

**LANCASTER UNIVERSITY**

Minutes of a meeting of the Council  
held on 19 March 2004

**PRESENT:** Mr B. Gray (in the chair), Vice-Chancellor, Councillor A. C. Bryning, Mr A. Dick, Mr J. C. Dunning, Mr P. R. Elliott, Dr P. G. S. Entwistle, 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 G. Middlebrook, Mr R. A. Neal, Mr W. Nettleford, Ms V. Robertshaw, Professor P. Rowe, Mr A. Walker, Ms J. M. Whiteside.

**IN ATTENDANCE:** Professor N. Abercrombie, Mr C. Adams, Mr A. Bone, Professor C. Cooper, Professor R. Macdonald, Mrs M. E. McClintock, Mr J. J. McGovern (for CO.2004/26), Mr H. Morris, Mr A. C. Neal, Mr R. O'Brien, Mr M. Swindlehurst, Ms V. Tyrrell, Ms V. C. Walshe, Mr A. Whitaker, Professor D. W. Whitton (for CO.2004/22).

**APOLOGIES FOR ABSENCE:** Miss F. M. Aiken, Mr D. Brockbank, Mr H. Dawson, Mr R. Emslie, Mr S. A. J. Leyton, Dr C. C. Park, Mr K. Royales, Professor D. B. Smith, Mr R. Turner.

CO.2004/17 Minutes

The minutes of the meeting held on 6 February 2004 were confirmed, subject to the text of CO.2004/11(c) making reference to the Institute for Health Research (not the Institute for Human Resource).

CO.2004/18 Matters arising from the minutes

The Council received:

- (a) the report on matters arising from the minutes (AR/2004/415);
- (b) the rolling schedule of Council business (AR/2004/436),

and noted that the latter document was subject to continuing alteration.

*Document: VC/04/R078*

The Vice-Chancellor drew particular attention to the following items.

**(A) ASSOCIATION OF UNIVERSITY TEACHERS**

The Vice-Chancellor reported that on the previous day the TUC had mediated negotiations between the AUT and UCEA which had led to a joint recommendation for a solution. The AUT had secured the approval of their strategy group and would seek agreement from their Council on 24 March, and would perhaps conduct a further ballot. The cessation of current industrial action short of a strike, if agreed, would be helpful for students expecting to graduate in the summer of 2004 and would mean the assessment timetable would be unchanged.

**(B) ALUMNI AND DEVELOPMENT RELATIONSHIPS**

The Vice-Chancellor drew attention to the written report on his visit to the USA in early February to examine alumni and endowment processes, which he had attended as part of a DfES delegation. The scale of donations amongst the four institutions visited ranged from \$1 billion over seven years at Penn State University to \$300,000 million in five years at the University of Maryland. He drew attention to the cultural differences in attitudes towards philanthropy and charitable giving in the USA, as well as to the greater emphasis on the outward-facing functions of university presidents in the USA, as well as their deans.

The Vice-Chancellor was optimistic that some government funding would be made available to help accelerate the development relationships of UK universities, and that Lancaster would be able to make a bid. He indicated that Lancaster's actions were in line with better practice in the USA but were conducted at too low a level and over too short a time. However, a further important difference between the UK and the USA, which merited examination, was their more expert approach to making requests for donations.

**(C) HOUSE OF LORDS BRIEFING**

The Vice-Chancellor reported on a briefing visit he and five other vice-chancellors had made to a group of twenty peers in the House of Lords on 18 March, where the conversation had centred around the function of the Office for Fair Access and the mechanisms that might result from the Higher Education Bill. Matters of concern for vice-chancellors included uncertainty about whether additional

funds from variable fees would be clawed back by the Treasury, the fee structure for part-time students, the definition of groups under-represented in higher education, and appropriate fee arrangements for students who wanted to take 2005-06 as a gap year. There had also been discussions about the appropriate limitations on the role of the Office for Fair Trading, and of the Secretary of State for Education and Skills in relation to it.

(D) **PROJECT BOARD OF UNIVERSITY EDUCATION CUMBRIA**

The meeting planned for 12 March had been postponed, since the draft business plan had not yet been ready for discussion.

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

CO.2004/20 Medical education

*Document: VC/04/R079*

Professor Abercrombie reiterated the importance of providing undergraduate medical education for the region. Lancaster was anxious to play its part, and the best way for it to become involved was by means of collaboration in a bid to be submitted by the University of Liverpool. The initial bid was close to completion and submission, and there would be scope for further bids to be made later.

