

GAP/2008/0270r

THE UNIVERSITY OF LANCASTER

Minutes of a meeting of the Council
held on 8 February 2008

PRESENT: Mr B. M. Gray (in the chair), Professor R. D. McKinlay (*for* Vice-Chancellor), Dr L. J. Banton, Mr A. Dick, Professor G. Johnes, Professor S. Henig, Mr G. Johnson, Councillor G. Marsland, Mr A. McCarthy, Mr G. Middlebrook, Mr H. Morris, Mr M. Payne, Mr T. Roca, Professor D. B. Smith, Professor K. J. Stringer, Professor H. Thomason, Mr R. Turner.

IN ATTENDANCE: Miss F. M. Aiken, Professor A. G. Chetwynd, Mr P. M. Graves, Professor T. J. McMillan, Mr A. C. Neal, Mr R. O'Brien, Mr M. Swindlehurst, Ms V. Tyrrell.

APOLOGIES FOR ABSENCE: Vice-Chancellor, Mr J. Hadfield.

CO.08/1 Declaration of interests

No Council members declared any interests in the agenda items for the current meeting.

CO.08/2 Presentation: Director of Research and Enterprise Services

Document: GAP/2008/0119

The Director of Research and Enterprise Services, Roderick O'Brien, gave a presentation on the interaction between the University and business, and the work of Research and Enterprise Services in this area. The main areas of the Division's activities were:

- identifying and securing sources of external sources of funding (an essential core activity);
- managing the University's external engagement with business through knowledge transfer and other related activities;
- overseeing the uses made of related grant income, one of the most significant of which was the Higher Education Initiative Fund (HEIF) administered by HEFCE;

- achieving the delivery of output targets for externally funded capital projects, such as InfoLab21, which involved significant grants from the NWDA and the European Regional Development Fund (ERDF);
- administering research contracts and providing advice and support on research grant applications;
- managing and developing community, business and government relationships;
- enhancing prospects for graduate employment and placements through the Centre for Employability, Enterprise and Careers.

In relation to the above, he drew attention to the following points of particular note:

Higher Education Initiative Fund

The distribution of HEIF monies were largely determined on the basis of institutions' performance in HEFCE's Higher Education Institutions Business Interaction survey (HEIBI). Lancaster had been ranked at fourth in the most recent HEIBI survey, primarily as the result of the University's success in engaging with regional SMEs, and would be receiving the maximum possible HEIF allocation for the period up until 2010-11.

Output targets for externally funded capital projects

The University had received very significant grants from the NWDA and the ERDF that were conditional on the achievement of a range of output targets associated with individual projects: this required careful management to ensure that there was no danger of any funding clawback.

Examples of knowledge transfer activities

Areas of the University that were already active or had future plans for new activities in the field of knowledge transfer included:

- InfoLab21;
- Institute for Entrepreneurship and Enterprise Development;
- Lancaster Environment Centre;
- Engineering;
- Imagination@Lancaster;
- Medical Statistics;
- Tourism (in Geography);
- CETAD.

The Director concluded by recommending that the Council should receive annual reports on the HE-BI results and the progress of the capital projects overseen by the Division.

In response to a question from a Council member regarding future priorities, he stated his belief that the University should seek to raise its national profile in knowledge transfer, to complement the success of its regional activities.

THE COUNCIL RESOLVED to receive the report and to thank Mr O'Brien for his presentation.

CO.08/3 Minutes: report of meeting on 30 November 2007

Document: GAP/2008/0120

THE COUNCIL RESOLVED to approve the minutes as set out, subject to the following amendment:

Under CO.07/81 Governance, resolution (iv) to read:

that a new Public Arts Strategy Committee be established as a Council Standing Committee with the terms of reference and membership as set out, but with the final decision regarding the chairmanship of the committee to be taken by the Pro-Chancellor after discussions with the Vice-Chancellor [subsequent to the meeting it was agreed that the Vice-Chancellor would chair the new committee in his capacity as a member of the Council].

CO.08/4 Rolling schedule of business

Document: GAP/2008/0121

THE COUNCIL RESOLVED to note the rolling schedule of business.

CO.08/5 Vice-Chancellor's report

Document: VC/08/R006

The following points were noted:

- (a) in response to a request from a Council member it was agreed that the paper on academic contact hours approved by the Senate (referred to in the report) should be circulated to Council members for information;

- (b) that the Vice-Chancellor had asked the Council note that all Court members would be invited to an evening seminar on the 10 April 2008 to discuss higher education funding, and the role and future of tuition fees in this context.

THE COUNCIL RESOLVED to receive the report.

CO.08/6 Patterns in Higher Education: Long-Term Trends

Document: VC/08/R005

The Pro-Vice-Chancellor for Research, Professor Trevor McMillan, presented this item in the Vice-Chancellor's absence, and drew attention to the following points regarding the tables shown:

- the data was extracted from a reporting facility provided by Universities UK;
- that the tables were in a similar format to those provided in previous reports to Council, but provided more comparative institutional data based around a list of Lancaster's main comparators and competitors;
- that care was needed in the interpretation of some of the figures, particularly those shown for student numbers where these were based on headcounts rather than full time equivalents.

