

LANCASTER UNIVERSITY

Minutes of a meeting of the Council
held on 26 November 2004

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

IN ATTENDANCE: Ms F. M. Aiken, Mr P. Blackmore (for CO.2004/65(b)), Professor C. Cooper, Mrs M. E. McClintock, Professor R. Macdonald, Professor R. D. McKinlay, Mr A. C. Neal, Mr R. O'Brien, Ms V. Robertshaw, Ms C. Simpson, Ms V. Tyrrell, Mr A. Whitaker.

APOLOGIES FOR ABSENCE: Mr D. Barcroft, Dr M. M. Lee, Mr G. Middlebrook, Mr R. A. Neal, Dr C. C. Park, Professor P. Rowe, Professor D. B. Smith, Professor K. J. Stringer, Mr M. Swindlehurst, Mr R. Turner.

CO.2004/61 Presentation: Pro-Vice-Chancellor, Academic Development

Document: VC/04/R235

Professor McKinlay, turning to a diagram, drew particular attention to the varying levels of responsibility within the institution: the departments were the main building blocks, although with permeable borders, and were the source of substantial responsibility; the matrix space was critically important in signifying the training and expertise staff had in single disciplines, coupled with their ability to be outward looking in both research and teaching; the faculties were becoming increasingly important, and carrying more responsibility, including for the design of teaching and research; and the aggregate areas of research were a contested area of internationally recognised areas of excellence, ranging from the Lancaster Environment Centre with its plans to develop five enduring centres under that umbrella to the Institute for Advanced Studies with its particular role in fostering a variety of centres.

Professor McKinlay indicated that the main strategic academic questions facing the university were set out in the second part of his paper, including the relationship between teaching and research. The challenge was to face these important issues and ensure that the answers were harmonised with the resources and governance of the institution.

In answer to questions, the Council was told:

- (a) academic members of staff held teaching and research as their key foci and confronted management issues at the level of their research group or their department. Furthermore, their corporate thinking was invariably less about the university and more about their international research domain. These characteristics presented a major challenge for heads of departments, for deans who assisted these heads, and for senior management;
- (b) if the university were large, the concentration by academics on their own research projects would not matter, but in a small to medium size institution like Lancaster, there needed to be identified areas of particular significance. Such areas were not easy to agree upon, and were liable to be resented by colleagues who were more comfortable working as lone scholars: aggregations such as the emerging School of Creative Arts were therefore very important;
- (c) the university had good structures in place to enable heads of departments to sustain their academic careers after they had completed their periods of office.

The Vice-Chancellor drew particular attention to the issue of balance within teaching that had been highlighted by Professor McKinlay, since there were important challenges for the university as its student profile became increasingly international. There were also interesting questions about teaching infrastructure and how the university might make the most effective use of its assets and infrastructure rather than expect simply to invest in additional earmarked teaching space.

THE COUNCIL RESOLVED to receive Professor McKinlay's report and to thank him for it.

CO.2004/62 Minutes: 1 October 2004

Document: AR/2004/1239

The minutes of the meeting of the Council held on 1 October 2004 were confirmed.

CO.2004/63 Matters arising: rolling schedule of business

Documents: AR/2004/1241; AR/2004/1242

THE COUNCIL RESOLVED to:

- (i) receive the report on matters arising;
- (ii) note the rolling schedule of business as set out.

CO.2004/64 Corporate governance

- (a) Corporate governance: issues for consideration by the Council

Document: VC/04/R230

The University Secretary drew attention to the high levels of accountability for institutions of higher education, and to the revised CUC code of practice for members of governing bodies that had just been published. The code made the relationship and the distinction between management and governance more clear, and made management's accountability for implementing action explicit. The university was giving a lead on organisational excellence and although it was lagging behind on the review of effectiveness, was otherwise in compliance with the code. Its publication gave an opportunity to reflect on the university's current structures and in particular whether the Council could demonstrate effectiveness, combined with the right mix of skills and better succession planning, and whether it could be coupled with a Court that was more meaningful.