In answer to a question, the Council was told that, while the scheme could operate with an intake of 50 students per annum, 100 would be preferable and would make it possible to effect revenue savings.

THE COUNCIL RESOLVED to receive the report on medical education.

CO.2004/21 LU Students' Union: report of the President

*Document: AR/2004/439*

Mr Nettleford reminded Council members about the Fun Run that would be held on the Sunday of Roses Weekend, and asked that the opportunity be taken for the university to be seen as opening itself up to the local community. He further underlined the importance of providing good sports facilities at Lancaster.

He reported on a continuing campaign, in which he and other LUSU officers were working with local police and St Martin's College, for the greater personal safety of students and an increase in their neighbourliness. This action would continue for a sustained period of several years, in order to break down current scepticism about students' conduct and their place in the life of Lancaster.

THE COUNCIL RESOLVED to receive and note the report of the LU Students' Union President.

CO.2004/22 Presentation by a dean: Arts and Humanities

*Document: AR/2004/440*

Professor Whitton drew attention to his written report, which was broadly thematic and deliberately light on statistical information. He had been at Lancaster for many years, for too many of which the arts and humanities subjects had been on a back foot. This had now changed, and it was possible to see examples of growth.

There had recently been a shift in government policy towards arts and humanities and this change, alongside the important internal support, was creating a new environment. It was important to take a twenty-year perspective in order to understand the current position. Formerly there had been heavy dependence on HEFC(E) and the annual allocation for teaching, which was typical of arts and humanities in the UK. There was however now a better understanding of the economic importance of the creative and cultural sectors, as well as a philosophical shift that meant more importance was placed on familiarity with foreign cultures, mindsets and languages. There had been changes to the funding relativities of teaching in favour of Band D subjects, and although these were quite arbitrary, they would raise the contribution rates of English and History. The forthcoming creation of an arts and humanities research council was of major symbolic importance, giving these subjects equal status and a place at the OST table. A high priority would therefore be to maximise funding from that source, working from an exceptionally high record of research grant applications and involving a shift from exclusively individual research to a more mixed pattern that would include teams of people and collaborative working.

The strategic priorities of the faculty were to make Lancaster a top UK location for arts and humanities, involving a distinctive Lancaster brand that was interdisciplinary, a trend supported by recent interactive appointments in English and History, to sustain and strengthen undergraduate programmes of study, and to increase postgraduate and overseas student numbers. The cumulative effect would change the faculty's financial profile to a more balanced income line, giving equal

emphasis to teaching and research, and presenting a profile that was more typical of a research-intensive university.

In discussion the following points were amongst those made:

- (a) careful analysis would be needed to determine whether the faculty was a net gainer from the present structure of Part I. The focus should instead be on other measures that would make arts and humanities attractive, including in workplace possibilities in all schemes of study that would build on the pioneering work of the Innovation and Enterprise Unit, and producing graduates who were both employable and aware of their own value in the workplace;
- (b) while a combined faculty of social sciences and arts and humanities would on present showing mean that a dean could have the heads of eighteen cost centres reporting to him or her, in practice the present trend towards aggregation of cost centres was likely to continue, thus reducing the span of control through the use of identified groupings;
- (c) in relation to the market for graduates of European languages, the Council was told there was at present over-provision in the sector. Nationally, more effort was required to improve language teaching, particularly at primary school level, and recruitment would be difficult until that had been accomplished;
- (d) the departments of the faculty all had targets set for attainment in RAE 2008, with 5 or equivalent as the institutional maximum. Because the university's Strategic Plan endorsed that level of achievement as a threshold, the necessary steps would be taken to ensure all units of research assessment should be enabled to reach it.

THE COUNCIL RESOLVED to receive and note the report of the Dean of Arts and Humanities, and to thank him for it.

CO.2004/23 Finance

- (a) Report of the Director of Finance and Resources

*Document: FO/04/24*

Mr Neal reporting that there had recently been a meeting about full economic costing methodology, particularly of research, and a formal project group had been set up to develop policies in this area.

The two bids for the multi-utilities project were being tested. The university was benefiting from working through Ernst and Young with both companies covering ground that might otherwise have been undertaken with a single preferred bidder.

On the previous day Mr Neal and colleagues had met representatives of the banks that were funding the student residences, together with their monitoring surveyors. There had been a high level of convergence between the university's view of the project and that of the banks, and overall their representatives were impressed by what they had seen.

