

AR/2005/544

LANCASTER UNIVERSITY

Minutes of a meeting of the Council
held on 17 June 2005

PRESENT: Mr B. Gray (in the chair), Vice-Chancellor, Mr D. Brockbank, Councillor A. C. Bryning, Mr P. R. Elliott, Mr R. Emslie, Mr M. Freeman, Mr M. Hart, Professor S. Henig, Mrs C. T. Hensman, Mr S. Hogarth, Mr G. Johnson, Professor M. W. Kirby, Dr M. M. Lee, Mr S. A. J. Leyton, Mr H. Morris, Mr R. A. Neal, Dr C. C. Park, Mr K. Royales, Mr T. Shepherd, Mr B. Sneddon, Professor K. J. Stringer, Mr R. Turner.

IN ATTENDANCE: Miss F. M. Aiken, Mrs M. E. McClintock, Professor R. Macdonald, Professor R. D. McKinlay, Mr A. C. Neal, Ms V. Robertshaw, Ms C. Simpson, Mr M. Swindlehurst, Ms V. Tyrrell, Ms V. C. Walshe, Mr A. Whitaker.

APOLOGIES FOR ABSENCE: Professor A. G. Chetwynd, Professor C. Cooper, Mr H. Dawson, Mr A. Dick, Mr J. C. Dunning, Mr G. Middlebrook, Mr R. O'Brien, Professor P. Rowe, Professor D. B. Smith.

CO.05/38 Departing members

The Pro-Chancellor, on behalf of the Council, thanked the following persons for their services to it:

Mr M. Freeman
Professor R. Macdonald
Mr R. A. Neal.

CO.05/39 Presentation: Director of Finance and Resources and University Secretary

Document: AR/2005/506

Mr Neal and Miss Aiken gave a presentation about the administration of the university in which they emphasised *inter alia*:

- (a) the support given to the core purposes of the university;
- (b) the increased weight of regulation and legislation with which the university had to comply;
- (c) the consistent process of improvement by both divisions and the intention to streamline and simplify wherever possible;
- (d) the use of technology wherever possible, including the linking of databases;
- (e) the interface between interdependence with or control over other parts of the university;
- (f) the need for better management information and for improved communications.

In discussion the following points were amongst those made:

- (A) that the university might seek to be a leader in certain legislative areas rather than meet the threshold of compliance;
- (B) that good administration visibly improved the university in some areas, whilst in others it should be invisible.

Professor McKinlay briefly indicated the actions that were being taken in response to Lancaster's disappointing position in recent league tables, including the quality of the data submitted to HESA, and a serious examination of entry requirements and of Lancaster graduate employment. On the matter of adverse staff:student ratios, the Council was reminded that recent tables covered 2002-03, since when further staff had been recruited. There was also an issue about to define both students and staff who teach.

The Council Resolved:

- (i) to receive the presentation and thank Mr Neal and Miss Aiken for it;
- (ii) to ask Professor McKinlay to make a further report on action relating to the league tables at a subsequent meeting.

CO.05/40 Minutes: 18 March and 29 April 2005

Document: AR/2005/479

THE COUNCIL RESOLVED to approve the records of the meetings held on 18 March and 29 April 2005.

CO.05/41 Matters arising

Documents: AR/2005/488 and AR/2005/482

THE COUNCIL RESOLVED to receive and note:

- (i) the report on matters arising;
- (ii) the rolling schedule of business as at June 2005.

CO.05/42 Effectiveness review: action arising

Document: AR/2005/434

THE COUNCIL RESOLVED:

- (i) to approve the actions set out in an attached report for implementation from October 2005;
- (ii) to invite members to give informal feedback on the operation of the revised arrangements for the Council to Mrs McClintock.

CO.05/43 Corporate governance

Documents: VC/05/R053; VC/05/R054 and Appendices; VC/05/R049

The University Secretary indicated that plentiful feedback had been received on the basis of the paper on corporate governance circulated internally, although she had been disappointed at the level of response from Council members. The issue being addressed at present was whether the consultative paper should be issued to external parties, including Court, the Chancellor, the Duchy of Lancaster, the City of Lancaster, and the LU Alumni Association. Council members were reminded that, if they were satisfied with the proposals, they should say so, and give a full picture of Council's wishes.

In discussion the following points were amongst those made.