The Pro-Chancellor endorsed the above approach, emphasising the opportunity for Lancaster to be at the forefront of bringing management and its governing body into balance, and noting the watching brief to the Code in recent months by Mrs Hensman. Senior management should be given scope to carry out its functions while Council checked the effectiveness of the actions taken. The structures should reflect the importance of a huge range of stakeholders, who demanded transparency.

The following points were amongst those made in discussion.

- (a) A student member commented that students were stakeholders in the university and the annual meeting of the Court was the only time they saw senior management. The Council was however told that, in addition to meetings

of the Committee for Relations between the Students' Union and the University, informal meetings were held between senior officers of the university and LUSU sabbatical officers.

- (b) A member suggested that a target of 15 members for Council would not be attainable, or would mean more officers in attendance: the important element was balance between the categories of membership. The Court might however be more radically reshaped by a consideration of a wider range of stakeholders than at present.
- (c) A member noted that if Council were too small, the range of voices representing diverse interests and reporting back would be inappropriately reduced. Other members commented that, while supporting the reduction in numbers, it would be important to see how non-members could contribute to business and to the process of consultation.
- (d) If Council were reduced, the implications for places on Council committees would be important. The Council was told that the committees of Council could be differently populated, drawing on the skills available to the university through its appointments to committee membership.

In response to a comment by a member that all members of Council were equal and did not represent particular stakeholder groups, the Vice-Chancellor noted that, with the exception of the LU Students' Union, the Council was in effect a board of management, equivalent to being directors. In any debate about the size of Council, the model to be adopted become critical and would form part of the review process. Council was reminded that the Lambert Report had indicated the need for reform: if institutions took the initiative, the government would expect to agree to a lighter touch, an issue that UUK was currently helping to define.

THE COUNCIL RESOLVED to:

- (i) note the discussion on major outstanding issues relating to corporate governance as set out above;
- (ii) note the actions being taken to implement improvements to aspects of the university's corporate governance, including the review of effectiveness;
- (iii) establish a working group to develop and implement the views of Council with the terms of reference and membership set out in an appendix;

- (iv) ask any lay member of the Council who wished to serve on the working group to inform Mrs McClintock, including those not present at the meeting;
 - (v) ask for an advertisement for a Senate member to be issued to its members.
- (b) *Key performance indicators*

Document: VC/04/R232

The University Secretary drew attention to a schedule of nineteen areas relevant to the monitoring of performance, of which a proportion were highlighted. As these were implemented they could be broadened out to include benchmark and comparator institution data. Because the indicators would be discussed at different periods during the year, there would also be an annual review of the overall trend, to establish and deal with any contradictions between them.

In discussion the following additional indicators were suggested:

- (a) student recruitment directly coupled with student retention and student achievement;
- (b) the attractiveness and quality of the university's facilities to its students and staff;
- (c) while collaboration in research and Third Mission was included, wider aspects of the theme of collaborative activity and evaluation of it should be given more emphasis;
- (d) the university's response to external stakeholders;
- (e) the proportion of students accommodated in university premises.

The Council noted that, sitting behind the top level indicators, there was an expectation that a range of departmental indicators would be developed.

THE COUNCIL RESOLVED to:

- (i) approve the proposed key performance indicators to help measure institutional effectiveness and progress in implementing the Strategic Plan, as set out;
- (ii) incorporate the timetable for the inclusion of the indicators set out in Appendix 2 in the Council forward schedule of business.

(a) *Vice-Chancellor's report and related business*

Documents: VC/04/R236; AR/2004/1195; AR/2004/1197

The Vice-Chancellor drew attention to the following items.

