

AR/2004/901

**LANCASTER UNIVERSITY**

Minutes of a meeting of the Council  
held on 18 June 2004

**PRESENT:** Mr B. Gray (in the chair), Vice-Chancellor, Mr D. Brockbank, Councillor A. C. Bryning, Mr A. Dick, Mr J. C. Dunning, Mr P. R. Elliott, Mr M. Hart, Mrs C. T. Hensman, Mr G. Johnson, Professor M. W. Kirby, Dr M. M. Lee, Mr S. A. J. Leyton, Mr G. Middlebrook, Mr R. A. Neal, Mr W. Nettleford, Dr C. C. Park, Ms V. Robertshaw, Professor P. Rowe, Mr K. Royales, Mr R. Turner, Ms J. M. Whiteside.

**IN ATTENDANCE:** Professor N. Abercrombie, Mr C. Adams, Ms F. M. Aiken, Mr A. Bone, Ms B. Broomby, Professor C. Cooper, Ms A. Elliott, Mr M. Freeman, Mrs M. E. McClintock, Professor R. Macdonald, Mr H. Morris, Mr A. C. Neal, Mr R. O'Brien, Mr M. Swindlehurst, Ms V. Tyrrell, Mr A. Whitaker.

**APOLOGIES FOR ABSENCE:** Mr H. Dawson, Mr R. Emslie, Dr P. G. S. Entwistle, Mr S. Hogarth, Ms V. C. Walshe.

CO.2004/31 Council members and officers

The Pro-Chancellor, on behalf of the Council, thanked the following outgoing members and officers for their services to the Council:

Dr Phillida Entwistle  
Mr Warren Nettleford  
Ms Jacqueline Whiteside  
Professor Nick Abercrombie  
Mr Colin Adams  
Mr Alex Bone  
Ms Amy Elliott.

CO.2004/32 Minutes

*Documents: AR/2004/806; AR/2004/807*

The minutes of the meetings held on 19 March 2004 and 30 April 2004 were confirmed.

CO.2004/33 Matters arising

*Documents: AR/2004/808; AR/2004/809*

THE COUNCIL RESOLVED to:

- (i) receive the listing of matters arising, subject to noting that the importance of the positive aspects of Lancaster culture would be picked up as a unique selling point (CO.2004/30);
- (ii) approve the rolling schedule of business for the Council as set out.

CO.2004/34 Pro-vice-chancellor: academic development

*Document: AR/2004/878*

THE COUNCIL RESOLVED to approve the recommendation made on behalf of the Senate that Professor R. D. McKinlay be appointed as pro-vice-chancellor: academic development for the period 19 June 2004 to 31 July 2008.

CO.2004/35 Vice-Chancellor's report

*Documents: VC/04/R151; VC/04/R156*

- 35.1 The Vice-Chancellor, introducing his report, drew particular attention to the following items.
- (a) *Student residential accommodation:* The contingency for Phase II was under discussion (see CO.2004/38), with the intention that the university should seek to maximise probability of students, with accommodation guarantees, being housed on campus in October 2004.
  - (b) *Department of Art:* Senate would in October 2004 consider a recommendation for the closure of the department by 31 July 2007. The proposal would not be made in isolation but as part of a consideration of a strategy for the creative arts at Lancaster, and a consequential step of that consideration. Mr Whitaker was leading a process of consultation that would extend from May to October

2004, in order to allow full consideration of a proposal that had been presented in outline to the Senate.

Mr Whitaker confirmed that he was leading a group that was in discussion with trade unions and staff, but also with a broader range of people to ensure that related issues were fully covered. He expected to put together a detailed report for consideration by UMAG in mid-September.