(b) *HEFC(E) grant announcement for 2004-05*

*Document: FO/04/27*

Mr Neal indicated that in his view the allocation to Lancaster was modest good news. Although it was difficult to evaluate the outcome accurately by comparison with the sector, overall the grant was above the average and was showing the benefits of the RAE 2001 result and the achievement of targeted student numbers.

In answer to a question, the Council was told that any clawback in relation to Foundation Degree numbers for which the university bid on behalf of the associated institutions would be passed on to the colleges involved.

(c) *Budget-setting methodology for 2004-05*

*Document: FO/04/23*

Mr Neal drew attention to the attached methodology for setting the budget for 2004-05, which had been widely circulated and discussed. He intended that there should in future be closer integration between the university's strategic plans and the annual budgeting process, and hence between forward capital items alongside revenue projections.

A member noted the reassurance he had been given that the priorities for maintenance would be included in this process of integration.

(d) Capital programme and project authorisation

*Document: FO/04/26*

Mr Neal indicated that he had sought to look at the conclusions for the capital programme as a whole and to make recommendations for the future. There was an exceptional magnitude of current capital projects, the majority of which were in sound condition, and all of which were discussed on a monthly basis with the university's professional advisers. He drew particular attention to the proposed changes to scrutiny of and methodology for future capital projects.

(e) Management accounts as at 29 February 2004

*Document: FO/04/28*

Mr Neal indicated that the university remained on course to achieve the out-turn forecast, exclusive of the lease premium, of a £4.6 million surplus, which was mid-range of the target set, and had meant that positive in-year adjustments had been made.

(f) Finance Committee: meeting of 20 February 2004

*Document: AR/2004/417*

The Council was invited to receive the summary of the meeting and ratify the decisions made.

THE COUNCIL RESOLVED to:

- (i) receive and note the report of the Director of Finance and Resources;
- (ii) congratulate those involved on the positive HEFC(E) resource allocation for 2004-05;
- (ii) approve the budget-setting methodology for 2004-05 as set out, and to endorse the changes in policy contained in it;
- (iv) approve the proposals for expenditure in relation to the South-West Campus (including Barkers House Farm) and the enabling works; the proposals for change in the capital authorisation process; the current capital programme as set out;
- (v) ratify the decisions of the Finance Committee, at a meeting held on 20 February 2004.

CO.2004/24 Estates Committee: 6 February 2004

*Document: AR/2004/418*

The Director of Estates reported that the outcome of a short meeting held on 15 March 2004 had been to agree in broad terms the direction of the future estates strategy, and to set up a steering group, to which groups on specialist topics would report.

THE COUNCIL RESOLVED to:

- (i) ratify the decisions taken by the Estates Committee at its meeting on 6 February 2004;
- (ii) note the actions being taken in relation to the future estates strategy.

CO.2004/25 Senate: 10 March 2004

*Document: AR/2004/416*

The Vice-Chancellor reported as follows on the adjourned meeting of 10 March 2004.

(a) *Undergraduate tuition fees*

The Senate had considered the processes that would be necessary for consideration of the tuition fee structure if the Higher Education Bill was passed and variable fees became available, and had agreed to establish a small committee, looking at policy on fees by scheme of study and at the university's relationship with the Office of Fair Access. The university would by 2008 be receiving an additional £16 million per annum, or about 10% of turnover. Some market analysis would be undertaken, and different types of incentives explored, including increased scope for student employment and for widening participation. While the Finance Committee would eventually approve the schedule of fees, other committees would contribute to the debate about how best to use the additional resources.

(b) *Academic structures*

There had been long discussions by the Senate and elsewhere about how to optimise the academic structures of Lancaster relative to its competitors. A proposal had been approved on a show of hands to move from a five to a three faculty model, while keeping the Management School as at present constituted. The new arrangements would allow for the establishment of effective faculty offices, free up academic staff time, focus planning at the

appropriate level, give greater institutional visibility, improve and strengthen the governance of the university, and increase the effectiveness of the management of risk. More detailed proposals would be presented to the Senate at its meeting in May.

In answer to a question about the future job specification of faculty deans, the Council was told that they would have more extensive responsibilities and hence would be full-time and adequately resourced. The three faculties would nevertheless only be the size of smaller faculties at the major civic universities.

THE COUNCIL RESOLVED to:

- (i) receive and note the report of the Senate's actions;
- (ii) ask for a summary of the meeting held on 10 March at its meeting in June.

