

THE UNIVERSITY OF LANCASTER

Minutes of a meeting of the Council
held on 4 February 2005

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 S. Hogarth, Mr G. Johnson, Professor M. W. Kirby, Dr M. M. Lee, Mr S. A. J. Leyton, Mr G. Middlebrook, Mr H. Morris, Mr R. A. Neal, Dr C. C. Park, Professor P. Rowe, Mr K. Royales, Mr T. Shepherd, Professor D. B. Smith, Mr B. Sneddon, Professor K. J. Stringer.

IN ATTENDANCE: Miss F. M. Aiken, Mr D. Barcroft, Professor C. Cooper, Professor R. Macdonald, Mrs M. E. McClintock, Mr J. J. McGovern (for CO.05/6(b)), Professor R. D. McKinlay, Mr A. C. Neal, Mr R. O'Brien, Ms V. Robertshaw, Ms C. Simpson, Mr M. Swindlehurst, Ms V. Tyrrell, Mr A. Whitaker.

APOLOGIES FOR ABSENCE: Mr R. Turner.

CO.05/1 Presentation: pro-vice-chancellor for colleges, staff and student affairs

Document: AR/2005/69

Mr Whitaker, pro-vice-chancellor for colleges, staff and student affairs, made a presentation to the Council on student support and welfare, with special reference to the colleges. He drew attention to the Council's responsibility for the welfare of students, and to the positive comments about the colleges made at a recent meeting of the Court, in the context of the brand and reputation project.

Mr Whitaker noted the significant changes in the student population, highlighted at Court, including a growing proportion of overseas students, the onset of variable fees in 2006, the increasing demand by students and their parents for high quality provision, and the impetus towards a more diverse and inclusive student population. There was interlinked provision, including from Student Support Services and the Library, and from colleges that were much more than halls of residence, with different

responsibilities and functions that made them a distinctive feature of Lancaster. Nevertheless, their role was not always understood. The university placed considerable emphasis on the welfare network, and received external recognition for it, including central services, the Students' Union, the colleges and the academic departments. It was of great importance to students and their parents, and the description of the services available given during Introductory Week raised expectations. The Student Learning Development Centre also assisted hundreds of students every year, with effective learning programmes and Web-based provision. Nevertheless, the problems of space often meant that such services were located in cramped and inappropriate space.

Many people did not know of the scale of active staff and student involvement in college activity. There were over eight hundred people involved if the JCR executives were included, and this gave a helpful and suitable base on which to build. The people involved were mainly volunteers, undertaking extra duties, and there was a limit to how far that process could be pushed. However, the recent expansion in the number of residential rooms meant colleges were much larger, and this altered their dynamic and might have an adverse effect on the valuable college spirit. It was not possible to overstate the impact of the recent dislocation and disruption as a consequence of the residences project.

Turning to the future, Mr Whitaker drew attention to the integral role of the colleges in the development of future university strategy. While the image of the university was important, there must be substance behind it, and hence attention was drawn in the paper to a range of issues that needed attention. He was pulling together a set of ideas with the help of LUSU and the junior common rooms, and would seek comparative information by which to benchmark them, in order to bring a paper to UMAG in the next two or three months.

In discussion, the following points were amongst those made.

- (a) The report was useful, and there was substantial appreciation of the colleges amongst alumni and students.
- (b) There should, in the review of the colleges, be greater emphasis on the needs of international students.
- (c) While the acquisition of more income by the effort of particular colleges would be important, uneven resourcing between the colleges could lead to problems.
- (d) More incentives were urgently required to bring staff into the colleges. Instead of over-reliance on the excellent academic-related staff who gave excellent service, college officers must be recruited from academic staff, and the many discouragements put in their path should be addressed.

- (e) An investigation had been carried out about two years earlier about whether to accept larger colleges or to increase their number, and the decision had been to manage the extra numbers within the existing colleges.
- (f) The gaps between expectation and delivery within the college structure was damaging to the university and should be monitored and included in the analysis of institutional risk.
- (g) Future reports might be framed in a more evidence-based context.
- (h) Student mental health problems, even if supported by professional help, could from time to time have a considerable impact on fellow students.

The Vice-Chancellor indicated that the future of the colleges was a major issue for the university, and he was glad there was an intention to compare Lancaster with York and Durham. He hoped that due consideration would also be given to the needs of part-time students, and suggested that new academic staff might be given a college affiliation alongside their contract with the university, rather than later. He believed the time had come to be pro-active about the colleges, and looked forward to seeing a paper at UMAG.