- (a) A member expressed concern that the Council had not yet had a substantive debate on the proposals and asked that a detailed discussion take place at the October meeting of the Council.
- (b) Members indicated some reasons why they had not replied and expressed concern about uncertainty relating to the point the process had reached, and the extent to which revised drafts of the consultative paper were picking up the points made in discussions and feedback elsewhere.
- (c) A member suggested that a draft of the covering document that would accompany the consultative paper at its next circulation might have been made available to the Council, since that would need to reflect, for example, areas which the working party itself had not fully resolved.
- (d) Another member noted that a measure of increased transparency about what point the debate had reached was likely to affect the responses, since the scope for misunderstanding was large, especially within the external community. The Council was told the intention was that all persons or bodies consulted should have the opportunity to commit on the full gamut of the proposals.
- (e) The Council was told the working party had had a discussion about what would happen, in the context of checks and balances, if there were dissatisfaction with the behaviour of a member of the Council, and the extent to which there was a prevailing sense of mistrust rather than an expectation that officers and the Council would normally act effectively. The working party was seeking a means by which the non-contentious elements of the proposals could be expressed, whilst identifying others that needed more input.

The Pro-Chancellor invited those who had not already replied to do so, indicated that the points about the covering letter would be picked up, reminded the Council that a process of iteration was continuing, and assured members that an adequate process of considering the proposals would take place at the October meeting of the Council.

THE COUNCIL RESOLVED to approve the recommendation of the Working Party that the university should proceed to Phase 2 of the consultation process.

CO.05/44 School of Lifelong Learning and Widening Participation

Document: AR/2005/484

Mr Whitaker emphasised the importance of the area of activities covered by the full School, to which it would give more coherence and a more effective springboard, especially in the North West region. The School would also assist the implementation of the Access agreement and offer support to the Director of Regional Outreach.

THE COUNCIL RESOLVED to approve the establishment of the School of Lifelong Learning and Widening Participation with effect from 1 August 2005.

CO.05/45 Vice-Chancellor's report

Document: VC/05/R050

The Vice-Chancellor drew attention to the following items.

(a) *Crown Prosecution Service*

The Vice-Chancellor reported that the Crown Prosecution Service had laid charges of aggravated trespass against six members of Lancaster Earth First. The university was committed to freedom of speech but would not tolerate harassment or intimidation. It would take action as appropriate, as it had acted in the past. The Vice-Chancellor noted that some of the six individuals were also members of the university.

(b) *Hesketh Collection*

The Vice-Chancellor reported that a rare book collection, owned by the Hesketh Trust, was now deposited in secure conditions at the university. Lancaster had deliberately been chosen as the location for this valuable and eclectic collection, which would make Lancaster a destination library for the humanities. It was hoped that later in the year a more public announcement could be made.

(c) *HEFC(E): Caretaker Period*

The Vice-Chancellor noted that at a meeting of the HEFC(E) during the Caretaker Period, there was evidence the government was concerned about the level of unconstrained expenditure in some areas of higher

education; for example, student support systems, including interest-free loans. Universities should expect to see an increased heightening of national debate about such elements.

(d) Northern Way

Cooperation between universities within the Northern Way was continuing, and the N8 Universities were investigating ways of increasing research collaboration between themselves. Professor Macdonald was leading a small portfolio of projects.

(e) Professor Macdonald

The Vice-Chancellor reiterated the thanks of the Council to Professor Macdonald, and especially for his willingness to step aside at this stage to facilitate consistent planning for RAE 2008.

In response to questions, the Council was told:

- (a) that the Hesketh Collection would be covered by a government indemnity, and was well protected internally. There would be an invigilator presence when the most rare items were being consulted;
- (b) that a request for a debate at Council around the Crown Prosecution Service case would be inappropriate at this stage. Points of principle raised by the case could be discussed at a subsequent meeting of the Council, supported by documentation, and in the meanwhile the University Secretary was available to speak to individual members of the Council outside the meeting. The Vice-Chancellor noted that the Council should understand how the law was moving in respect of protest groups that disrupt research and technological development;
- (c) that Professor McKinlay would return to the Council with a paper about the results of his investigations into Lancaster's staff:student ratios (see CO.05/39).

THE COUNCIL RESOLVED to receive and note the Vice-Chancellor's report.