- (c) *Mr Chris Grayling*, Shadow Minister for Higher Education, had made a visit to Lancaster on 4 June. The Conservative Party was about to launch its higher education policy, probably shortly after the Third Reading of the Higher Education Bill, about the abolition of fees and grants, and a reduction in the volume of higher education.
- (d) *The Higher Education Bill* was proceeding through the House of Lords and was expected to pass by the middle of 2004.
- (e) *The Northern Way*: a meeting had been held at the university on 19 April to discuss *inter alia* a pan-regional initiative linking the North-West, North-East and Northern regions of England. This was linked with the current comprehensive spending review and offered new opportunities for research-led universities in the North-West to work together more collaboratively on research and innovation across the broader region.
- (f) *Higher Education Innovation Fund*: Mr Roderick O'Brien's group had secured £2.4 million for Lancaster under this initiative, one of only three universities in the North West to have been awarded the maximum amount allowed. The funds would support the knowledge transfer capabilities of the Lancaster Environment Centre, the Management School, and InfoLab21.
- (g) *Cyprus and Greece*: the Vice-Chancellor had met alumni in Nicosia and Athens on a visit to Cyprus and Greece in the first week of May, and the feedback had been very positive. The intention was to use these examples as a means to reconsider the approach to UK alumni who lived and worked outside London.
- (h) *University Education in Cumbria*: Sir Brian Fender's working party had completed a broad business plan for the future of higher education in Cumbria which was expected to be officially launched at Rheged on 28 September 2004. There was potential for an unincorporated joint venture which would enable a relatively fast start to be made for new provision. Lancaster's contribution to the new enterprise would be centred around science and technology, predominantly at Barrow-in-Furness and on the west coast of

Cumbria. The university had stayed steadily engaged with the discussions as they had progressed.

- (i) *Installation of Chancellor:* Sir Christian Bonington would be installed on 9 March 2005, on a day that would include a multi-faith service of thanksgiving at the Priory, a procession, a ceremony at the Town Hall followed by lunch, and an afternoon reception at Bailrigg for staff and students.

35.2 The University Secretary drew attention to a paper setting out the principles on which undergraduate tuition fees at Lancaster would be applied. Relevant information from HEIST about the emerging national picture was expected on 7 July. It was believed that the majority of higher education institutions would opt for a flat rate of £3000 and the differentiation would come about in the packages of financial support that were made available.

THE COUNCIL RESOLVED to:

- (i) receive the Vice-Chancellor's report and thank him for it;
- (ii) congratulate Mr O'Brien and his team on the successful bid for HEIF funds;
- (iii) note that proposals for undergraduate tuition fees would come to the Finance Committee in September.

CO.2004/36 LU Students' Union; President's report; budget for 2004-05

*Documents: AR/2004/817; AR/2004/653*

Mr Nettleford, President of the Students' Union, indicated his enjoyment of Council meetings. There had been a series of challenges during the year, including how the university could attract the best students. There had however been no apparent change in attitude to the colleges over the past year: he felt it was important that the university gave serious thought to how they were to be used. Similarly, the improvements in sporting provision needed to be those that were right for students. In general, students felt that their views were often not taken into account, and there was particular concern about the student residential accommodation project (see CO.2004/38).

The finances of LUSU were strong, in contrast to those in some other places who were making cuts. It was important to recognise that there was only so much money that could be made from commercial activities.

The LU Volunteering Unit was an important asset and had been able to restore an earlier involvement in the local community that students once had. Mr Nettleford hoped that the university would continue to support the unit.

Barkers House Farm was a welcome development, but the university should be wary of spending money only on Alexandra Park while neglecting the northern end of the university. The revised estates strategy should be used as an opportunity to upgrade all activities.

In discussion, the Council was told:

- (a) that senior management intended to bring forward proposals for the revitalisation of the colleges, involving some additional resource. In the meanwhile the QAA institutional audit team had commented on the positive comments about colleges they had received, and this attitude would no doubt feature in their report to the university;
- (b) that the external auditors had advised LUSU to treat the £50,000 expenditure on the Sugar House as a revenue item for the repair of the roof.

THE COUNCIL RESOLVED to:

- (i) receive and note the President's report and to thank him and Mr Bone for their contributions over the year;
- (ii) receive and note the budget for 2004-05;
- (iii) ask that further consideration on how channels of communication with the student body might be improved should be undertaken.

CO.2004/37 Presentation by Professor Cary Cooper

*Document: VC/04/R108*

Professor Cooper, introducing the report laid before the Council, indicated that while there was high class performance at Lancaster, the profile of the university was not as proportionately high. The appointment of a pro-vice-chancellor dedicated to external relations would provide the university with an opportunity to reconsider how it presented itself, a function that was fundamental to its mission and for which a coordinated approach was necessary.

