

THE UNIVERSITY OF LANCASTER

Minutes of a meeting of the Council held on 22 March 2002

PRESENT: Mr J. B. Heron (in the chair), Vice-Chancellor, Professor N. Abercrombie, Mr D. Boyle, Mr R. Daly, Professor R. B. Davies, Mr H. Dawson, Mr A. Dick, Mr J. C. Dunning, Dr P. G. S. Entwistle, Professor K. A. O. Fulton, Mr M. Hart, Mrs C. T. Hensman, Ms C. A. Johnson, Mr G. Johnson, Lord Judd, Dr M. M. Lee, Mr S. A. J. Leyton, Ms T. McGrath, Mr H. Morris, Dr C. C. Park, Professor M. I. Reed, Professor P. Rowe, Mr K. Royales, Mr R. Turner, Mr A. Whitaker, Ms J. M. Whiteside.

IN ATTENDANCE: Mr C. Adams, Ms F. M. Aiken, Mr J. Colman, Mr S. Dingle and Ms C. Hodson (N. M. Rothschild) for the business transacted under CO.2002/8, Mr W. S. Lunn, Mrs M. E. McClintock, Mr E. T. McGregor, Ms E. Nutt, Ms V. Tyrrell, Mrs V. Watkins.

APOLOGIES FOR ABSENCE: Mr R. Emslie, Dr R. B. Henig, Professor S. Henig, Councillor P. C. Jackson, Mr H. Nichol.

CO.2002/1 Welcome to new members

On behalf of the Council, the Pro-Chancellor welcomed the following or returning members:

Dr M. M. Lee
Mr S. A. J. Leyton.

CO.2002/2 Retiring members

On behalf of the Council, the Pro-Chancellor expressed its thanks to the following retiring members:

Mrs E. M. Blamire
Mr W. M. Davies
Mr R. W. Goodall
Mr P. M. W. Lewis.

CO.2002/3 Minutes

The minutes of the meeting held on 23 November 2001 were confirmed.

CO.2002/4 Matters arising

CO.2001/54: Nurse Unit

Document: AR/2002/406

The Council resolved to receive and endorse the guidelines as set out for implementation when working parties, steering groups or other ad hoc bodies are set up by the Council or by one of its standing committees.

CO.2001/59: Audit Committee: Management Development Division

The Council received a report that the position within the MDD continued to be monitored closely.

CO.2001/69: Charter and Statutes

Ref: S.2002/5

The Council received a report that:

- (a) the Senate had agreed to accept the recommendation made to it by the Council concerning the method of appointment of staff and students under Class II of the Senate membership;
- (b) the Privy Council Office had confirmed its receipt of the proposed revisions to the Charter and Statutes and had stated they were under consideration.

CO.2001/70: Vice-Chancellor's report: student registration and accommodation

Mr Whitaker noted that he had been invited to present a report on the management of existing student accommodation, including an analysis of the October 2001 problems and recommendations for the future, to the present meeting of the Council. Because of the unavailability of certain data, he was not yet in a position to present a written report, but had some brief comments he wished to make.

The university in October 2001 had faced a range of accommodation difficulties: it had recovered the previous year's undergraduate shortfall more successfully than had been anticipated; it had earlier in the annual cycle released more rooms to third-year undergraduates

than in previous years; as a consequence of the university's academic and marketing success, more overseas and more postgraduate students had been recruited; and the proportion of Part I students wishing to take up residence on campus had risen from 87% to 92%. The university had met its guarantees to all the postgraduate students it had admitted but had been forced to use contingency accommodation for some Part I undergraduates during the Michaelmas Term.

Mr Whitaker had completed his review of the process, including the management of the allocation of accommodation, internal communication and coordination, external communication, particularly with incoming students and their families; and the resources in the College and Residence Office and the direction and guidance for it. He needed to draw up formal recommendations and to discuss them inter alia with UMAG, particularly in relation to the management and resource issues raised.

