

LANCASTER UNIVERSITY

**Minutes of a meeting of the Council
held on 6 February 2004**

PRESENT: Mr B. Gray (in the chair), Vice-Chancellor, Councillor A. C. Bryning, Mr A. Dick, Mr J. C. Dunning, Mr P. R. Elliott, Mr R. Emslie, Dr P. G. S. Entwistle, Mr M. Hart, Professor S. Henig, Mrs C. T. Hensman, Mr S. Hogarth, Mr G. Johnson, Professor M. W. Kirby, Dr M. M. Lee, Mr S. A. J. Leyton, Mr G. Middlebrook, Mr B. Miskell, Mr W. Nettleford, Dr C. C. Park, Ms V. Robertshaw, Professor P. Rowe, Mr K. Royales, Professor D. B. Smith, Mr R. Turner, Mr A. Walker, Ms J. M. Whiteside.

IN ATTENDANCE: Professor N. Abercrombie, Miss F. M. Aiken, Mr A. Bone, Ms A. Elliott, Mrs M. E. McClintock, Professor R. Macdonald, Professor R. D. McKinlay (for CO.2004/08), 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 D. Brockbank, Mr H. Dawson, Mr R. A. Neal.

CO.2004/01 Welcome to new members

The Pro-Chancellor welcomed the following new members to their first meeting:

Mr S. Hogarth (non-academic staff)
Mr B. Miskell) LUSU
Mr A. Walker)

CO.2004/02 Minutes: 28 November 2004

Document: AR/2004/86

The Council agreed to confirm the above minutes.

CO.2004/03 Matters arising; rolling schedule

Documents: AR/2004/87; AR/2004/76

The Council agreed to receive and note the report of matters arising and the rolling schedule of business.

CO.2004/04 Appointment of Chancellor

Document: AR/204/83

The Council received a report from the Pro-Chancellor and the Deputy Pro-Chancellor (Mr Johnson) on the actions taken by the Court on 31 January 2004 with respect to the appointment of the Chancellor, as follows:

- (a) no amendment made to the role of Chancellor;
- (b) the term of office for the Chancellor to be five years with a possible renewal for a further term of up to five years: no individual to serve for more than two periods;
- (c) the criteria for appointment to be as set out in the agenda.

The Court had agreed to recommend that the nomination of Sir Christian Bonington as Chancellor for the period 1 January 2005 to 31 December 2009 be approved, subject to consultation by postal ballot.

THE COUNCIL RESOLVED to note with pleasure the actions taken by the Court with respect to the appointment of the next Chancellor.

CO.2004/05 Appointment of Pro-Vice-Chancellor: External Relations

Document: AR/2004/88

The Vice-Chancellor drew attention to the report on the recommendation by the Senate that Professor Cary Cooper should be appointed as pro-vice-chancellor for external relations for the period 7 February 2004 to 31 July 2008.

THE COUNCIL RESOLVED to approve the proposal.

CO.2004/06 Vice-Chancellor's report

Document: VC/04/R026

The Vice-Chancellor drew particular attention to the following aspects of his report.

(A) CAPITAL EXPENDITURE

A special meeting of UMAG had taken place on 26 January to discuss the university's physical infrastructure. Members had sought to obtain a perspective both on additional future capital expenditure possible within the current resource envelope and the kind of future financing envelope that would be needed. At present all the current projects were on track financially, except for Barkers House Farm which at present was above budget. There it was important to understand what facilities could be made available and how far cost might be driven down before core functionality ability was lost. Similar questions were also relevant to the third phase of the Lancaster Environment Centre.

(B) THE HIGHER EDUCATION BILL

The Higher Education Bill had passed its Second Reading and had gone to committee stage. The university should prudently anticipate that the Bill would pass in some form or other and consider suggestions about the management of its financial consequences. It had already been decided that it was the Finance Committee that would determine the fee levels.

(C) REGIONAL AFFAIRS

The university had acted as host for the regional launch of the Lambert Review and feedback from the event had been positive. It was important to try building additional links between universities and business, bearing in mind that if the Lambert Review recommendations were adopted by government, there would be some additional resources.

(d) MR DIGBY JONES

Mr Digby Jones, the chief executive of the CBI, had visited Lancaster on 5 February and received briefings from relevant officers. He had indicated he had previously had no idea of the extent of the university's existing connections with business and discussion had taken place around the pressure on the national skills agenda. Mr Jones had expressed a wish to attend the opening of the Management School extension.

The University Secretary, turning to the Lambert Review, emphasized the need for three kinds of interaction to develop: universities needed to improve the extent and scale of their business connections; government should support them in that work; and business should learn how to exploit the opportunities presented by universities. The Review was constituted as a report to H.M. Treasury, and should be broadly welcomed.

