

**AR/2003/1446**

**THE UNIVERSITY OF LANCASTER**

Minutes of a meeting of the Council  
held on 28 November 2003

**PRESENT:** Mr B. Gray (in the chair), Vice-Chancellor, Councillor A. C. Bryning, Mr D. Catterson, Mr H. Dawson, Mr A. Dick, Mr P. R. Elliott, Mr R. Emslie, Dr P. G. S. Entwistle, Mr M. Hart, Professor S. Henig, Mrs C. T. Hensman, Mr G. Johnson, Dr M. M. Lee, Mr S. A. J. Leyton, Mr R. A. Neal, Mr W. Nettleford, Dr C. C. Park, Professor P. Rowe, Mr K. Royales, Professor D. B. Smith, Ms J. M. Whiteside.

**IN ATTENDANCE:** Professor N. Abercrombie, Mr C. Adams, Miss F. M. Aiken, Mr A. Bone, Ms A. Elliott, Mrs M. E. McClintock, Professor T. J. McMillan, Professor R. Macdonald, Mr H. Morris, Mr A. C. Neal, Mr R. O'Brien, Mr M. Swindlehurst, Ms V. Tyrrell, Ms V. C. Walshe, Mr A. Whitaker.

**APOLOGIES FOR ABSENCE:** Mr J. C. Dunning, Professor M. W. Kirby, Mr G. Middlebrook, Dr K. J. Stringer, Mr R. Turner, Mrs V. Watkins.

CO.2003/68 Welcome to new member

The Pro-Chancellor, on behalf of the Council, welcomed Mr David Catterson to his first meeting.

CO.2003/69 Minutes

The minutes of the meeting held on 3 October 2003 were confirmed.

CO.2003/70 Matters arising

*Documents: AR/2003/1309; AR/2003/1310; AR/2002/1311*

The Council received the following documents:

- (a) a report on matters arising from the meeting held on 3 October 2003;
- (b) the annual business framework for the Council, updated as at 14 November 2003;
- (c) the revised terms of reference and membership for the Business and Enterprise Board.

The Pro-Chancellor reported that he, the Vice-Chancellor and the Deputy Pro-Chancellors had met earlier in the day to review how best Council members could be involved in its committees, so that all members could participate in at least one of these key bodies. He intended that the lay membership of some of them might increase. Individuals would be approached and asked whether they wished to accept the invitations that would be made to them, in order that the Council could receive at its meeting in February a full schedule of the memberships involved.

THE COUNCIL RESOLVED:

- (i) to receive and note the report on matters arising;
- (ii) to note the Pro-Chancellor's report on the membership of key sub-committees and to ask that the schedule of membership be presented to it at its next meeting;
- (iii) to approve the revised terms of reference and membership of the Business and Enterprise Board, subject to the inclusion of two lay members of the Council;
- (iv) to note that the Employment Policy Committee would be meeting in December 2004;
- (v) to receive the updated annual business framework and to ask that it appear in the Council papers for every meeting.

CO.2003/71 Vice-Chancellor's report

*Document: VC/03/R316*

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

- (a) *Infrastructure developments:* the family of capital development projects was on the correct trajectory: InfoLab 21 was taking shape; and planning approval for Barkers House Farm and the Management School extension were passing through the City planning processes. The 402 rooms of Phase 1 of the student residential accommodation were now occupied, and detailed snagging processes were being managed by UPP (Lancaster) Limited, the university and the Students' Union.

- (b) *National affairs:* the Vice-Chancellor drew attention to the prominent position in the Queen's Speech of the item about tuition fees for higher education students, and the extent to which even when that debate had been concluded, the higher education sector would be on a sound rather than a sustainable footing.

The Lambert review of the interaction between business and higher education would be issued on 5 December, and the university had been asked to act as host for its regional launch early in 2004.

Within the region, progress was being made on discussions related to Cumbria, and there was an agreement in principle with the University of Central Lancashire about the bid for Foundation Degree numbers.

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

CO.2003/72 Undergraduate medical education

*Document: AR/2003/1312*

Professor Abercrombie indicated that the reason for bringing an item about a bid for student numbers in undergraduate medical education was because of the considerable strategic importance of the initiative for the university and the region. The bid, if successful, would result in Lancaster teaching medical students, admitted and graduated by Liverpool, from 2005 onwards, and could pave the way for a larger trans-region medical school.