Professor Cooper drew attention to the recent pleasing increases in media coverage, especially in radio output, and noted the need for the appointment of a further press officer. There were also discussions in hand about having a television studio based at Lancaster, thus enabling increased coverage of Lancaster news and a higher level of staff involvement. The Media Advisory Group at Lancaster would act as a means of sharing information, as well as mentoring staff in how to present material. He was particularly glad that a proposal to extend the staff prizes to include a media award for each faculty would be considered.

Mr Chris Fancy had overall responsibility for links with alumni, including a new website. There had been a recent useful meeting, involving the Vice-Chancellor, at the House of Commons, and it had been decided to use senior alumni to develop the level of alumni involvement. In addition, the external Development Board was attracting more senior people with national influence.

The attraction of corporate sponsorship was important, in such areas as the establishment of endowed chairs, and Professor Cooper had accepted that as his personal sphere of action. The Development Board, in meetings held once a term, would be used to create a network into the corporate sector, and to identify how to raise funds from industry.

In discussion the following points were amongst those raised:

- (a) that some university funding might usefully be invested in setting up small community projects with long-term benefits to the institution;
- (b) that the scale of the operation at Lancaster was small by comparison with, for example, Durham or Warwick. Investment in additional staff would be self-financing; for example, to undertake systematic research on the structure and scope for interaction with particular companies;
- (c) that the involvement of Lancaster alumni in relevant professional associations might be drawn upon to create further valuable networks;
- (d) that to date almost all media stories had been positive about Lancaster;
- (e) that the Court membership might be used more fully for development purposes, either by an extension of the Court meeting itself or by a reinvention of devices such as the Court Supper Club.

THE COUNCIL RESOLVED to:

- (i) receive the report and thank Professor Cooper for it;
- (ii) encourage members of the Council to talk separately to Professor Cooper about additional ideas and views.

38.1 Report of the Director of Finance and Resources

*Document: FO/04/54*

(a) Utilities project

Mr Neal reported that the two bidders had been informed about the outcome of the preferred bidder selection, and preparations were in hand for detailed negotiations to take place over the coming weeks.

(b) Student residential accommodation project

Mr Neal reported that Jarvis plc had recently sold its beneficial interest in several special purpose vehicles, including that for Lancaster. While the transaction was still legally a joint venture, the equity returns would flow to Alma Mater and hence a more direct relationship with them would develop. There had also been resignations of senior Jarvis staff, as well as of Mr David Stones, implementation director of UPP (Lancaster) Limited.

No rooms in Phase II had yet been formally accepted, although rooms in Block 5 were in the process of snagging, and a further 240 rooms would be submitted to the employer's agent within the next two weeks. There had been a significant improvement in quality by comparison with Phase I, and the employer's agent was being more rigorous. Progress on Lonsdale College social and administrative space was behind schedule. The Director of Estates had commissioned additional professional input, and a professional team had been reassembled, including financial and legal support.

Available information demonstrated that the full 1600 rooms would not be ready for acceptance by 24 September 2004, and the key issue was about the scale of contingency options and an agreed order for their implementation. More than 900 rooms were earmarked for demolition, and the question was how many of these to hold in reserve to compensate for the shortfall in rooms. In the meanwhile the university had all the levers it needed to fulfil its intention that every student eligible for residence would have a room on campus.

The university needed to proceed by agreement, particularly with its financial backers and hence there had been a focus on building relationships. Mr Neal had been encouraged by the recognition amongst external parties that reaching the correct decisions was of high importance. University officers had a good understanding of

what was happening on site, and on 24 June there would be a full site review of all the parties involved, supported by technical advisers. The outcome would be an agreed risk assessment of the position for September 2004, together with approved arrangements about how to cover the financial and logistical costs involved. The university's officers would continue to place strong emphasis on the standard of delivery required. The process was being actively managed at all levels and the objectives of the exercise were clear. While it was disappointing that the full set of rooms would not be ready by September 2004, the Council could be sure that appropriate arrangements would be put in place.

The President of the Students' Union expressed his disappointment that the university were giving Jarvis leeway to the last possible opportunity and that to date no block of the expected quality had been delivered. While he was glad that 256 rooms would be ring-fenced, if Jarvis were unable to supply the remaining 1350 rooms, further contingency arrangements would bring their own problems for all the parties involved. Mr Neal indicated his disagreement that the contingency plans had been unduly deferred and noted that a decision as late as possible was in the interests of the university, while leaving sufficient time for the plans to be made operational. In the meanwhile, the university would proceed by agreement.