*Documents: AR/2005/502; AR/2005/487; VC/05/R046;
AR/2005/459*

1. **PRESIDENT'S REPORT**

(a) *Student residences*

Mr Freeman noted that Jarvis had presented the biggest issue to LUSU during 2004-05. Not only were rooms not ready, but UPP (Lancaster) Limited had not dealt with complaints, while the university had felt itself constrained by contractual undertakings from doing so. He was glad that the main items had been resolved, but noted that some communication issues would remain for decades to come.

(b) *Estates*

Mr Freeman indicated that the department was a great asset to the university, with much vision for the future. However, this talented office was over-stretched and had fallen down on communication with students during the year, especially informal contacts, and had at times ignored student representatives. There was an ambitious programme of work planned for the summer of 2005, but perhaps when that was complete it would be possible for the department to take stock.

(c) *Student fees*

The introduction of variable fees in 2006 would have a destabilising effect, and the academic reputation of the university would be an important factor in influencing applicants to include Lancaster. It was important that students should be told exactly what services they could expect to receive at Lancaster.

(d) *September 2004 demonstration*

The LU Students' Union did not believe the four students involved in the demonstration should be charged. They had not been intimidating, and should not be branded as criminals. Mr Freeman asked that the university should consider changing its position on the students belonging to Lancaster. He noted

that press interest in the case was growing, and advocated finding a way to settle the matter between the students and the university before the charge came to court.

(e) Conclusion

Mr Freeman noted that he had been disappointed at having had only one question addressed to him during the year. Meanwhile he thanked the university and its senior managers for all it had done for him and for enabling him to achieve his dreams. He hoped that his successor would be given the same welcome he had received.

2. **STRATEGIC PLAN, BUDGET FOR 2005-06 AND FINANCIAL FORECASTS**

Mr Freeman asked that the attached document be approved and noted that much effort had taken place in drawing up the plan. In future the emphasis would shift to campaigning, including for a postgraduate representative of the sabbatical team.

3. **CODE OF PRACTICE**

The University Secretary drew attention to the revised Code of Practice, required by the Education Act 1994, and asked that it be approved.

THE COUNCIL RESOLVED:

- (i) to receive and note the President's report and put on record the Council's appreciation of his reports throughout the year;
- (ii) to approve the LUSU Strategic Plan and budget for 2005-06, and to note the financial forecasts to 2010;
- (iii) to approve the revised Code of Practice and to thank LUSU for the shared work on it.

CO.05/47 Finance

Documents: FO/05/50; FO/05/52 and Appendices; FO/05/54 and Appendices; FO/05/33; FO/05/51; AR/2005/490

(a) Director's report

The Director of Finance and Resources reported that, in recent days, Customs and Excise had replied in the negative to the university's response on its partial exemption from value-added tax, and the university would now consider whether to make an appeal to a tribunal.

THE COUNCIL RESOLVED to receive and note the Director's report.

(b) Headline budget, 2005-06

The Director of Finance and Resources drew attention to the greater challenge for the university over the next three financial years. The position had however been predicted and plans made for it, and the key performance indicators elsewhere in the agenda showed that Lancaster entered this leaner period in a better position than many comparator universities. Furthermore, the financial forecast indicated an appropriate level of surplus for 2008-09.

For the avoidance of doubt, Mr Neal emphasised that the university was still committed to the achievement of a minimum of 4% surplus for 2005-06, and he would make regular reports on progress towards that target, on which he would expect to be questioned. UMAG on 20 June would discuss some detailed steps that might be taken.

With reference to the specific 60% of turnover spent on salaries, Mr Neal commented that he had not been placed under undue pressure on that factor at the Finance Committee, since it was important for the institution. The issue of the staff:student ratio would be worked through: in the meanwhile he would simply note that Lancaster's showing in the league tables was behind comparator universities that spent proportionately less on salaries. The question to be faced was whether the present expenditure heads were optimal for the university.

The Pro-Chancellor noted that the current position was encouraging, and he emphasised the critical importance for Lancaster of sustaining its performance. He was delighted at the predicted out-turn for 2004-05, was confident the

trend could continue, and applauded the university's staff and committees for their efforts.

The chairman of the Finance Committee endorsed what had been said. He would be interested in seeing how the proposals to UMAG were followed through, and suggested that Council should by the autumn receive a plan on how the minimum surplus would be achieved, rather than a commitment in principle to it.