In answer to a question, the Council was told that the recommendation on an increase of university staff on boards of business, rather than the other way round, was an attempt to correct the current asymmetry.

THE COUNCIL RESOLVED:

- (i) to receive the Vice-Chancellor's report and to thank him for it;
- (ii) to invite the University Secretary to send a written response to a question about the suggestion the DfES should exempt business people from the requirement to undertake training to lecture in universities;
- (iii) to consider action arising for the Council from the Lambert recommendations about governance, management and leadership when the government's response to the report had been received.

CO.2004/07 LUSU President's report

Document: AR/2004/84

Mr Nettleford reported as follows.

- (a) Institutional audit: the Students' Union had undertaken research and survey work amongst Lancaster Students for a report on student responses to teaching and learning that would be sent to the QAA.
- (b) The document on student space requirements had been re-written, since some areas of student activity were in desperate need of extra space. He had been interested at a meeting of the Estates Committee on the previous day to listen to a debate about value for expenditure, and questioned whether the Institute for Advanced Studies in Management and Social Sciences, which would cost about £3 million for the reshaping of space, represented such value.
- (c) In terms of the colleges, there were changes in approach, including to the extravaganzas, where steps were being taken to reduce the level of loss. Meetings were being set up with the JCRs to consider their future priorities, and to suggest a change of focus away from attention on social activities.
- (d) LU Volunteering Unit: the Students' Union was grateful to the university for its support for the Unit. Members of the Council were encouraged to join the Fun Run that would form part of the Roses Weekend at the beginning of May.

The Vice-Chancellor commented that there was a significant issue about the proportional benefits between new buildings and refurbishment schemes that were often inadequate, particularly given the poor quality of the original. In terms of college revenue, he would like to see a disconnection between bar profits from the resources flowing to them, so that future developments were not dependent on sales of alcohol. He had also recently written to Mr David Blunkett and Mr Hilton Dawson about the long-term future of the Volunteering Unit.

Professor Abercrombie welcomed the student input into the institutional audit process.

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

CO.2004/08 Presentation by a dean: Professor R. D. McKinlay

Document: tabled statistical information

Professor McKinlay indicated that Lancaster had the best interdisciplinary social sciences faculty in Britain. There were eleven departments, but to his regret the list did not include economics. Although the faculty was not in the top ten in the UK in terms of size, it was not far away, and one in three of academic staff at Lancaster now belonged to it, with an increase over six years from 116 to 170 academic staff.

A guiding principle of the social sciences faculty was that the departments were unequivocally the most important unit of organisation, and there were no plans to change that, given the enormous responsibilities carried there. A second principle was that the departments must have open borders for the purposes of both teaching and research. Not all universities had faculties and those that did were arranged from a continuum from active to passive. The Lancaster social science faculty had no interest in a purely generic grouping, nor in a structure that supplemented departments. Increasingly, however, it looked towards the active end of the spectrum, and particularly at the ways in which the faculty could add value; these included finance, support for research infrastructures, personnel (including pro-active steps about appointments to chairs and readerships), enterprise and development, funding of equipment, and an IT team.

In evaluating the faculty, in the context of the university's Strategic Plan, there were three particular measures for the Council to consider. The first was teaching, since a question to an international researcher about the most important contribution he/she could make invariably elicited a reference to teaching. This priority in turn led to the recruitment of good students and a high quality learning environment. Undergraduate targets

had been increased over a short period from 492 to 730, and a significant increase at postgraduate level had also taken place. The proof of the quality of the teaching programmes came from the number of students received, and the extent to which the departments were committed to embedding change and innovation, including Web-based teaching enhancement. The second measure was the faculty's employment policy, where there was a requirement for appointees to bring with them highly-developed research agendas, while at the same time they must be exceptionally collegial, prepared to give time to helping departments over and above standard working hours, and committed to and enthusiastic about teaching. The third was research, where the priority was to produce work of the highest international standard, with a particularly strong interest in policy studies informed by a theoretical underpinning. An example was issues of global significance, to be understood in terms of regional examples, and trans-disciplinary work that did not undermine the core disciplines. In the 2001 research assessment exercise the faculty had been out-performed only by Oxford and Cambridge, and in the next the intention was to contribute a 95% return of research-active staff, and 80% of staff in 5 or 5* units of assessment. In Professor McKinlay's view, it was the proportion awarded 5* that was critical. The final measure was the international orientation of the faculty. The university was a global player, and the student body increasingly international in composition. The proportion of overseas staff was also increasing: for example, at the previous day's interviews for Linguistics, one candidate was male and three female, and one from the United Kingdom and three from overseas. 40% of appointments over the last two years were of people who had come from abroad. Research was of course international, including articles in leading journals, and books from international publishers. Professor McKinlay was delighted to be at the launch of the Institute for Advanced Studies in Management and Social Sciences, which would be crucially important for the social sciences and the university. While it had been six years in gestation, progress on it was now rapid, and the intention was its existence would stimulate and focus research, as well as bringing in more overseas visitors. It would constitute Lancaster's statement to the world about its intention to draw together the strengths of both management and social sciences.