THE COUNCIL RESOLVED:

- (i) to receive the report and to thank Mr Whitaker for it;
- (ii) to support strongly the consideration of the colleges as a unique selling point for Lancaster;
- (iii) to ask for a further report on progress at the Council meeting in May.

CO.05/2 Minutes

Document: AR/2005/55

The minutes of the meeting held on 26 November 2004 were approved, subject to:

- (a) the addition of (vi) to CO.2004/64: 'to note that the working group would report back to the Council';
- (b) the amendment of 'central administration' to 'overall administration' in CO.2004/65 (about the median distribution of administrative costs).

CO.05/3 Matters arising

Document: AR/2005/59

- (a) The University Secretary gave information about the salaries paid by the university to new graduates that indicated they were in the normal range.
- (b) In response to a question from a member about the follow-up to the presentation on academic development, Professor McKinlay indicated briefly some of the steps being taken to address the fifteen issues he had raised.

THE COUNCIL RESOLVED:

- (i) to note the actions being taken;
- (ii) to ask for a further report on academic development to be made at a future meeting of the Council;
- (iii) to notify Mrs McClintock of additional generic issues that might be discussed at the May meeting of the Council.

CO.05/4 Appointment of pro-vice-chancellors

Document: AR/2005/68

On a proposal by the Vice-Chancellor, the COUNCIL RESOLVED:

- (i) to appoint Professor T. J. McMillan as pro-vice-chancellor: research for the period 1 August 2005 to 31 July 2009;
- (ii) to reappoint Mr A. Whitaker as pro-vice-chancellor: colleges, staff and student affairs for the period 1 August 2005 to 31 July 2009.

CO.05/5 Corporate governance

- (a) *Effectiveness of the Council*

Document: AR/2005/60

Mrs McClintock briefly outlined the purpose of the review and the desirability of a high response rate to the proposed questionnaire.

THE COUNCIL RESOLVED:

- (i) to note and confirm an attached document for circulation to members and completion by 25 February 2005;
- (ii) to note the intention to carry out an effectiveness review every two years in future.

(b) Review of the future of the Council

The Pro-Chancellor indicated that a report from the working group he was chairing on the future of the Council would be ready for circulation to members at its next meeting. Senior officers were keen to consult as widely as possible, ultimately including the Court. The review presented an important opportunity to look at the governance arrangements for the university and make them first class.

In answer to a question, the Council was told that ultimately the Council owned the decision-making process about the governance arrangements, while recognising the level of authority of other university bodies.

THE COUNCIL RESOLVED to note the report.

CO.05/6 Vice-Chancellor's report

Documents: VC/05/R008; AR/2005/67

(a) Report of the Vice-Chancellor

The Vice-Chancellor drew attention to his written report and added the following items.

- (A) InfoLab21 had been officially opened by the Secretary of State for Trade and Industry, Patricia Hewitt, on 2 February, and the occasion had been positive for the university and the business community.
- (B) The installation of Sir Christian Bonington as Chancellor would take place on 9 March and members of Council were urged to respond to the invitations they had received.
- (C) The university had received one query from the Office of Fair Access about its study awards as part of its proposed access agreement, and continued to expect a response to it by 11 March.
- (D) Of the two short-listed bids from Lancaster for centres of excellence in teaching and learning, the one for history had been unsuccessful, but the one for postgraduate statistics had been funded for recurrent and capital expenditure.

- (E) The global ranking by the *Financial Times* of the MBA courses showed the scheme of study in the Management School as being in the top forty worldwide and third in the UK.
- (F) The *Times Higher Social Science Universities* listing included Lancaster in the top hundred, one of twelve UK institutions in a highly competitive field.
- (G) Professor McKinlay and Mr McGovern had recently visited countries in the Far East, and he and Mr McGovern were about to go to India. There would be an increasing emphasis on creating a family of institutional partnerships for recruitment purposes across the world, concentrating on centres of excellence.

In answer to questions, the Council was told:

- (i) the increasing cost of visas for overseas students was a pressing issue for UK universities. The Vice-Chancellor had written to Ruth Kelly, Secretary of State for Education, asking her to meet Charles Clarke, Secretary of State for the Home Office, in order to break the deadlock between the two ministries. Overseas students brought £10 billion per annum to the UK economy, as well as cultural and other long-term benefits;
- (ii) the Vice-Chancellor had met Sir Howard Newby in January. A business plan for 1500 student numbers had been submitted by a consortium of institutions to the HEFC(E), who accepted Cumbria as a priority. Sir Brian Fender had now stepped aside and Sir Martin Harris had agreed to act, reporting direct to Sir Howard Newby. Steps towards a university of Cumbria or Carlisle over a period of years were being taken, and Lancaster's view was that the focus of this university should be on niche activities. Professor Derek Seward had recently been appointed as Director of Regional Outreach and was working on a possible engineering provision in Barrow-in-Furness, as well as consideration of IT and environmental science provision. The university would focus on the west coast of Cumbria, which was the area of greatest demand;
- (iii) a member noted the significance of the *Financial Times* ranking of the MBA since this was taken as a *de facto* proxy of a ranking for the School;

- (iv) the Vice-Chancellor indicated his willingness to consider an invitation for a senior member of management to speak to the LUSU Union Council about international student fees.