Mr Whitaker reported that the Residence Guarantee Group had met in the Michaelmas Term, but had had difficulty since then in agreeing a date. The intention of the group was to adjust the guarantees that the university offered to future students, while safeguarding the position of students who had already entered the university, and useful advice had been received, including from LUSU and the university's solicitors. The key to the process was its management, including what was said to students, appropriate reporting lines, and the establishment of a task force over the summer months. Agreement had already been reached that contingency accommodation on the campus should be retained for emergency use only, student quotas were being managed by officers, and territorial disputes between departmental and residential accommodation were being negotiated. Council could be reassured that monitoring of the process was well under way.

The President of the Students' Union thanked Mr Whitaker for his helpful oral report, but urged the importance of a written report being made available as soon as possible.

The Council resolved to consider a written report by Mr Whitaker at its meeting in June.

CO.2001/70(c); CO.2001/56(f): Student recruitment and accommodation

Document: VC/02/R085

The University Secretary drew attention to the in-year report on recruitment, showing that in February 2002, on the revised estimate of the funded student numbers, the university was short of its 2001-02 minimum target by 325 f.t.e. Various mechanisms had been put in place to boost numbers, including postgraduate bursaries, authorised

reclassification of certain MDD schemes of study from closed to open entry, and the re-estimation of additional numbers to be expected in Continuing Education, CETAD and the Management Development Division. The retention rate was also being monitored, and fewer students had left at Christmas than expected. The next review of progress towards the target would take place on 26 March, and there was a confidence level of 80% to 90% that the target would be reached.

For October 2002 there was a 90% increase in applications from overseas students, but the number admitted would for the first time and by cooperation with departments be capped because of the shortage of residential accommodation. The university was vulnerable on the number of home/EU postgraduate taught course and research students it was able to attract. There had been mixed feedback about a postgraduate recruitment fair set up to address this issue, and there were no national benchmarks for Lancaster to compare itself with. On undergraduate recruitment, applications for home/EU students had increased by 8%, marginally better than the national average.

In response to an expression of disappointment that the university would be turning away overseas students, the Council was told it was believed that residence at Bailrigg was important to such students.

The Council resolved to receive and note the report on recruitment for 2001-02 and 2002-03.

CO.2001/72(a): Finance and estates: annual accounts

The Council received a report that the external auditors, on the advice of the risk management partner of Pricewaterhouse Coopers, had agreed that the annual accounts did not need to be qualified in respect of FRS.17.

CO.2001/72(d): Lancaster Environment Centre

The Council received a report that a letter of intent had been issued by LUDL to HBG on 21 December 2001 and work on site had commenced on 18 March 2002.

CO.2002/5 Vice-Chancellor's report

The Vice-Chancellor and others reported as follows.

(a) RAE 2001

The Vice-Chancellor reminded the Council that the outcome of RAE 2001 had been circulated to Council members before Christmas. He wished to place on record the substantial

achievement of academic and support staff in reaching this result, despite the significant reduction in funding for units rated 4 and 5. Any reasonable league table placed Lancaster 8th or 9th in the sector, particularly in relation to the high submission rate of 90% of eligible staff, and the 71% of those submitted who were in units rated 5 or 5*. The result had been obtained by hard work rather than by a policy of buying people in to boost ratings, and there had been some remarkable increases in ratings, notably in Physics and European Studies: Philosophy however had by common consent been badly treated.

(b) Strategies for meeting the funding gap

Document: AR/2002/492

The Vice-Chancellor reminded the Council that he had been asked at the beginning of the current academic year to prepare a report for the present meeting on how the university would, when the funding for 2002-03 was known, address the medium-term funding gap. He took personal responsibility for the paper laid before the Council, and wished to draw particular attention to the recently revised financial forecasts it contained. Various scenarios had been tested, with varying degrees of certainty, about the data entered, but all showed a gap and underlined the importance of the target surplus that the Council must set of between 3% and 4%, in order that investment in the university's business could continue. Because the problem would increase year on year unless appropriate action were taken, it was critically important to achieve the required net gap savings and the salary cap targets, to control costs and to continue the generation of new net income, including by increases in student numbers, third mission funding, and the Development Programme. The figures set out were proximate, to show how the process should be managed.