In terms of resources, a balance had to be maintained between the academic and the financial, and sustaining that virtuous circle was an enormous challenge. The payroll was deliberately being driven upwards, well above the rate of inflation, leading directly to an increase in turnover and a diversification of sources of income. The faculty had out-performed its budget targets, and held reserves of £1.5 million, giving scope for further faculty-led development. The crucial resource was staff, and the recent staff survey had been worthwhile in revealing both problems and strengths, with 88% of the staff who responded being proud to be associated with the faculty. The intention was to retain and attract the brightest and best staff, although the search for professors was

increasingly difficult, and some vocational areas were harder to fill, including Applied Social Science and Law.

Professor McKinlay noted that the record of achievement he had portrayed had not come about by serendipity or as a gift from the gods, but because goals had been systematically pursued. Nevertheless, the faculty was beset with problems. One of them was the university's strategic plan which, although it was good and logically consistent, looked very different if anyone considered how it might cascade upwards. The biggest challenge was to attract the highest quality staff from around the world.

In answer to questions on the presentation, the Council was told:

- (a) there was scope for improvement in A level scores, although the faculty average was marginally above that of the university and was holding steady;
- (b) Professor McKinlay was personally in favour of a move to three faculties, combined with devolution to them.

The Vice-Chancellor indicated that, in common with a number of other UK research-led institutions, the university was inevitably involved in a global talent war, and so it was essential to understand what made Lancaster globally attractive.

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

CO.2004/09 Finance

Documents: FO/04/13; FO/04/11; AR/2004/123; FO/04/09

The Director of Finance and Resources presented the following items:

- (a) director's report. The out-turn review was in progress and would be the subject of a report to the Finance Committee on 20 February. There would be a further summary paper on capital expenditure at the same meeting. On the multi-utilities project, an external party was looking at the work undertaken to date to check how robust the quality of it was;
- (b) the schedule of financial delegation, where the intention had been to simplify and clarify the respective authority of the Council, the Finance Committee and the Vice-Chancellor. There would be an important companion paper on personnel delegation that would be submitted to the Finance Committee, and a supporting schedule of the delegation to the various levels of management, including deans and heads of departments. The schedule before the Council had been approved by the Finance Committee;

- (c) the current capital expenditure programme with some changes in the attribution of income and expenditure. In answer to a question, the Council was told that Mr Neal was not uncomfortable that the drawdown from reserves was £1.4 million higher than in July 2003;
- (d) the management accounts as at December 2003.

THE COUNCIL RESOLVED:

- (i) to receive and note the report of the Director of Finance and Resources;
- (ii) to approve the schedule of financial delegation as set out;
- (iii) to receive and note the schedule of capital expenditure and the management accounts as at 31 December 2003.

CO.2004/10 Estates

(A) **REPORT ON STUDENT RESIDENTIAL ACCOMMODATION**

Document: AR/2004/81

Mr Whitaker noted that there had been an interesting presentation about Phase 3 of the project at the Estates Committee the previous day, which had given a feel for the interaction between the residences and academic development, and had demonstrated the need for careful management of scale and timing across the site.

Turning to Phase 4, Mr Whitaker indicated that Council would be invited in November to take a view on the balance of risk, rather than a commitment in principle. The stage of taking a view would however allow the university to consider its plans for Grizedale and County colleges.

THE COUNCIL RESOLVED:

- (i) to receive the above report;
- (ii) to ask the Director of Finance and Resources to present a short report on the current status of Phase 4 to the next meeting of the Finance Committee.

(B) **COURT MOTION RE STUDENT RESIDENTIAL ACCOMMODATION**

The Deputy Pro-Chancellor (Mr Johnson) paid tribute to the measured and reasonable way the motion from the Graduate College had been presented to the Court, together with the document from the Graduate Students' Association. These with the helpful and positive responses by Mr Whitaker and Mr Neal

had shown the efforts of all parties to reach solutions. The proposal had been accepted without amendment.

THE COUNCIL RESOLVED to note the above report.

CO.2004/11 Governance

Documents: AR/2004/113; AR/2004/130; AR/2004/89

(A) **MEMBERSHIP OF COUNCIL COMMITTEES**

The Council received a schedule, showing the revised lay members of key Council committees, brought about to increase their involvement with these bodies.

THE COUNCIL RESOLVED:

- (i) to approve the actions taken;
- (ii) to note that the final arrangements for the Health and Safety Committee would be brought to a future meeting of the Council;
- (iii) to lay down the Council Business Group.

