October 2009, approved the corresponding changes to Ordinance 24.

Summary of Academic Awards: Changes to Ordinance 19

The proposed amendments to the list of Academic Awards offered by the University had been proposed by the relevant faculties and endorsed by Education Committee, Senate and Council.

APPOINTMENT OF PRO-CHANCELLOR

9. In accordance with Statute 4, Court is required to appoint Pro Chancellors on the nomination of Council.

RECEIVED: a paper outlining a proposal for the re-appointment of Sir James Tidmarsh, Professor Dame Carol Black and Dr James Foulds as University Pro Chancellors.

It was RESOLVED: *(i) that Sir James Tidmarsh and Professor Dame Carol Black both be re-appointed as Pro-Chancellors for second three-year terms until December 2013.*

(ii) that Dr James Foulds, in view of the exceptional work that he was undertaking on the University's behalf, be re-appointed by Special Resolution as a Pro Chancellor for a seventh year until December 2011.

ANY OTHER BUSINESS

10. No other business was raised.

DATE OF NEXT ANNUAL MEETING

11. It was noted that the most likely date for the next annual meeting would be Friday 9 December 2011. Details would be confirmed in the meeting notice to be issued to members in November 2011.