THE COUNCIL RESOLVED to receive the Vice-Chancellor's report and to thank him for it.

(b) Brand and reputation

Mr McGovern drew attention to the interim report on brand and reputation, and the final report was due to be completed by the end of March. The ideas put forward by the external consultants would be tested amongst various groups, and there was a question of how best to express the findings and build an action plan. The outline findings were set out, and feedback on them would be welcomed by Mr McGovern, including about the colleges.

THE COUNCIL RESOLVED to receive and note the interim report.

CO.05/7 LU Students' Union: President's report

Document: AR/2005/64

The President of the Students' Union, Mr Matt Freeman, reported as follows.

- (a) *Lonsdale College:* the college was reunited on a single site and all the college's resident students had moved into Alexandra Park or were doing so over 4 and 5 February. The range of facilities was very popular and deemed to be highly successful.
- (b) *Grizedale discussions:* discussions were in train about how the college might be redeveloped in the future. Options were being tested and preferences were emerging. There was a need for close communication about the status of discussions and the extent to which other options might be considered.
- (c) *New officer training:* LUSU officers who had been elected to a range of LUSU and college executive posts before Christmas had been undergoing a process of training in recent weeks, involving a total of 140 delegates. The Council could be assured that the colleges had strong teams of junior common room officers.
- (d) *Rent negotiations:* proposals on residential charges for 2005-06 had been approved by the Finance Committee in January, subject to comments by LUSU Union Council. Some comments and questions on matters of detail had been raised there, including the rate of increase of charges compared with that of student loans.

- (e) *Tsunami appeal*: a range of charitable events had taken place in colleges and by the central LUSU officers, and to date a total of £3,300 had been collected.

The following points were made:

- (A) the level of interest in student officer training was usually around two applications per place for JCR executive members, and somewhat less for central LUSU officers;
- (B) appreciative thanks and much gratitude was owed to all members of the university who had brought about the success of the Lonsdale College social facilities.

THE COUNCIL RESOLVED to receive the report and to thank the LUSU President for it.

CO.05/8 Finance

The Director of Finance and Resources reported as follows.

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

Document: FO/05/07

Mr Neal drew attention to the items listed in his report, with special reference to the negotiations with Customs and Excise about a reduction in partial exemption from value-added tax. Counter-proposals made by the university had been rejected, although there seemed to be some scope for further negotiation. Lancaster was working closely with other affected institutions on an issue that had significant implications for the higher education sector.

A member commented on the adverse effect the reduction would have on the research income and overheads of the university.

THE COUNCIL RESOLVED to receive and note the report.

- (b) *Financial strategy*

Document: FO/05/10

Mr Neal gave a brief overview of selected financial indicators, set out in the attached document, that had formed the context for the formulation of the strategy. He explained the push towards the 4% to 5% surplus being further increased, especially in respect of repairs and maintenance, and the effort required to close the gap between the level of surplus needed and the current extrapolation

in the out years of the planning period about where it would be. He noted the increasing flexibility in the balance sheet position as the ratio of gross debt to income continued to decline, and emphasised: the need for institutional investment in its estate; the desired increase in asset efficiency; the greater flexibility for institutional choices in financing; and the move towards excellent financial processes.

In answer to questions, the Council was told:

- (A) that there was a responsible level of confidence in the university's ability to meet the demands placed on it by the financial strategy. The important test was to look at crucial turnover and other elements in relation to the investment required and to keep the system in balance. If a significant change in aspirations took place, Mr Neal would re-examine these elements;
- (B) that no heroic assumptions were being made about the potential growth in income from royalties, patents or licences. Instead the university would expect to diversify its income streams and move from over-reliance on, for example, overseas student fees, and concentrate on undeveloped income sources over a period. The Council was reminded that even at leading American universities commercially-derived revenue was only a small percentage of turnover, and the long lead time for such activity was noted.

The Council was told that the strategy had been endorsed by the Finance Committee.