The Vice-Chancellor indicated that the overall tone of his report was positive and did not indicate a crisis. The university had coped with the shortfall in income for the last three or four years, and the important factor was to continue to act: hence he had indicated the responsibilities for the management of the university and for possible changes in the way it might operate. He noted that senior officers of the university were in dialogue with the key earners within the institution: the process was well under way and the agenda set for the years ahead, including tough decisions to make in some areas.

Lord Judd thanked the Vice-Chancellor for his full reply to the concerns expressed at the beginning of the academic year, and noted the great debt the Council owed to the Vice-Chancellor for the job he and his colleagues had done to turn the university round financially, ensuring that staff concentrated on the essential management function while continuing to enhance the institution's reputation. He suggested that managing the university was like driving an oil tanker: the demands on the Vice-Chancellor and his colleagues had been so high because previously the appropriate finesse had not been present. He asked whether members of the Council could be reassured that the recovery was not a one-off exercise and whether arrangements were in place for a team that would carry forward a culture of realism amongst staff about how hard the future would be. The Council would have the responsibility to ensure that the fifth vice-chancellor would share the same balance of commitment and understanding when he took up his post.

The Council was told:

- (a) that the target for the annual surplus should be at least 4% in order to deal effectively with the university's existing responsibilities and to create the means to grow;
- (b) that the new vice-chancellor would be fully briefed on the funding gap, he had shown in his presentation a clear understanding of the issues facing Lancaster, and his stated intention was to continue the improvement of Lancaster's relative position;
- (c) that the analysis of the 2002-03 recurrent grant letter showed that Lancaster had optimised its position;
- (d) that the core funding gap was not of the university's making.

(c) Quality assurance

The Deputy Vice-Chancellor reported that the Government had at last decided what it wished to do about assuring the quality of academic provision in universities, building on systems that were already compliant. There was a difference of tone about the new arrangements, for although a limited framework of visitation to the institution on six-yearly cycle would continue, there would not be constant inspections, and the university would itself have to show how it was compliant. Work on student feedback would in particular be necessary, to make it more systematic, robust and publicly available.

In response to a question, the Council was told that feedback from alumni was not part of the required framework, but was already included in Lancaster's procedures, in order to obtain feedback five years after graduation.

The Council resolved:

- (i) to place on record members' satisfaction at the achievements by the university from RAE 2001;
- (ii) to thank the Vice-Chancellor for his reporting on strategies to meet the funding gap and to note the actions that had been taken and would continue into the future;
- (iii) to note the information about the revised quality assurance framework.

CO.2002/6 Report of the LUSU President

The President of the LU Students' Union, Ms McGrath, opened her report by stating how overjoyed the Union was about the proposed improved Library opening times. Many Council members might not realise that Library hours out of term time were significantly fewer. For too long the university had been showing a double standard to its postgraduate students, and far from being an area that money could be removed from when funding was tight, the increased opening hours were essential if Lancaster was truly to be seen as a research-led institution. The changes showed a commitment to widening access, to take on board student opinion and to act in students' interests. The Students' Union was very pleased and wished to thank the Librarian for her hard work and commitment on this issue.

The Council was told that the beginning of term had seen a campus-wide boycott of college bars. Prices had been increased over Christmas to fund the increased running costs of the bars and of the colleges. The college system continued to be of prime importance to the Students' Union and it would be a tragedy if the colleges slipped into decline because of poor funding or undue reliance on bar takings. Ms McGrath was sure Council members would understand that it was naive and a little bizarre that much of the colleges' welfare system was funded by student drinking behaviour.

Many Council members would already be aware of the incident on 19 February when members of the Boat Club had been forced over Skerton Weir whilst on a routine training session. A report on the incident had been produced the same day and since then the appropriate LUSU officers and the Head of Security had met to consider action for the future. The Boat Club was investigating a system that would involve all the local rowing clubs, and there would

be a need to purchase another, larger safety boat with a more powerful outboard motor: there were however issues to do with local fishermen. The local police had invited LUSU officers to a debriefing meeting with the emergency services, but this still had to take place. The boat, a lightweight women's eight, had been destroyed completely, but it was hoped to replace it by Roses Weekend.