- (A) The *Times Higher* listing of the top 200 world-ranked universities, an exercise that had more independence than it had been carried out by a lobby group. While there was some randomness in the criteria selected and the application of them below the most pre-eminent institutions, the Vice-Chancellor was glad that Lancaster had appeared in the list.
- (B) The note on the strategy review, spread over several days. Lancaster appeared conservative on its recruitment policies, and access to the university by minority groups, including ethnic minorities, was below the median. There was also an unusual distribution of administrative costs, with the central administration around the median, but departmental administration well above. In terms of financial security, Lancaster was now positioned in the top third of UK institutions; a testament to efforts by the Council.
- (C) Further development with alumni was taking place, including the attendance of sixty of them to a concert and reception the previous evening.
- (D) There would be a review of security for teaching and research areas, following recent difficulties, and officers would track the progress of legislation featured in the Queen's Speech about measures to deal with acts of intimidation.
- (E) The forthcoming Charities Bill would require institutions with that status to show public benefit, and the University Secretary would look at the fine print in order to advise Council of possible implications for Lancaster.

In response to a question about creative arts, the Council was told the emerging proposal to bring Art, Music and Theatre Studies into a single school was expected to involve the public arts more effectively. The importance to the public community beyond the university of such activities was noted.

In response to a question about protection of members of staff under the Freedom of Information Act, the Council was told that if there was concern about terrorist or intimidating behaviour, the university would under the Act be able to safeguard such staff.

THE COUNCIL RESOLVED to:

- (i) receive the report of the Vice-Chancellor and to thank him for it;
- (ii) note the report of the recent strategy review and the intended follow-up to it;
- (iii) note the report on the measures being taken to comply with the Freedom of Information Act and the importance of forwarding requests for information to the Records Manager.

(b) Career Service

Document: AR/2004/1243

The Director of the Career Service, Mr Paul Blackmore, drew attention to the correction of misleading data supplied to the Council in May, with information that showed the starting salaries of Lancaster graduates were not as adverse as previously reported. Nevertheless, because some 40% of the universities' graduates remained in the North West after graduation, and a proportion took longer than six months to obtain their first post, the figures were still somewhat below the national mean average.

Mr Blackmore drew attention to the sharp changes in the job market over the last ten to fifteen years, to the growing importance of graduate level work in small and medium enterprises, to the restructuring and potential rebranding of the service offered to students, and to the modest level of staffing of the service compared with the national average, thus inhibiting optimum output in terms of service to students.

In response to questions, the Council was told:

- (a) that InfoLab21 was already proving its worth in the retention of Lancaster graduates in the region;
- (b) that increasing use was being made of alumni networks to assist Lancaster graduates.

THE COUNCIL RESOLVED to:

- (i) receive the report and thank the Director of the Career Service for it;
- (ii) note that further reports would appear on the Council rolling agenda as part of the key performance indicators;
- (iii) refer a question about the median salary paid by the university to new graduates to the University Secretary.

CO.2004/66 LU Students' Union: report of the President

Document: AR/2004/1244

The President of the Students' Union, Mr Freeman, drew attention to the following items:

- (a) the recent occupation by families of the accommodation earmarked for them;
- (b) the inflexibility of Jarvis and the project co. about student moves into new accommodation;
- (c) the welcome review of the contract and the negotiations with Norwest Holst;
- (d) the pleasure at the quorate General Meeting, coupled with regret that so many students were dissatisfied about accommodation matters, and the Union's thanks to Dr Simmons, Mr Swindlehurst Mr McManus for attending the meeting in person;
- (e) the election of Mr Freeman to the NUS national union council, with the intention of helping to resolve factions of the NUS. There would be a student rally in Cardiff in the week beginning 29 November about top-up fees;
- (f) the positive results of housing all students with a guaranteed place in university accommodation for the Michaelmas Term.

THE COUNCIL RESOLVED to:

- (i) receive the President's report and thank him for it;
- (ii) receive, note and approve the LU Students' Union annual accounts.

CO.2004/67 Finance

Documents: FO/04/89; FO/04/93; FO/04/92; AR/2004/1246; FO/04/95; AR/2004/1247

The Director of Finance and Resources reported as follows.