The Vice-Chancellor had asked that the following issues arising from the data be highlighted:

- (i) Lancaster needed to increase its postgraduate student numbers, which were proportionally lower to those at a number of comparator and competitor institutions, and discussions were currently taking place on how best to achieve this objective;
- (ii) over half of the University's part-time student numbers (which were mostly sited in the Department of Continuing Education) would be affected by the government's proposals to withdraw funding from students taking equivalent or lower level qualifications (ELQ) to those they already held;
- (iii) there was probably potential to increase the University's overseas numbers, although it would be important not to be over-dependent on this source of income given the volatility of this market;
- (iv) the entry grades achieved by Lancaster's students did not fully reflect the University's standing according to some other indicators, most notably its research ranking;
- (v) the University's success in diversifying its sources of income and not being over-dependent on government funding;

- (vi) the need to improve the leverage between the University's QR income and other related sources of income, which was an issue of particular importance given the future role that would be played by research metrics.

The following additional points were noted in discussion:

- (a) the relatively high postgraduate numbers achieved by post-92 institutions shown in the tables partly resulted from their larger size but also from their portfolios of vocational orientated postgraduate taught courses;
- (b) some of the financial figures were affected by temporary exceptional circumstances applying at individual institutions for the year shown;
- (c) the University was giving priority to increasing its current low levels of student recruitment from UK-domiciled ethnic minority groups;
- (d) the only route open to institutions to regain monies lost through the government's ELQ funding proposals was to bid successfully for additional student numbers (ASNs), which were likely to be awarded on the basis of the government's current strategic priorities (most notably work-based learning, co-provision with employers and widening participation);
- (e) the students recruited by Lancaster from low participation neighbourhoods were not thought to be largely from the lower socio-economic groups;
- (f) that the profile of overseas students at Lancaster was similar to that of most other institutions, with China and India predominating (although civic universities had an inbuilt advantage with some ethnic groups).

THE COUNCIL RESOLVED to receive the report.

CO.08/7 LUSU President's report

Document: GAP/2008/0127

The LUSU President, Mr Tim Roca, drew attention to his written report and the following points:

- (i) the recent constructive meeting that had taken place between the sabbatical officers and the Vice-Chancellor to discuss matters of mutual concern, and his hope that these meetings would continue;
- (ii) that whilst relations between LUSU and the University's senior officers were generally very good, he believed that communications on some day-to-day operational issues could be improved;

- (iii) the attendance by two Lancaster students at a recent ‘student jury’ event organised as part of the Department for Innovation, Universities and Skills’ student listening campaign;
- (iv) the campaign by the NUS to ensure that all monies earmarked by Universities for expenditure on bursaries was spent.

The following points were noted in discussion:

- (a) it was suggested that any problems experienced in communications between the LUSU and the University on operational issues should be raised by the sabbatical offices with the Pro-Vice-Chancellor for the Colleges and Student Experience;
- (b) attention was drawn to the successful joint social event held between LUSU and the college bars.

THE COUNCIL RESOLVED to receive the report.

CO.08/8

Finance

Documents: FO/08/09 and Appendix 1; FO/08/11; FO/08/07 (previously circulated); GAP/2008/0131

(A) REPORT OF DIRECTOR OF FINANCE AND RESOURCES

The Director drew attention to his written report and the following points:

- (i) the latest phase of the residence project was going well: the new County ‘town houses’ had been completed by December according to schedule, and all places available for students who wished to continue in off-campus accommodation in 2008-9 had been filled;
- (ii) the budget outturn for 2007-8 was expected to be in line with original projections;
- (iii) a summary of the first draft of a proposed new finance strategy (that had been discussed by the Finance Committee) had been included at the end of his report to provide some context for the agenda item on Residences Phase 5.

In response to a question from a Council member, the Director explained that although the draft strategy concentrated on the key future priorities for the university, and the investment that might be required to make their achievement possible, it also assumed that the current rolling programme of refurbishment would continue and made allowance for this in the projections shown.

(B) **RESIDENCES PHASE 5: RETAINED RESIDENCES**

The Director of Finance and Resources explained that although no firm proposal was currently being brought forward, the possibility of selling a leasehold interest in the majority of the University's remaining retained estate in return for an initial premium and long-term ground rent was being given active consideration. The discussion document before the Council set out the context to this discussion, and some of the reasons why this could be potentially advantageous to the University. At this stage the Council's approval was only sought for detailed work to be carried out to allow a full proposal to be brought back to the Finance Committee in May and then the Council in June. This would include an analysis of the comparative costs, and the advantages and disadvantages, of different means of raising finance. In contrast with Phases 1-4 of the residences project any Phase 5 would not involve major new building work.