Ms McGrath emphasised that the members of the Boat Club had acted in accordance with stringent ARA safety procedures and with those developed within the club itself, and lives were saved because of this. It appeared that the incident was an unfortunate incident, due to freak conditions. It should be seen in the context of involvement by LUSU clubs and societies in regular risk assessments and attendance at compulsory safety briefings when taking part in activities that present potential risk to life. Further meetings with the Boat Club were planned to ensure that proposed follow-up action was taken and enforced.

Turning to the Lancaster University Volunteering Unit, Ms McGrath explained that this exciting new initiative had come about as the result of a successful bid to the HEFC(E). Funding had been obtained for 30 months in the first instance, to August 2004, and on 1 March the director of LUVU, Sarah Elliott, had taken up her post. A volunteer coordinator was in the process of being recruited, and the unit would be placed in premises that fronted onto Alexandra Square. Key features of the unit would be the recognition that volunteering helps staff and students gain new perspectives and develop their employment skills, while enhancing the quality of life in disadvantaged sections of the community. The funding from the HEFC(E) had given Lancaster the means to establish LUVU as an integral, beneficial and effective project for staff and students, and it was envisaged that the unit would prove successful and would seek longer-term funding to see it continued as a vital project within the university and LUSU. In the meanwhile, it was a pleasure to report that the unit was already in partnership with nine local agencies as well as with Student Volunteering UK.

The elections for sabbatical officers had recently taken place. Next year the president would be Liam Danby, with Gemma Marshall as the new Education and Welfare Officer. The other officers were Gaz Stubbs as General Secretary, Laura Johnston as Women's Officer, John Peet as AU President, and Matt King as editor of *Scan*.

Finally, a hot topic for all students continued to be the student residence developments. While LUSU sympathised with the need to increase the amount and quality of the stock, students were anxious that events were moving too quickly and on an unmanageable scale. LUSU would conduct an intensive survey into student opinion on the issue during the Summer Term, and a general meeting would decide

student priorities and position on the development, thus being a crucial point in terms of student participation in or rejection of the current plans. At the moment confidence in the project was low and concern was high. Ms McGrath hoped that Council members would watch this area of work with great interest during the coming vital months and take part in the debate on the issue under CO.2002/8.

Ms McGrath concluded by wishing all members of the Council a happy Easter.

Mr Hilton Dawson reported that he had been impressed by the student who attended a meeting of sceptical Hala teenagers from the LUVU. He had been keen and positive about a development that would be important for the Hala estate.

The Council resolved to receive and note the report from the President of the LU Students' Union.

CO.2002/7 Finance

The chairman of the Finance and General Purposes Committee, Mr Turner, introduced the following items.

(a) Recurrent grant for 2002-03

Document: AR/2002/457

The Council's attention was drawn to the analysis of the current grant, showing an increase of 1.7% on the recurrent grant for teaching, below the rate of inflation. The result from the success of RAE 2001 of an increase of 6% gave an overall increase of just over 3% and enabled the university to move forward. The position presented by future recurrent grants was however likely to be worse.

(b) Budget-setting process for 2002-03

Document: FO/02/09

The attention of the Council was drawn to the paper on the budget-setting process, drawn up on similar lines to previous years. There was a need to achieve a surplus of 4% on turnover which would make putting the budget together difficult, and the paper showed both the risks facing the university and the much-needed developments that were planned.

A member enquired whether the academic shape of the university would be an issue for the new vice-chancellor. The sanctions that were envisaged for departments that underperformed against target raised important questions about the restructuring and future shape of the university, and whether the result of financial imperatives would be the domination of the university by just two or three disciplinary areas. The Vice-Chancellor noted that the university had been reshaped incrementally over the last five or six years. Senior officers were concerned about the implications of the RAE tabulation with swings against some subjects and in favour of others. Cross-subsidy between areas had always been a necessary part of setting budgets, and while the recent information would test the boundaries of collegiality, work was being undertaken with departments to close the gap. There would be no secret about the pressures being exerted on underperforming departments, and a review after Easter would be undertaken in order to decide how to manage the shifts in funding. It was also important to realise that the winners of today might be the losers of tomorrow, and that the real test in funding terms was success in student numbers. The university had however made a tactical decision that Philosophy was a core subject, and it was hoped that it would become integrated into other departments' schemes of study, as a part of breaking down departmental walls. The intention was to create structures that facilitated growth and development.