The reasons why Lancaster should be involved included access to additional student numbers and the opportunity to develop and enhance health- and medicine-related activities. Distinguished research groupings in the university were expected to benefit from the appointment of staff in related areas, and a signal given to the region that Lancaster was committed to its success. Some capital costs, of around £1.3 million to £1.8 million, would be involved, as well as a negative contribution to revenue over a period of some three years or more. These costs would in turn have an inevitable impact on the priority given to other activities. Senate had approved the submission of the bid at its meeting on 19 November.

Favourable comments on the opportunities the bid would offer to the university and the region were noted.

THE COUNCIL RESOLVED to endorse the proposal for a bid, jointly submitted with the University of Liverpool, for undergraduate medical education to take place at Lancaster.

CO.2003/73 LU Students' Union: report and accounts

*Documents: AR/2003/1313; AR/2003/1303*

The President of the Students' Union, Mr Nettleford, reported that, while the difficulties relating to the new student residential accommodation were being sorted out, some students were still upset, and there was concern about how the student input on improving the quality of Phase 2 rooms would be managed. The Graduate Students' Association had passed a motion to lobby the LUSU President about monetary compensation to some students, and LUSU also had some student survey information to offer the university. Nevertheless, students recognised that no quick solutions were available.

Turning to other matters, Mr Nettleford drew attention to:

- (a) the funding difficulties for junior common rooms, and the debate that had just been opened up with the university about how funding might be increased;
- (b) the concern students felt about the possible condition of the northern end of the university after the re-location of Lonsdale and Cartmel colleges, and the need for high quality social space and IT facilities there;
- (c) the anticipation felt by LUSU about student participation in the forthcoming Senate debate about tuition fees, where it was evident that government proposals could be very damaging to students;
- (d) the discussions that had taken place between the City Council, St Martin's College and LUSU to improve the relationship between the city and the student body;
- (e) the forthcoming renewal of the LU Volunteering Unit, where the 50% contribution from the HEFC(E) was assured, but the matching 50% from the Home Office was not.

In response to a question about whether student concerns on the new residential accommodation were being given an appropriate level of debate and action, the Vice-Chancellor reminded the Council that it had over a period of two years and more worked

through an extensive bidding process, culminating in entry to a transaction, and it would be wrong to undermine that long-term relationship by constant criticism. He reminded the Council that Jarvis had itself placed its own funds at risk while proceeding with construction processes in advance of any legal commitment to them, and noted their fulfilment of the conditions laid upon UPP (Lancaster) Limited when the accommodation had not been completed by October 2003 and the university had activated contingency arrangements. The quality of the relationship between UPP (Lancaster) Limited and sub-contractors was not directly the business of the university, but nevertheless there were ongoing discussions on operational matters with the university that involved such external parties. The risks attached to the completion of Phase 2 had been appraised and arrangements made to meet these and increase the functionality of individual rooms. The most significant change was that a senior executive of Jarvis would be in direct and regular contact with the university, to the benefit of the relationship between the parties.

THE COUNCIL RESOLVED:

- (i) to receive and note the LUSU President's report and the Vice-Chancellor's comments on the student residential accommodation transaction;
- (ii) to welcome Mr Hilton Dawson's support for continued Home Office funding for the LU Volunteering Unit and to add its own;
- (iii) to approve the LUSU annual statement of accounts for 2002-03.

CO.2003/74 Dean's presentation: Professor T. J. McMillan

Professor McMillan, presenting material about the Faculty and Institute of Environmental and Natural Sciences, drew attention to the different levels of performance between departments in relation to research assessment, teaching quality findings, student recruitment and level of overheads on research funding. He cited examples of high quality research in the faculty, including work at microkelvin temperatures, the molecular basis of corneal transparency, sustainable water use and the optimisation of crop yields, and the measurement of key bioavailable pollutants in plants. He reported that university colleagues had moved into the first phase of the Lancaster Environment Centre, and staff from the CEH were joining them. The challenge would be to integrate the work of both groups, including in any external publicity that was issued. Other developments included work on an integrated North-West environment model, the NW Environmental Alliance, and the Solaris facility in Blackpool.

Professor McMillan highlighted key issues for attention for the faculty, including uncertainty about the rules for the next research assessment exercise, and the re-banding of HEFC(E) teaching income, which even if cost-neutral to the institution, was expected to bring about a significant shift of teaching funding from the sciences. Internally there was a need to engage with a process closer cooperation between or rationalisation of departments in the faculty, in a context where the department remained the primary unit of loyalty.