The following points were amongst those noted in discussion:

- (i) the detailed proposals would draw on the experience gained during the implementation of Phases 1 to 4 of the residences project;
- (ii) it was suggested that the option of breaking Phase 5 down into several smaller stages should be considered, and that the University would need to be alert to the danger of entering into any long-term commitment that did not offer sufficient flexibility to respond to changing circumstances;
- (iii) the relationship between the finalised proposals and other projects, including the planned new sports centre, would be set out for the Council in June;
- (iv) that any potential loss of flexibility in future budget setting would need to be set against the advantages of establishing a disciplined framework for ensuring the proper maintenance of the estate;
- (v) that careful consideration would need to be given to any relevant factors arising from the current uncertainties in the international financial markets.

(C) **MANAGEMENT ACCOUNTS AS AT 31 DECEMBER 2007**

The Director drew attention to the Management Accounts that had previously been circulated to Council members.

(D) **FINANCE COMMITTEE'S REPORT OF MEETING HELD ON 11 JANUARY 2008**

The report of the meeting was before the Council.

THE COUNCIL RESOLVED:

- (i) to receive and note the Director's report;
- (ii) to approve a proposal that detailed work be carried out on proposals for a possible Phase 5 of the residences project, to be brought back to the Finance Committee in May and to the Council in June;
- (iii) to confirm the actions taken by the Finance Committee.

CO.08/9 Estates Committee: report of meeting held on 11 October 2007

Document: GAP/2008/0132

THE COUNCIL RESOLVED to receive the report and to confirm the actions taken by the Estates Committee.

CO.08/10 Governance

Documents: GAP/2008/0134 and VC/08/R009

(A) **LAYING DOWN OF INNOVATION AND ENTERPRISE UNIT**

The Deputy Vice-Chancellor introduced a proposal that, on the recommendation of the Senate, the Council should lay down the Innovation and Enterprise Unit (which has the status of academic department) with effect from 2008-09, and drew attention to the following points:

- (i) the Unit had been formed out of the previous Independent Studies Department, but had ceased to be financially or academically viable;
- (ii) that agreement had been reached on the relocation of the Unit's staff and its activities where the latter were to be continued.

A member of the Council expressed the hope that the spirit of innovation that had characterised the Independent Studies Department would be continued in other areas of the University's activities.

(B) OUTCOMES FROM UNIVERSITY COURT

The Deputy Pro-Chancellor, Mr Gordon Johnson, who had chaired the Court meeting, reported that it had been a good tempered and constructive event which had featured an accomplished presentation by the President of LUSU. Important outcomes had included:

- (i) the approval by the Court of the recommendations made to it by the Court Effectiveness Working Party and the endorsement of the main recommendations that were to be made to the Council (subject to a final meeting of the Working Part at which the detailed comments made by Court members would be considered);
- (ii) the reappointment of Mr Bryan Gray as Pro-Chancellor for a further period of up to five years from 1 August 2008.

In a short discussion, it was agreed that an appropriate balance needed to be struck at Court meetings between the major strategic issues likely to be of most interest to external members and discussion of local issues in the University within the time available.

THE COUNCIL RESOLVED to approve the proposal lay down the Innovation and Enterprise Unit with effect from 2008-09

CO.08/11 Report and recommendations of the Nominations Committee

Documents: VC/08/R008 and VC/08/R012

THE COUNCIL RESOLVED:

- (i) to approve the appointment of Professor Harry Thomason as a member of the Audit Committee for a period of three years from 1 February 2008;
- (ii) to approve the appointment of Ms Gill Gardner as a lay member of Council for three years from 8 February 2008.

CO.08/12 Risk Register

Document: FO/08/12

The Director of Finance and Resources drew attention to some changes in the risk ratings given to some individual items since the last Council meeting that were set out in the cover sheet for the item.

The following points were noted:

- (i) that the majority of current risks related to factors that were external to the University;
- (ii) that there was an inevitably long lead-in time before the benefits of the current improvements being made to careers support for students would be reflected in externally compiled employment statistics.

THE COUNCIL RESOLVED to note the key institutional risks as set out.

CO.08/13 Key Performance Indicators

Documents: GAP/2008/0136; GAP/2008/0125 and GAP/2008/0137

- (A) **BALANCED SCORECARD**
- (B) **THEMATIC REPORT ON TEACHING**

The Deputy Vice-Chancellor drew attention to the following points:

- (i) the major challenge faced by the University in improving its entry grades and the strategic decision that had been taken to bring some student numbers down so that the University would only be admitting fully-funded Home-EU students;
- (ii) the efforts that were being made to maximise the University's recruitment of overseas students;
- (iii) the significance of the Senate's decision to approve new minimum commitments on academic contact time for undergraduate students given that a national debate on this issue was likely to be initiated by the government;
- (iv) the rolling programme to refurbish teaching space and the planned creation of a new Student Learning Zone adjacent to Alexandra Square.

THE COUNCIL RESOLVED to receive the balanced scorecard and thematic report on teaching.

CO.08/14 Senate: report of meeting of 21 November 2007

Document: GAP/2008/0133

THE COUNCIL RESOLVED to received the report of the meeting of the Senate on 21 November 2007.

CO.08/15 Review of current meeting

Council members expressed themselves happy with the arrangements made.