A member noted the huge variations in funding between subjects and the need within the budgetary considerations for debates about the balance between different disciplines, and to analyse on what criteria the shifts in resources had been made. It was suggested that the university should seek to operate in a way that made it increasingly less dependant on recurrent grant income.

(c) *Out-turn review; management accounts*

Documents: FO/02/13; FO/02/21

The Council received the management accounts for January and February 2002, including the out-turn review, and noted the good match between prediction and outcome.

(d) *Subsidiary company proposals*

The Council is invited to approve the attached revised Memoranda of Understanding for the following subsidiary companies, subject to the insertion of agreed statements about the role of the university's internal audit service and the Audit Committee to such companies:

- Lancaster University Business Enterprises Limited (LUBEL)
- Lancaster University Developments Limited (LUDL)
- Lancaster University Network Services Limited (LUNS)
- Lancaster University Library Services Limited (LULS)
- Mardis Limited
- Pinecrest Developments Limited.

The following points were noted in discussion:

- (a) the external auditors had not yet agreed the changes proposed by the internal auditors;
- (b) obligations of the companies to seek the approval of the Vice-Chancellor should include proposals for borrowing and section 8 in each case should be amplified accordingly;
- (c) the Director of Resources had personal responsibility for wholly owned subsidiary companies as part of his job description;
- (d) references to university regulations and policies on environmental issues should include a phrase indicating that the subsidiary companies would operate within such policies and regulations.

The Council resolved:

- (i) to note the analysis of the HEFC(E) recurrent grant for 2002-03;
- (ii) to adopt the paper on the budget-setting process for 2002-03;
- (iii) to receive and note the management accounts for January and February 2002, including the out-turn review for 2001-02;
- (iv) to approve the subsidiary companies' memoranda of understanding, subject to further refinement of detail.

CO.2002/8 Finance and estates: future student accommodation

Documents: FO/02/16 (restricted); AR/2002/514

The Council was asked:

- (a) to approve the nomination of a preferred contractor as set out;
- (b) to endorse the structure and scope of the proposed transaction as set out;
- (c) to note progress to date and the timetable for completion of negotiations with the preferred contractors, prior to presentation of the proposed transaction for approval by Council in June 2002.

The following documents were laid before the Council:

- (a) report to the Council with recommendations;
- (b) Appendix 1: evaluation of bids;
- (c) Appendix 2: commercial term sheet;
- (d) Appendix 3: relative costings of mandatory and variant bids;
- (e) Appendix 4: programme timescale and progress of residence rooms created.

The Vice-Chancellor told the Council that today's business was not the approval or otherwise of the transaction for future student accommodation, but the appointment of a preferred bidder. He drew attention to a tabled paper concerning the compliance of the project with the recommendations of the 1997 CRILL report and assured members that a detailed commentary would be considered by the Council Executive Group at its next meeting. The lessons from CRILL had been learned, although he recognised the project would continue to raise issues of governance because of its scale and other issues.

The strategy laid out for the Council appeared to the Vice-Chancellor to be inescapable, since the main constraint on the growth of the university was its ability to attract students who could be certain of residence. At least 600 additional beds could be ready by 2003, and the project was the vital link between the academic, estates and financial strategy of the university. He would take to the CEG the concerns that he knew had been raised by the student body and would in June bring forward a proposal to the Council for the means of liaison between the university community and the transaction after the contract had been let. In the meanwhile he wished to give the project his personal support. In answer to a question, he reported that the fifth vice-chancellor knew about the project, and that any hiatus at this stage would be fatal to it.

In an extended discussion, the main topics covered were as follows.