THE COUNCIL RESOLVED:

- (i) to receive and note its approval of the strategy;
 - (ii) to note that the report on research and commercialisation at its March meeting would include income potential.
- (c) *Student residential accommodation project*

Document: FO/05/05

Mr Neal confirmed that student moves to Alexandra Park were taking place on 4 and 5 February. He explained that the construction contract between UPP and Jarvis had now been determined and in the period before a contract with Norwest Holst was completed, a letter of intent from the latter had been received. The time had time to start consideration of Phase IV of the project, and a full consultation would be put in place to consider all options. It was however important that there should be a period

when all parties could openly share a wide range of ideas, before the preparation of options and consultation about them.

In answer to questions, the Council was told:

- (A) the university's position on warranties had not worsened in practical terms by the consent to the release by UPP of Jarvis plc., since the reality was that if there had been a parent company default, the university would have been more at risk. As it was, Jarvis had been capable both of capping its liabilities and entering into an agreed settlement;
- (B) any rooms marketed for 2005-06, including at inner Fylde or Grizedale, would be brought to a suitable level of standard accommodation.

THE COUNCIL RESOLVED to receive the report and note the progress to date on the project.

- (d) Management accounts as at 31 December 2005

Document: FO/05/02

THE COUNCIL RESOLVED to receive and note the management accounts.

- (e) Finance Committee

Document: AR/2005/56

THE COUNCIL RESOLVED to endorse the actions of the committee taken at its meeting on 11 January 2005.

CO.05/9 Estates

The Council noted that there were no matters to report.

CO.05/10 Human resources

Document: AR/2005/66

THE COUNCIL RESOLVED:

- (i) to receive and note the report of a meeting of the Human Resources Committee held on 26 November 2004;
- (ii) to receive the Staff Charter, recently circulated to all staff.

CO.05/11 Key performance indicators

(a) Alumni and development

The University Secretary briefly introduced the summary of achievements and work priorities of the Alumni and Development Office. She drew attention to the actual or pledged total of income of £1.71 million and the drop in ratio of money raised to cost of raising it from 71% to 17.5%.

In answer to questions, the Council was told:

- (A) the financial objectives listed for 2004-07 were included in the financial strategy projections;
- (B) loyalty to specific parts of the university, such as the Management School or the colleges, was being exploited in the design of the campaigns; and the recent additions to the Development Board were from alumni of the Management School.

THE COUNCIL RESOLVED to receive and note the report.

(b) Quality assurance: learning, teaching and assessment

Document: AR/2005/79

The University Secretary and Professor McKinlay briefly introduced a report on internal and external processes by which the quality of learning, teaching and assessment was assured, summarised the results of recent periodic quality reviews, and indicated Lancaster's performance in a recent institutional audit and the university's response to it.

The Vice-Chancellor commented that, while this area of activity was primarily a matter for the Senate, the Quality Assurance Agency was in his view one external monitoring measure that would remain in place in years to come. While the university had performed well, it was also an area where, if there were problems, the university's reputation could be swiftly diminished.

In response to comments, the Council was told:

- (A) that the discursive nature of the current report was insufficiently focussed and in the future an agreed format, including external comparators, would be used. In the meanwhile, there had been considerable pressures exerted on a small office;

- (B) the under-resourcing mentioned referred to additional staff for the Quality Support Office, and a reconsideration of this crucial area would form part of the out-turn review;
- (c) the university was achieving the appropriate standard of its award, but needed to demonstrate more fully how it complied in its decentralised structures with external codes of practice.

THE COUNCIL RESOLVED to receive and note the report.

CO.05/12 Report of the Senate

Document: AR/2005/57

THE COUNCIL RESOLVED to receive and note the report.

CO.05/13 Key institutional risks

Document: FO/05/09

The Director of Finance and Resources indicated that, while there appeared to be little movement between meetings on the priorities between risks, over a period there was significant change.

THE COUNCIL RESOLVED to receive the report and encourage the risk executive group to take a dynamic view of risk priorities.

CO.05/14 Indemnity for directors: annual report

Document: AR/2005/63

The University Secretary noted that the indemnity cover covered not only directors of wholly owned subsidiary companies, but also university officers, Council members and employees.

THE COUNCIL RESOLVED to receive and note the report.

CO.05/15 Review of Council meeting

The Pro-Chancellor encouraged members to include the Court meeting of 29 January in any comments. Members suggested that items such as standing orders might be taken later in the Court meeting, and consideration be given to a slightly earlier starting time.

The Vice-Chancellor commented on the wide catchment of the Court and the loyalty of people who travelled long distances to attend the annual meeting. He had received feedback that suggested the recent meeting was the best in a decade.

THE COUNCIL RESOLVED to note the above comments.