- (a) Report of the director, relating to the capital programme, the utilities project, and the Open College of the North West.

- (b) Annual accounts for the financial year 2003-04, demonstrating the financial robustness of the university, and showing a 4.5% surplus on turnover. The key balance sheet indicators were positive, and benchmark information with the 94 Group showed Lancaster in the middle of the pack. The accounts had been discussed at the Finance Committee and the Audit Committee, and issues raised by the external auditors had been dealt with.
- (c) Residences project: meetings continued to be held thrice-weekly with relevant parties. The potential risk issues for Phase III were being studied, while the stages of completion of Phase II continued. Some progress had been made in the past week, and a meeting of the Council Executive Group would take place on 7 December.
- (d) Change of ownership in shares of UPP (Lancaster) Limited, and the change of contractor for Phase III: the context of the changes and the necessary legal and approval arrangements to enable the changes were set out.
- (e) Management accounts as at 31 October 2004: in answer to a question, the Council was told the adverse variance under the Resources Division was a matter of phasing of expenditure on maintenance over the summer.
- (f) Finance Committee: a report of a meeting held on 29 October 2004 was attached.

THE COUNCIL RESOLVED to:

- (i) receive and note the report of the Director of Finance and Resources;
- (ii) approve the annual accounts, and to thank Mr Neal and his team for them;
- (iii) note the report on the student residential accommodation project and to treat it as commercial in confidence;
- (iv) approve the following resolution:
‘To delegate in accordance with Statute 13.1 to the Authorised Signatory Group the taking of all action necessary to approve the transfer of the shares of Jarvis plc. in UPP (Lancaster) Limited to the Alma Mater Limited Partnership Fund, including the signature of any necessary consent documents. All such confirmations shall be binding on the university’.
- (v) confirm the delegated authority of the Vice-Chancellor to approve a change of contractor for Phase III of the student residences;
- (vi) receive and note the management accounts as at 31 October 2004;
- (vii) approve the actions taken on the Council’s behalf by the Finance Committee.

CO.2004/68 Estates Committee

Document: AR/2004/1248

THE COUNCIL RESOLVED to receive and note a report of a meeting of the Estates Committee held on 7 October 2004.

CO.2004/69 Human Resources Committee

THE COUNCIL RESOLVED, in relation to an oral report of part of a meeting of the committee held earlier in the day:

- (i) to approve the implementation of the Student Charter forthwith;
- (ii) to note that a report of the meeting would come to the Council at its meeting in early February.

CO.2004/70 Audit Committee

Documents: VC/04/R234; VC/04/R229; AR/2004/1249

THE COUNCIL RESOLVED to:

- (i) receive and note the report of a meeting held on 5 November 2004;
- (ii) receive and note the annual report of the committee to the Council;
- (iii) receive and note the internal auditors' report for 2003-04.

CO.2004/71 Senate

Document: AR/2004/1250

THE COUNCIL RESOLVED to receive and note the report of a meeting of the Senate held on 6 October 2004.

CO.2004/72 Key institutional risks

Document: FO/04/94

THE COUNCIL RESOLVED to:

- (i) receive and note the report on key institutional risks and the prioritisation of risks presented within it;
- (ii) pass to the Risk Control Executive a request that governance issues be included in the risk register.

CO.2004/73 Review of the meeting

The Pro-Chancellor drew attention to the implementation of the change in the positioning of the presentation as the first item on the agenda.

In a brief discussion of the work of the Council, the University Secretary drew attention to the sound performance of Lancaster compared with other public bodies. The Pro-Chancellor indicated his continuing expectations that the Council would enable senior management to be effective, while selecting key issues to consider and influencing the way they were handled. The Vice-Chancellor noted that the Council set policy, and was enabled to do so via the work of its committees.

THE COUNCIL RESOLVED to:

- (i) retain the presentation at the beginning of the meeting;
- (ii) note the comments of officers as set out.