- (i) In answer to a question about volume and scale of the project, from £70 million at the outset to the current proposal of £120 million, the Council was told that the scale of the project had increased from minimal refurbishment and a small increase in the number of rooms in response to the market testing by the university that had shown an appetite for a more radical solution and a net addition of 1750 rooms. To break the project down into small and discrete phases would lose economies of scale and involve complex re-negotiation, and more fees. The project was already planned in phases, the first being the 600 additional rooms at the Graduate College, followed by the completion of the rest of the South-West Campus by 2004, and then actions within the perimeter road area. If during the

process the agreed partner failed to deliver to contract, the university could terminate the project, although there would be practical and financial consequences. As the transaction was at present being framed, the external partner would borrow 90% of the required finance and the risk would be transferred to that party, while the university would be able to increase its student numbers and fulfil occupancy guarantees to them.

- (ii) In answer to questions about the ability of the university to put in place robust processes of monitoring and review during the life of the project, the Council was assured that the university had access to a professional team for the period up to the letting of the contract. This would include a framework that allowed the university to have an input and a monitoring role during the life of the transaction, and as part of an active process of management for the future the key points would be anticipated and steps put in place to control them. The project would also be managed in the context of other projects that would be proceeding in parallel, including the Lancaster Environment Centre, InfoLab 21 and further growth of the Management School.
- (iii) In a consideration of the risks to which the university would expose itself through the project, including lack of knowledge of future student requirements, the need for the area inside the perimeter road to be not only safe but also attractive, and the extent to which the residences project would make life difficult for the whole university, the Council was told that the project was a long-term commitment for both parties. There had to be value in it for the external partner but the main risks, especially of the building activity, were being passed to the contractor. The university would draw on internal and external professional expertise to ensure that any problems were identified and solved. Under the transfer of risk related to occupancy levels, the university accepted the greater part of that at the beginning of the period by guaranteeing to fill 75% to 80% of the rooms: this was a containable risk, subject to a caveat on overseas student numbers. Most of the big risks would be covered by careful evaluation of the contract structure, such as ensuring that the rents did not escalate if they were becoming uncompetitive. The university needed to deploy financial sophistication, in order to transfer a fair and equitable risk to the contractor, while the university would retain the contractual relationship with its students and be paid a fee for doing so. Construction would where possible take place off site in order to reduce noise and pollution, and to deploy a smaller workforce on site, and demolition would take place when least

people were about. The contractor in turn would be prepared to accept a level of risk as high as £120 million because it would be reimbursed by the university in the form of guarantees of annual rental income.

The overall risk profile was under control: some 1990s projects in the sector had placed particular universities as the principal, but the framework proposed for the Lancaster transaction would remove that exposure to capital risk. Since the university would otherwise have to greatly accelerate its rate of refurbishment, the calculation of risk was in any case not simple.

- (iv) In a consideration of how pioneering the university would be in entering the proposed transaction, the Council was told that Lancaster would gain from others' experiences. There were also some elements where it was believed the current transaction was an improvement, including the absence of staff transfers of employment, the university's retention of its interaction with students, and its continuing ownership of a proportion of the residential accommodation as a check and balance device. The concentration of the highest occupancy risk to the university was placed at the beginning of the contract and would taper off over its life, progressively passing to the partner.

The privately-funded provision of student accommodation within higher education institutions had gathered momentum since earlier projects of up to six years ago, and lessons had been learned. There were now about 43,000 student rooms within the sector provided by means similar to the current project, of which 80% was tried and tested. The remaining element was the need to demolish and rebuild with a tight campus environment. The project would also free up valuable space in two colleges for improving and enabling academic expansion. The proposed addition in student rooms would still meet only about two-thirds of the total demand for residential accommodation.

- (v) In answer to concerns about knowledge of details of the transaction, the Council was assured that the Council Executive Group would have the time and opportunity to go through the contracts in some detail before making a recommendation to the Council. Other safeguards included a review of the financial impact by the Finance and General Purposes Committee and the interaction between the Council Executive Group and the Estates Strategy Residences Group. An iterative process was being followed, including input from high quality advisers with

first-hand experience, including legal and property expertise. The output specification was already developed in detail, and the design life of the new buildings was planned to be forty to forty-five years and to be in a more appropriate configuration than existing space. Both bidders had been asked for information about their planned maintenance schedule over the life of the project, and a sinking fund would be established that would cover the level of maintenance they had specified, thus putting a premium on initial high quality finishes.