THE COUNCIL RESOLVED to:

- (i) receive the report of the Director of Finance and Resources and to thank him for it;
- (ii) invite the President of the Students' Union to meet the Director of Finance and Resources about outstanding concerns in relation to the student residential accommodation project;
- (iii) approve the delegation of powers to a group consisting of the Pro-Chancellor, the Vice-Chancellor and the chairpersons of the Finance Committee and the Estates Committee, with the Director of Finance and Resources, for the period 19 June 2004 to 1 October 2004. The group would be convened and make decisions on commercial aspects of Phase II for appropriate contingency arrangements if any one of the following applied: a variation of the total number of rooms by the end of Phase III; a change of any of the parties involved; any financial impact on the university greater than £0.5 million.

### 38.2 Future financial trends

*Document: FO/04/56*

The Director of Finance and Resources drew attention to the significant growth in non-HEFC(E) income over recent years, following a period of retrenchment and then reinvestment. The current levels of depreciation charges and interest payable would remain as part of the institutional context for some time, and particular attention should continue to be paid to cash generation.

In discussion the following points were amongst those made:

- (a) that while the figures appeared to show that teaching had become more cost effective, other areas of the university might have suffered as a result, and it was unclear whether a real efficiency gain had been achieved;
- (b) that the financial strategy of the university would be reviewed by officers in order to understand more fully both positive and negative indicators affecting the university;
- (c) that the focus on cash generation rather than accounting measures was deliberate, since otherwise false dichotomies were evoked. For example, there was greater ease on the channelling of funds into new capital expenditure, when investment in major maintenance might be a higher priority.

THE COUNCIL RESOLVED to note the report.

### 38.3 Headline budget, 2004-05: financial forecasts to 2006-07

*Document: FO/04/53*

The Director of Finance and Resources drew attention to two important parameters: the university's financial objectives and the year-on-year performance. He was glad to report that a 3.4% surplus was indicated for 2004-05, as against 3.0% for 2003-04, and predicted cash generation of £9.1 million as against £8.6 million. He had allowed room in the budget for important strategic investments, as well as an increase in repairs and maintenance. At present the university was continuing to perform ahead of budget, a process that required continued effort.

Mr Turner, chairman of the Finance Committee, endorsed the sensible and balanced effort the headline budget represented, and on behalf of the committee recommended its approval.

THE COUNCIL RESOLVED to approve the headline budget and financial forecasts as set out.

38.4 Capital budget, 2004-05 to 2006-07

*Document: FO/04/57*

The Director of Finance and Resources explained that 2004 was the first occasion when the capital budget had appeared alongside the revenue budget. The intention was to show what priority items had been selected for funding, while noting that the priorities could be varied in the light of other information. The exercise of drawing up the budget had also been valuable in itself.

THE COUNCIL RESOLVED to approve the capital budget as set out.

38.5 Management accounts as at 31 May 2004

*Document: FO/04/60*

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

38.6 Finance Committee: meeting of 21 May 2004

*Document: AR/2004/798*

THE COUNCIL RESOLVED to receive and note the minutes of a meeting held on 21 May 2004.

CO.2004/39 Estates Committee

*Document: AR/2004/799*

(a) Minutes of a meeting held on 13 May 2004

In response to questions, the Council was told:

- (A) that the number of rooms to be retained as a contingency on the student residential accommodation project could not be given at this stage. The university was in a position to retain as many rooms as it needed, in an agreed order of preference;
- (B) that the Travel Plan was ready for submission to Lancaster City, and once agreed there, could be made widely available.

(b) Campus signage and naming

*Document: AR/2004/819*

THE COUNCIL RESOLVED to:

- (i) receive and note the minutes of the meeting held on 13 May 2004;
- (ii) approve the proposals for campus signage and naming as set out.

CO.2004/40 Health and safety: annual report

*Document: SO/04/OD*

The chairman of the Health and Safety Committee, Mr Royales, briefly drew attention to the report prepared by the Safety and Radiation Protection Officer. There had been no major injuries or notifiable dangerous occurrences in 2003 and the accident statistics were in line with other higher education institutions, although below the average of the 94 Group. Almost all the fires notified were associated with cooking in self-catering accommodation, and the results of a 2003 fire risk assessment were awaited. The timing of safety talks for incoming students were being adjusted to enable more of them to be present.