CO.2004/26 Analysis of the current student cohort

*Document: AR/2004/447*

The Director of Marketing and Communications, Mr McGovern, drew attention to a written report setting out key performance indicators relating to the attraction and retention of students, and invited the Council to specify how the report might be modified for the future. The report covered recruitment data for 2003-04, followed by a section on trends, and another on comparative internal and external indicators, and concluded with a set of challenges.

In discussion the following points were amongst those made:

- (a) the action plans that had cascaded from the Strategic Plan for recruitment and widening participation had been put on a slower track, pending the outcome of the Higher Education Bill and the establishment of the office for Fair Access, but would when completed include targets to 2008;
- (b) the university used the HEFC(E) benchmarks and, in considering how best to deploy its business and scholarships, would focus on areas that required most development, especially the recruitment of students from ethnic minorities;
- (c) detailed breakdown of the figures between Home and EU, and between present EU and accession states, was undertaken at office level. Amongst the accession states, Cyprus was expected to show undergraduate growth. The countries of central and eastern Europe, however, were more likely to show increased postgraduate recruitment;

- (d) the effects of a downturn in national economies, such as Malaysia in 1997, or issues around the spread of outbreaks of Severe Acute Respiratory Syndrome, had so far had a greater impact on international student recruitment than terrorism;
- (e) the next report could include information on how much work experience affects first destinations of graduates. The league tables were however becoming ever more important, including employment statistics;
- (f) students were becoming increasingly alert to the proportions of particular classes of degrees that were awarded, and Lancaster was generally regarded as tough in this respect by comparison with competitors. The university was careful to test this indicator both externally with comparator institutions for the purpose of quality and standards, and internally for the consistency of classification profiles;
- (g) the importance of integrating overseas students with Home students was noted, as well as of ensuring a mix of nationalities within subject areas. Certain subjects, such as accounting and finance, were particularly attractive to overseas students and there was a danger of creating clusters of a single overseas nationality in particular areas. The colleges were an important safeguard in this regard;
- (h) an additional challenge was the average A-level point score, a measure that was often over-emphasised in the league tables, but one that could hurt Lancaster. The Council was assured that offers to individual students were being monitored, with the intention of upgrading the point score;
- (i) a strong selling point was the availability of guaranteed university residential accommodation for overseas students, Lancaster being one of only ten that could make such a promise. Because graduates of Lancaster were the best ambassadors for it, the experience overseas students had at Bailrigg was crucially important.

THE COUNCIL RESOLVED to:

- (i) receive the analysis of the current student cohort and to thank Mr McGovern for his presentation of it;
- (ii) request more emphasis on information about performance by competitors in future reports.

CO.2004/27 Governance: committee structure

(a) Human Resources Committee

*Document: VC/04/R081*

The Director of Personnel Services reminded the Council that two committees had been laid down, to be replaced by the single body proposed in principle in the attached document. The membership would be filled through the work of the Nominations Committee, and the committee would refine its manner of working as it proceeded through its business.

(b) Health and Safety Committee

The Council was invited to note the revised form of the committee. In answer to a question about the obligation of the committee to keep Council informed, it was noted that senior managers had a responsibility to report to Council on a range of matters if issues of significance arose.

THE COUNCIL RESOLVED to:

- (i) approve the proposal for a Human Resources Committee, subject to including Academic Services within its remit;
- (ii) approve the proposed revisions to the Health and Safety Committee, including its reporting line to the Vice-Chancellor, subject to the removal of the word 'lawfully' from Term of Reference 2;
- (iii) note the responsibility of senior managers to report on matters of significance to the Council, including on health and safety issues.

CO.2004/28 Audit Committee

*Documents: AR/2004/441; FO/04/12*

THE COUNCIL RESOLVED to:

- (i) receive and note the summary of a meeting of the Audit Committee held on 27 February 2004;
- (ii) receive and note the summary of main institutional risks, subject to highlighting areas of significance;
- (iii) ask that the analysis of main institutional risks be placed in a prominent position on the agenda on a cyclical basis.

CO.2004/29 Review of the meeting: strategy meeting

No comments on the form or content of the current meeting were made.

The Pro-Chancellor reported that the special annual strategy meeting, to be held on Friday 30 April 2004, would concentrate on the brand and reputation of the university. After a plenary session there would be four workshops on brand in relation to students, staff, the international market, and business and the regional community.

THE COUNCIL RESOLVED to note the arrangements for its strategy meeting on 30 April.