- (vi) In response to a question about vacation letting, the Council was told that such revenue was important for the university. Student letting periods were however growing longer, closer to 38 weeks a year as the norm, while the Graduate College essentially operated 50-week letting periods. If there was to be a serious attempt to extend the conference trade, then other services, such as catering support, must also improve, and there would need to be a degree of control over the parties to whom the partner might book the space if they were to manage it. This was an issue where further consideration was needed.
- (vii) In relation to rental levels, and an apparent substantial increase in the average rent, the Council was told that the rents would be kept at levels competitive with other institutions. Lancaster was fortunate in not having to pay a high premium for the land. The stated rental level was just one of a range that would be available to students, and in any case had to be considered in the context of what a particular price covered, including utilities and soft facilities management.

The President of the Students' Union indicated concern that the Council was being asked to approve the structure and scope of the proposed transaction. The Students' Union continued to feel that the project in its present form was unmanageable, and it was known that other student unions were not necessarily happy with the outcome of smaller developments than the one proposed for Lancaster. There was concern about the haste with which the transaction was being completed and the extent of the confidentiality that made it difficult for LUSU to participate actively. The Council was invited to note, however, that similar transactions at nine other universities had been successful.

The Director of Finance stated his belief that the project was manageable, that the two bidders were both used to the proposed scale of operation, and that the university had available the appropriate means to monitor their performance. He drew attention to the exact adherence so far to the set timetable by all the parties concerned, and to the significant costs that the two bidders were incurring as a result of their participation in the bidding process.

The Council resolved:

- (i) on a show of hands, to approve the nomination of Jarvis plc as the preferred bidder, with Norwest Holst as reserve bidder;
- (ii) on a show of hands with two votes against, to endorse the structure and scope of the proposed transaction as set out;
- (iii) to note progress to date, including the points raised by the Council, and the timetable for completion of the negotiations that would be pursued with the preferred bidder, prior to presentation of the proposed transaction to the Council in June 2002 for approval.

CO.2002/9 Finance and estates: summer programme, 2002; revised capital programme

Documents: FO/02/14; FO/02/17

The Council resolved:

- (i) to approve the summer programme of work for 2002 as set out, including a modular building for Applied Sciences;
- (ii) the revised capital programme as at 10 March 2002.

CO.2002/10 Equal opportunities; racial equality

Ref: CA.7; documents: AR/2002/458; AR/2002/459

Proposal (Mr A. Whitaker): that the Council endorse the following policy documents:

- (a) a proposal that university committees should monitor the equal opportunities implications of their work;
- (b) a proposal setting out ways in which the university can become more pro-active in promoting racial equality.

Mr Whitaker noted that the proposal about equal opportunities had been endorsed by the Senate and strengthened by it, so that the monitoring function by committees would be a requirement. He indicated that the document on racial equality was even more significant, and raised real and urgent compliance issues for the university. There would be a need to publish a policy and to assess the impact of it. The positive aspect of these requirements would be the encouragement of and welcome to diversity within the university.

The Council resolved to approve (a) and (b).

CO.2002/11 Nominations Committee

Ref: CA.8

Proposals (Pro-Vice-Chancellor): that the Council agree the following recommendations:

- (a) that approval be given in principle to the inclusion of Court members as members of specified Council committees, subject to detailed proposals being presented at the meeting of Council in June;
- (b) that an invitation be issued to all members of the university, including all members of the Council and the Court, to nominate persons who might become co-opted members of the Council;
- (c) that the following appointments be made, subject to consent, with immediate effect:

member of Council Steering Group: Dr M. M. Lee
member of Audit Committee: Mr S. A. J. Leyton
chairman of Estates Committee: Mr A. Dick (and ex officio a member of the Finance and General Purposes Committee)

The Council resolved, subject to the addition of Mr M. Hart as chairman of the Audit Committee, to approve the proposals.

CO.2002/12 Audit Committee

Ref: CA.9; document: VC/02/R082

The Council received the minutes of a meeting of the Audit Committee held on 4 March 2002.