THE COUNCIL RESOLVED:

- (i) to approve the proposed headline budget for 2005-06;
- (ii) to ask for reports at each meeting on progress towards the minimum target surplus for 2005-06;
- (iii) to note the financial forecasts to 2008-09.

(c) Capital programme

The Director of Finance and Resource indicated that the proposals for capital expenditure were linked to the finance and estate strategies, especially in the overwhelming preponderance of expenditure on refurbishment rather than new building. The intention was to pay particular attention to the core of the campus and to bring the longer-standing facilities up to an appropriate specification. He was glad to report that all the estates strategic areas had some expenditure earmarked for them, including landscape and equipment.

THE COUNCIL RESOLVED to note the programme and approve the expenditure for it.

(d) Management accounts as at 31 May 2005

THE COUNCIL RESOLVED to receive and note the attached management accounts.

(e) Bradford and Bingley loan

The Director of Finance and Resources explained that the intention was to replace the loan facility with Bradford and Bingley to an arrangement on better terms, more flexibility and a slight increase in the amount available. The signs so far were encouraging and he asked for Council approval for the aim in principle and its implementation.

THE COUNCIL RESOLVED:

- (i) to agree in principle to replace the Bradford and Bingley loan, as set out, provided that the conditions given were satisfied;
- (ii) to establish an authorised signatory group as set out;
- (iii) to invite the Director of Finance and Resources to present revised Treasury guidelines to the Finance Committee in September 2005.

(f) Finance Committee: 20 May 2005

THE COUNCIL RESOLVED to endorse the decisions taken on its behalf.

CO.05/48 Estates

Documents: FO/05/55; AR/2005/492

1. The Director of Finance and Resources drew attention to an attached document, setting out a process that would lead to recommendations on whether or not to proceed with Phase IV of the student residential accommodation project and, if so, in what form. The Director of Estates would take the associated work forward, and proposals would come to the Council in December. The key issues for the university to consider were, first the quantum of student accommodation the university should provide at Bailrigg, and secondly the types of accommodation that should be made available, and how these might be affected by higher tuition fee levels. The debate would therefore be broader than the simple matter of the fulfilment of the Phase IV tests.

The Pro-Chancellor indicated that the current paper was the beginning of the process, and there would be plenty of opportunity to discuss the issues involved.

THE COUNCIL RESOLVED:

- (i) to note the contents of the report;
- (ii) to approve the process as a means to arrive at a decision on Phase IV.

2. Estates Committee: meeting of 12 May 2005

THE COUNCIL RESOLVED to endorse the decisions made on its behalf.

Documents: AR/2005/499; AR/2005/503

1. Staff survey

The Director of Personnel Services reported that the second staff survey had been benchmarked internally and externally, and had drawn on national data where available. Improvements in almost all areas had been recorded, and the benchmark grid showed that only security of employment, which had been at a high level, had declined significantly. In order to make progress on selected areas, a small number of thematic focus groups would be set up, including on academic workload, communication and involvement, and bullying, and on two staff groups and one work area.

The Vice-Chancellor indicated that comparative data from other universities were either unavailable or truncated. Over the next two years targeted actions would be carried out. The next survey was expected to take place in the spring of 2008, when colleagues had had a rest from being surveyed, and the RAE 2008 submissions had been completed.

A member noted that while focus groups were useful, the areas identified for work were those to which the trade unions had been drawing attention consistently over a period, and which were now confirmed as being significant. The Vice-Chancellor commented that some measures varied by functional group: in addition, he needed access to the views of all staff, not just those who were represented by the trade unions.

In response to a question about the findings on leadership measures, the Council was told that a management and leadership development programme would be put together for all levels of the university. The ratings for leadership had made gains since 2003, but had still not reached a national average, and were well behind the leaders in the field.

THE COUNCIL RESOLVED:

- (i) to note the headline results of the staff survey;
- (ii) to ask for a report at a meeting in the Michaelmas Term 2005 on the actions being put in place.

2. Human Resources Committee: 20 May 2005

THE COUNCIL RESOLVED to endorse the decisions made on its behalf.