In discussion the following points were amongst those made:

- (a) the overall level of lost-time accidents was high by comparison with industry, but comparative benchmark data relevant to education were limited. It was not clear that comparisons with industry were appropriate, given the diversity of activities across the university, each with their own criteria;
- (b) induction procedures for domestic staff were in place, but the required procedures could not necessarily be enforced. It was important to train students not to put sharp objects in refuse bags;
- (c) a legal framework was in place that set robust standards for the management of stress. Since this would have an increasing impact on the public sector, the committee should consider its implications.

THE COUNCIL RESOLVED to receive and note the annual report on health and safety as set out.

*Document: AR/2004/820*

The Librarian, on behalf of the Director of the Career Service, introduced the summary report laid before the Council, and explained that more sophisticated and reliable data would become available from May 2005; for example, on the extent to which graduates were directly assisted by the degrees they obtained. More work was needed on response rates. The trend to further training was down at Lancaster, although increased at least one comparator institution. There were some significant messages to be gleaned from the information about graduate track work, despite the non-comparability of the data. The percentage of Lancaster graduates remaining in the North West was rising, but the extent to which they were in graduate track posts was static; this was perhaps a reflection of the regional labour market.

Students who made their way to the Career Service were overwhelmingly satisfied with it, but there was a low take-up of opportunities to meet employers. There were also changes taking place in the national labour market, including 34% of graduates from Russell Group institutions taking work with small and medium enterprises. The Service was trying, through the use of personal development plans, to teach Lancaster students to develop their own graduate track employment by the development of their roles once in employment.

In answer to questions, the Council was told:

- (a) the data were all auditable, and strict national categories were supplied for institutional returns;
- (b) the graduate track data were extrapolated from information collected for another purpose, and improvements would become available for 2005;
- (c) information on which industries in the North West Lancaster graduate were joining could be obtained.

A member noted that the standard of living, on a national basis, did not necessarily correspond with the level of salary experienced.

The Vice-Chancellor, responding to concerns that the picture presented was not as positive as for other areas of the university, indicated ways in which the resource base of the service was about to be improved.

THE COUNCIL RESOLVED to:

- (i) receive and note the report;
- (ii) invite a further report to be brought to the Council at its meeting in November 2004.

CO.2004/42 Audit Committee: 28 May 2004

*Document: VC/04/R152*

THE COUNCIL RESOLVED to receive and note the summary report of the meeting of the Audit Committee held on 28 May 2004.

CO.2004/43 Key institutional risks

*Document: FO/04/58*

THE COUNCIL RESOLVED to receive and note the current report of key institutional risks.

CO.2004/44 Senate: 10 March 2004 and 26 May 2004

*Document: AR/2004/821*

THE COUNCIL RESOLVED to receive and note the report of two meetings of the Senate as set out.

CO.2004/45 Appointments made to university bodies

*Document: AR/2004/822*

THE COUNCIL RESOLVED to approve the appointments to university bodies as set out.

CO.2004/46 The Visitor; legal disputes (annual report)

*Document: VC/04/R154*

THE COUNCIL RESOLVED to:

- (i) conform its willingness for the Visitor to refer student cases to the Office of the Independent Adjudicator on a voluntary basis, prior to use of the scheme becoming statutory;
- (ii) note the register of disputes and claims as set out.

CO.2004/47 Use of University Seal

*Document: VC/04/R149*

THE COUNCIL RESOLVED to note the contents of a report on the use of the University Seal in the period 21 June 2003 to 18 June 2004.

CO.2004/48 Review of Council meetings

The Pro-Chancellor and the Vice-Chancellor emphasised the benefits to be expected by Council members who availed themselves of the opportunity to see further written and oral information on matters in the agenda that interested them, prior to each meeting of the Council, and expressed regret that the mechanism was not being used.

A retiring member noted her feeling of privilege at being on the Council over a six-year period and drew attention to the need for Council to continue to engage with the expertise of university officers.

THE COUNCIL RESOLVED to:

- (i) note the above discussion;
- (ii) endorse the annual strategy meeting process.