CO.2002/13 Health and Safety Committee

Ref: CA.10; documents: SO/02/2; SO/02/1D

The Council received the minutes of a meeting of the Health and Safety Committee held on 5 February 2002, together with the annual report for the calendar year 2001.

CO.2002/14 Alumni Association

Ref: CB.1; document: AR/2002/461

Proposal (Alumni and Development Officer for the Alumni Association): that the Council approve the following changes to the constitution with immediate effect:

Section 3 – Purposes

Remove:

- (a) responsibility for keeping a register of names and addresses of members;

Add:

- (f) responsibility for stimulating alumni feedback and expanding the range of opportunities for alumni involvement
- (g) responsibility for liaising with the alumni body to accurately represent their views.

Section 4 – Activities

Remove:

- (a) responsibility for STEPS and other reports

Add:

- (e) manage the disbursement of all income
- (f) responsibility for Alumni Award for Achievement

Section 5 – Additional Activities

Amend:

- (c) be responsible for ensuring access to a register of all alumni

Add:

- (g) responsibility for identifying and involving potential alumni volunteers

Section 6: Membership

Remove:

- (c) reference to students and those holding appointments at affiliated/ associated institutions – but have left option of joining open to those students under (d)

Add:

Statement about the role of the Executive Committee (first paragraph of section 6)

Section 9 – Executive Committee

Order of Section 9 and 10 changed

Composition of the Executive Committee changed:

Remove:

Magazine Editor, CUCAO Officer, Past Staff Officer,
International Students and Overseas Alumni Officer

and in place

of the above the Constitution now specifies the various roles for the other 8 members to take on, including international alumni activities, former staff advisor etc. Student Alumni Association has been removed (not in operation).

Amend:

- (g) number of meetings now specified to meet at least three times a year (previously a minimum of one per year)

Section 10 – Officers

Remove:

- (e) reference to the Editor of Alumni journal

Section 11 – Representation

Remove:

references to the Alumni Relations Committee and Student Alumni Society (neither in operation), and added membership of the Friends Programme Disbursement Group.

Amend:

- (a) first sentence amended to read ‘In accordance with the University’s Charter and Statutes, there will be at least one eligible representative of LUA on Council who shall be elected by all members of the Association.’ (Previously read – there will be two representative of LUA on Council; these being the LUA President, ex officio, and one graduate of the University.)
- (g) the quorum of all General meetings of the Association normally shall be fifteen, except when changes to the constitution will be proposed, in which quorum will be twenty. (Quorum previously 20.)

The changes were approved by a quorate meeting of the Alumni Association held on 9 February 2002.

The Council resolved to approve the proposals.

CO.2002/15 Finance and General Purposes Committee

Ref: CB.2; document: AR/2002/340

The Council resolved to endorse the actions taken by the Finance and General Purposes Committee as set out, and in particular the agreement to set the tuition fees for 2002-03.

CO.2002/16 Furness College: principal

Ref: CB.3

Proposal (Search Committee): that Mr Tony Madeley be appointed principal of Furness College for the period 1 August 2002 to 31 July 2005.

The Council resolved to approve the proposal.

REPORTS

CO.2002/17 Appointments and resignations

Ref: CC.1; document: AR/2002/463

The Council received a listing of:

- (i) new appointments for formal acceptance;
- (ii) extensions of appointments;
- (iii) determining or determined appointments;
- (iv) resignations.

CO.2002/18 Research grants

Ref: CC.2; document: AR/2002/464

The Council received a list of recent grants received for research.

CO.2002/19 Written reports of meetings

Ref: CC.3

The Council received the following written reports for information and, where appropriate, confirmation.

- (i) Senate, meetings on 23 January 2002 and 27 February 2002 (AR/2002/450);
- (ii) Academic Planning Committee, meetings on 11 January 2002 (VC/02/R013) and 8 February 2002 (VC/02/R072);
- (iii) College and Residence Committee, meeting on 31 January 2002 (CR/02/06);
- (iv) Estates Committee, meeting on 7 February 2002 (AR/2002/225).

CO.2002/20 Development Programme

Document: VC/02/R087

The Council received the annual monitoring report of the Development Programme.