(B) **HUMAN RESOURCES POLICY: ALTERNATIVE ARRANGEMENTS**

The Director of Personnel Services explained that the document before the Council set out the distillation of many discussions about how to manage the setting and approval of human resources policy, and the underlying decision-making structure. The chairman of the Employment Policy, noted the effort and energy that had been invested into a proposal whereby policy was made by senior management and ratified by the proposed new committee. The committee would also audit activity in this area. He recommended that the proposal be approved.

In answer to questions, the Council was told:

- (a) the special power of the Senate to be consulted on human resource issues would be part of the responsibility of the senior management in setting the policies and making them ready for ratification;
- (b) the document represented the essence of a series of discussions which had moved beyond the final discussion of the Employment Policy Committee;
- (c) the auditing function referred to would be additional to practices already in place.

THE COUNCIL RESOLVED to approve the proposals, subject to the formulation of terms of reference and membership of the new committee.

(C) **INSTITUTE FOR HEALTH RESEARCH: DEPARTMENTAL STATUS**

THE COUNCIL RESOLVED to approve the proposal that the Institute for Human Resource become a department of the university with immediate effect.

CO.2004/12 Human resources

Documents: PS/03/888; PS/03/888A; AR/2004/126

(A) **PROFESSORIAL REVIEW**

The Council received for information a revised document, agreed by the Senate, that delegated responsibility for professorial increases in pay to faculty deans, a process that was consonant with the devolution of authority to them. The process would be moderated annually by a group chaired by the Vice-Chancellor.

In answer to questions the Council was told:

- (a) that while the document set out a significant number of criteria and staged procedures, the actuality was that the criteria were already in place and the procedures were likely to be reduced by one stage;
- (b) the Finance Committee would set a cap each year on the global sum available. In principle, if all professors qualified for additional pay in the same year, the size of the increment to each one would be reduced; in practice, there was a distribution of scores.

THE COUNCIL RESOLVED to receive and note the contents of the document.

(B) **MARKET PREMIA**

The Director of Personnel Services explained that there was considerable difficulty in recruiting staff for some disciplines. Meanwhile the government was exerting pressure on higher education to differentiate pay, and the university had been stretching its existing pay scales to deal with market conditions and to retain its competitive advantage. While there were risks in introducing flexibility, there were also risks in not doing so, and the current document showed clear lines of responsibility. The

policy had been produced by the management and was proposed to the Council.

In a discussion of how recruitment and retention criteria would apply to non-academic staff, and whether a recent national framework on this matter operated at Lancaster, the University Secretary agreed to speak to relevant trade union officers outwith the meeting.

In answer to a question about the AUT position on the proposal, the Council was told that market premia were not used at all institutions. There had been discussions, via the Joint Consultative Committee, with the Lancaster branch of the AUT. Any further delay or temporary measures were felt to be unhelpful, particularly with respect to one department that had been pressing for action.

THE COUNCIL RESOLVED:

- (i) on a show of hands, to approve the proposals for action; and
- (ii) to ask the University Secretary to discuss the issue of market premia with the non-academic staff trade unions.

CO.2004/13 Audit: main institutional risks

Document: F0/04/12

The Director of Finance and Resources explained that the intention of the document laid before the Council was to summarise the key institutional risks in a digestible form and to offer sufficient information to enable Council members to understand the issues involved around the items selected.

The chairman of the Audit Committee welcomed the document but noted that the risks identified were principally financial and operational, and were horizontal rather than vertical. The Council was told that the schedule would be regularly revised and that the priority listing of risks would vary over time.

THE COUNCIL RESOLVED to approve the schedule and the methodology informing it.

CO.2004/14 Review of the meeting

The Pro-Chancellor led a discussion covering the following points:

- (a) that the Vice-Chancellor would re-consider how key performance indicators might be used for the benefit of the Council, drawing on work that was already in hand and offered good quality information;
- (b) the level of information in the papers of the Council was judged to be appropriate, and their appearance and presentation a considerable improvement;
- (c) the site visit of Council members and officers to Phase 2 of the student residential accommodation had taken place earlier in the day. Members commented on matters of particular interest in both construction and presentation, and had reflected on how the new buildings could best be integrated with the old.

THE COUNCIL RESOLVED:

- (i) to invite the Vice-Chancellor to bring a revised schedule of key performance indicators to the Council;
- (ii) to express the appreciation of members for the site visit undertaken and to invite other groups in the university to contact the Director of Finance and Resources about such visits.

CO.2004/15 Senate: 21 January 2004

Documents: AR/2004/90; AR/2004/29

THE COUNCIL RESOLVED:

- (i) to receive and note the summary report of the above meeting; and
- (ii) to ratify the intellectual property regulations as set out.

CO.2004/16 Finance Committee: 16 January 2004

Document: AR/2004/122

THE COUNCIL RESOLVED to ratify the actions of the committee as set out in the attached summary report.