CO.05/50 Key performance indicators

Documents: SO/05/3B; AR/2005/504; FO/05/03

1. Health and Safety

The University Secretary drew attention to the information on training, to the outcome of incidents that had occurred, and to the university's strong record of safety, particularly by comparison with industry but also in relation to other universities.

THE COUNCIL RESOLVED to receive and note the report, and to congratulate the University Safety and Radiation Protection Officer on its findings.

2. Human resources

The Director of Personnel Services drew particular attention to the following factors:

- (a) the lack of consistent benchmarks by which to measure Lancaster's level of performance;
- (b) the level of investment in staff, affected by growth in research volume, increased student numbers, and entrepreneurialism, and the relative drop in core staff costs;
- (c) the difficulties of recruiting high quality research staff, including problems of scarcity and pay pressures;
- (d) the retention of staff, where Lancaster had much less of a problem, and where the staff survey would contribute useful additional information;
- (e) the benchmarking of salaries with other institutions, combined with fast track promotions where appropriate and fully authorised. The university was developing a total reward strategy, of which pay modernisation was a key part.

A member expressed concern about the low level of staff appraisals being undertaken. The Council was told the level was indeed a matter to be addressed.

The Council was told that all the suggestions to improve staff recruitment, made at the strategy meeting of 2004, had been implemented, except for the use of an external agency. The problem was international, and the university would continue to prefer leaving vacancies rather than be dissatisfied about the quality of appointees.

THE COUNCIL RESOLVED:

- (i) to receive and note the report on human resource indicators;
- (ii) to refer the issue of responsibility for appraisal to the Human Resources Committee.

3. Financial indicators

The Director of Finance and Resources drew attention to Lancaster's strong position, including the improvement in the relation of the level of debt to annual income compared with the 94 Group. He saw an increasing separation between institutions in the group that were performing well or moderately, or were lagging behind, and the objective would be to retain Lancaster's position in the top tier.

THE COUNCIL RESOLVED to receive and note the indicators as set out.

CO.05/51 Audit Committee: 27 May 2005

Document: VC/05/R052

THE COUNCIL RESOLVED to receive and note the attached report.

CO.05/52 LU Alumni Association: constitution

Document: AR/2005/485

Mr Keith Royales, introducing the proposed changes to the constitution, noted that their effect would be to end twenty years of service by the Executive, in all of which he had been a participant and latterly the president. LUA had agreed that its mode of operation was obstructing the Alumni and Development Office and hence had agreed the changes that he now commended to the Council for endorsement.

THE COUNCIL RESOLVED:

- (i) to approve the changes as set out;
- (ii) to thank all LUA officers, past and present, for their services to the association and to the university.

CO.05/53 Licensing Act 2003

Document: VC/05/R047

The University Secretary drew attention to the action taken in the light of legal advice by the Pro-Chancellor on behalf of the Council to make the Council the premises licence holder.

A member suggested that the Council would not be in a position to satisfy itself about the exercise of these responsibilities.

THE COUNCIL RESOLVED:

- (i) to note the actions taken by the Pro-Chancellor on its behalf;
- (ii) to invite the University Secretary to make representations alongside other institutions of higher education, initially through Universities UK, about the impact of the Act on the sector

CO.05/54 Key institutional risks

Document: FO/05/49

THE COUNCIL RESOLVED to receive and note the attached report on key institutional risks.

CO.05/55 College principals

Document: AR/2005/486

THE COUNCIL RESOLVED to endorse the appointments of the principals for Lonsdale College and Bowland College, as set out.

CO.05/56 Senate: 23 February and 25 May 2005

Documents: AR/2005/491 and AR/2005/508

THE COUNCIL RESOLVED to receive and note the attached reports of meetings of the Senate as set out.

CO.05/57 Committee on Relations between the University and the Students' Union: 17 May 2005

Document: AR/2005/483

THE COUNCIL RESOLVED to receive the report of the meeting of the committee and to endorse the actions taken on its behalf.

CO.05/58 Review of Council meetings: 29 April and 17 June 2005

The Council, in a review of meetings held on 29 April and 17 June, noted:

- (a) that all Council members could have access to any information they required;
- (b) that the annual strategy meeting would become a standard business meeting, but time would be found within the annual cycle to reflect on and debate broader issues;
- (c) that the working party report on corporate governance would be on the agenda for the meeting of the Council scheduled for 7 October 2005.