In answer to questions, the Council was told:

- (a) that high teaching loads inevitably had an impact on research output;
- (b) that the hiatus about the next research assessment exercise was of concern to the whole sector, and discussions at national level were likely to lead to a resolution of issues by May 2004;
- (c) that the use of the block teaching grant to the university was in the gift of management and in practice the present balance between the sciences and non-sciences was likely to continue as at present;
- (d) that the faculty was developing a fully accredited biomedicine degree in response to the employment needs of the NHS, and such employer-related links were expected to grow;
- (e) that the faculty was able to attract good staff, such as the applicants for a forthcoming chair in cosmology and two recent appointments in ecology, but lacked the capital investment to develop new areas of strength;
- (f) that as disciplinary areas experienced high external ratings, so their admission requirements could be raised. For example, in Physics the number had been doubled while the grades were increased, and biomedicine was able to require higher grades for students who wished to study in the USA.

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

CO.2003/75 Strategic plan: action plans

*Document: VC/03/R291*

The Council was invited to approve five high level action plans as part of the framework for the development integrated faculty and section plans, targets and outcomes.

The Council was told that the plans, and in particular the action points to 2008, had been approved by the Senate. They would be used to inform the sub-committees of the Council, which would receive reports on variances agreed, and any major changes or deletions. The Council was told that a section on revitalising the colleges had been omitted in error, and that two further plans, on widening participation and part-time recruitment, would follow when government policy in these areas had been clarified.

THE COUNCIL RESOLVED to approve the five plans received, and to ask for a report on progress at its dedicated strategy meeting in May 2004.

CO.2003/76 Finance

(a) Report of Director of Finance and Resources

*Document: FO/03/105*

Mr Neal drew particular attention in his report to the utilities project, where a due diligence exercise on two bidders was intended to be completed before the end of the calendar year, in order that a report and recommendations could be made to the Council in February.

THE COUNCIL RESOLVED to receive and note the report.

(b) University annual accounts, 2002-03

*Document: FO/03/104*

Mr Neal reported that the accounts had been approved by the Finance Committee and the external auditors, and minor drafting points would be inserted. The year's surplus, at 6.1% of income, was in line with the trends of previous years and led to a favourable current asset ratio of 1.63:1. The present high level of cash reserves would decline in line with the planned capital expenditure programme. All the costs related to the student residential programme transaction were reflected in the accounts.

He noted there was also a strong performance in the 2003-04 year to date, both for teaching-related income and research grants.

The Council received confirmation that the Audit Committee was fully satisfied with the accounts.

THE COUNCIL RESOLVED, on a unanimous vote, to approve the accounts for 2002-03.

(c) Report on the status of the residences project

*Document: FO/03/99*

Mr Neal undertook to provide regular and appropriate reports to the Council on the project, and noted he was happy to be contacted about it at any time.

Since the report was prepared, there had been a useful workshop on lessons learned between UPP (Lancaster) Limited, the university, and those in charge of the operational aspects of the project, and he was pleased to report on the high level of congruence in the views expressed. Jarvis was scrutinising the planning of Phase 2, seeking improvements in quality, and this might result in a small but agreed reduction in the number of rooms handed over by September 2004.

Members of the Council would be invited to view progress of Phase 2 on site on the day of the next Council meeting.

THE COUNCIL RESOLVED:

- (i) to receive and note the report on the project;
- (ii) to accept the invitation to visit Phase 2 on the day of the next Council meeting (6 February 2004).

(d) Institute of Advanced Studies in Management and Social Sciences

*Document: FO/03/103*

THE COUNCIL RESOLVED to approve an increase in the capital budget for the project from £2.5 million to £3.028 million.

(e) Directors' and officers' liability insurance

*Document: FO/03/98*

THE COUNCIL RESOLVED to approve an increase in directors' and officers' liability insurance cover from £5 million to £8 million with effect from 1 August 2004. There would be an increase in the annual premium from £6,000 plus tax to approximately £9,600.

(f) LU Network Services Limited: proposed contract

*Document: AR/2003/1315*

The Council was invited to authorise the Vice-Chancellor to co-sign a contract on behalf of the university between LUNS, the University of Lancaster, and Lancashire and Cumbria county councils later in the calendar year, to provide broadband infrastructure to schools in both counties.

In answer to questions, the Council was told:

- (A) the project would have dedicated staff and there would be no impact on the running of the university's IT services;
- (B) if the county councils ceased to exist, their successor bodies would be liable for the fulfilment of the contract.

THE COUNCIL RESOLVED to approve the proposal.

CO.2003/77 Job evaluation: equal pay for work of equal worth

*Document: AR/2003/1316*

The Council was invited to note the progress set out in the third report on the project, and to ask the Director of Personnel Services to present further reports at key stages of the project.

In answer to a question, the Council was told that the university, like the rest of the higher education sector, did not at present know the extent of its potential liability for significant costs arising from claims for equal pay for work of equal value, but wished to be well prepared with mechanisms to test such claims.

THE COUNCIL RESOLVED to approve the proposal.

CO.2003/78 Audit Committee: report

*Document: VC/03/R319*

THE COUNCIL RESOLVED:

- (i) to reappoint Pricewaterhouse Coopers as external auditors for one further year, prior to market testing;
- (ii) to receive at each of its meetings a summary of the main institutional risks in the risk register.

CO.2003/79 Key performance indicators

*Documents: AR/2003/1317; St.R.2003/136; St.R.2003/131; AR/2003/1304*

The University Secretary, in addition to a contextual note on key performance indicators, commented in particular on:

- (a) student registration numbers;
- (b) degree classifications; and
- (c) achievements and work priorities of the Alumni and Development Office.

On student registrations, Miss Aiken reported another favourable year, in part because of the dedicated postgraduate recruitment officer and the new student accommodation. Just three taught postgraduate schemes had not met their target. The overall dropout rate so far was 1.6% of intake, and the causes of this were being examined. By the next meeting of the Council some comparative cohort analysis would be possible.

Miss Aiken commented on the interaction between degree classification and national league tables, and the extent to which the data from institutions were interpreted differently by particular broadsheet newspapers. She reported that the Senate had agreed to commission some analysis of the award of good degrees and the extent to which the university's examination regulations might contribute to the outcome. In answer to a question, the Council was told that the per capita resources for the Library were close to the sectoral norm. The dilemmas surrounding the award of good degrees were also noted.

Miss Aiken turned to the Development Programme and noted the increasing importance of a focus on the university's alumni, including their use as advisors, donors and ambassadors. The level of fundraising was picking up, and the relative cost of the

programme to the sums received was dropping. The external development board at a recent meeting had expressed its satisfaction with the progress made, and had agreed a revised target for 2004.

The Vice-Chancellor reminded the Council of the increasing interest that government was showing in funding from alumni. He reported that he had accepted an invitation to become a member of a Treasury working group, led by the Vice-Chancellor of Bristol University, who would be visiting the USA on a fact-finding mission early in 2004.

THE COUNCIL RESOLVED to receive and note the above reports on key performance indicators.

CO.2003/80 Lancaster's collegiate system

*Document: AR/2003/1285*

The Council was invited to endorse a report drawn up in response to a motion passed by the Court on 8 February 2003, requesting a report back on aspects of the university's collegiate system.

Mr Whitaker reminded the Council that the revitalisation of the colleges was part of the Strategic Plan it had approved. The colleges faced a particular challenge in the context of the movements, relocation and rebuilding of the whole or parts of them, and other issues of concern to students had already been raised by the LUSU president (CO.2003/73). An additional paragraph would be added to the report, indicating the importance of alumni in fundraising, although not specifically for the colleges.

Mr Johnson, Deputy Pro-Chancellor for the chair of the Court meetings in 2003 and 2004, invited the Council to endorse the affection and strong support for the colleges that had been evident at the February 2003 meeting of the Court.

In answer to a question about the distinctive identities of particular colleges, the Council was told that this was an area where the students already perceived distinctions, and the university wished to build on these.

THE COUNCIL RESOLVED to endorse the report, subject to the amplifications noted, for submission to the Court.

CO.2003/81 Review of the meeting

Those present expressed a preference for the relocation of the Council to the Conference Centre.

CO.2003/82 Enterprise and Commercial Division

*Document: AR/2003/1318*

THE COUNCIL RESOLVED to receive and note a report on the activities of the Enterprise and Commercial Division.

CO.2003/83 Senate: 8 October 2003

*Document: AR/2003/1293*

THE COUNCIL RESOLVED to receive and note the report of a meeting of the Senate held on 8 October 2003.

CO.2003/84 Estates Committee: 9 October 2003

*Document: AR/2003/1300*

THE COUNCIL RESOLVED to receive and note the report of a meeting of the Estates Committee held on 9 October 2003.

CO.2003/85 Finance Committee: 31 October 2003

*Document: AR/2003/1299*

THE COUNCIL RESOLVED to receive and note the report of a meeting of the Finance Committee held on 31 October 2003.

CO.2003/86 Committee on Relations between the University and the Students' Union: 28 October 2003

*Document: CR/03/37*

THE COUNCIL RESOLVED to receive and note the report of a meeting of the Committee of Relations between the University and the Students Union held on 28 October 2003.

CO.2003/87 Business Link North and Western Lancashire Limited

*Document: AR/2003/1319*

THE COUNCIL RESOLVED to receive and note a report on Business Link North and Western Lancashire Limited.