

GAP/2009/0169

LANCASTER UNIVERSITY

Minutes of a meeting of the Council
held on 6 February 2009

PRESENT: Mr B. M. Gray (in the chair), Vice-Chancellor, Mr A. Baker, Dr L. J. Banton, Professor P. J. Diggle, Ms G. Gardner, Mr J. Hadfield, Professor S. Henig, Professor G. Johnes, Mr G. Johnson, Mr L. King, Councillor G. Marsland, Mr G. Middlebrook, Mr M. Payne, Mr S. Rimington, Professor D. B. Smith, Professor K. J. Stringer, Professor H. Thomason, Mr R. Turner, Ms L. Willis.

IN ATTENDANCE: Miss F. M. Aiken, Professor A. G. Chetwynd, Professor C. L. Cooper, Mr P. M. Graves, Mr D. Hogan, Professor R. D. McKinlay, Professor T. J. McMillan, Mr A. C. Neal, Mr M. Swindlehurst, Ms V. Tyrrell, Ms V. C. Walshe.

APOLOGIES FOR ABSENCE: Ms H. Child.

CO.09/1 Welcome to new members

The Chair welcomed the Mr Simon Rimington (student representative) as a new member of Council.

CO.09/2 Declaration of interests

The Chair of the Council asked that it be recorded that all Council members holding a contract of employment with the University had a potential interest in the agenda item regarding redundancy procedures (*see minute CO.09/11*).

CO.09/3 Presentation: Pro-Vice-Chancellor for Research: outcome of 2008 Research Assessment Exercise

Document: GAP/2009/0089

The Pro-Vice-Chancellor for Research, Professor Trevor McMillan, reminded the Council of the importance of the 2008 RAE for the University's future funding and reputation and described some of the key differences between the latest exercise and the 2001 RAE. One of the most significant changes was the use of research profiles showing the distribution of research activity within each Unit of Assessment, as judged by the relevant RAE panel across five categories that ranged from unclassified to world leading. This gave a more detailed picture than the previous system of awarding a single grade to each UoA. However, unlike the 2001 RAE, the 2008 RAE results did not include any indication of the proportion of RAE eligible staff submitted in each UoA. The net effect of these changes was to make performance comparisons more complex and less clear cut.

Lancaster's overall results had been excellent, as could be seen in the following indicators:

- 92% of the University's research activity had been judged to be of international quality;
- the university's grade point average across the quality categories 1* to 4* (with 4* weighted at 4 x 1*) was 2.71;
- a straight comparison of institutional GPAs placed Lancaster at around 16th to 19th overall in the UK (depending on whether specialist institutions were included) and around 9th to 10th if the results were adjusted to take account of the estimated proportion of eligible staff submitted by each institution;
- five subject areas had been ranked in the top 5, representing over a third of the University's academic staff f.t.e.s, and there had been particularly noteworthy successes in Physics, Art and Design (LICA) and Allied Health (School of Health and Medicine), the last two benefitting from investments made through the Bowland Trust donation.

Notwithstanding a very strong performance, it was also important to acknowledge the areas in which the University's performance had fallen below expectations. Three UoA profiles had 5% of research activity had ranked as unclassified and it was noticeable that some departments with large teaching loads were amongst those that had performed less well.

Further information was to be made available by HEFCE in Spring 2009 showing detailed sub-profiles for research outputs, esteem and environment for all institutions and UoAs.

The University now awaited the funding outcome from the RAE 2008. This would not be known until the March grant letter was received, but HEFCE had already announced that the distribution of QR funding would be heavily weighted towards research activity rated as world leading or internationally excellent and that they would safeguard the share of the mainstream QR grant allocated for research in science, engineering, medicine and mathematics. However, notwithstanding these decisions, it was expected that QR funding would in future be more widely distributed across the sector than had previously been the case.

Looking to the future the University would now need to prepare for the introduction of the new Research Excellence Framework. HEFCE was still to announce the detailed operation of the REF, but on the basis of what was already known the areas in which it would be important to maximise the University's performance included:

- PhD student numbers;
- proportion of 4* research outputs;
- research grant income;
- economic impact and knowledge transfer;
- citations.

In response to questions from Council members, Professor McMillan and others stated:

- (a) although the anticipated wider distribution of QR funding across the sector was likely to lead to a reduction in the amount of QR funding per staff f.t.e., the large increase in the number of staff submitted by Lancaster in 2008 compared with the 2001 RAE would help maintain the size of the total QR allocation received by the University;
- (b) if the University had been more selective in its RAE submissions this may have led to some improvement in its position within the league tables but could also have reduced its QR funding allocation;
- (c) because Lancaster had strengths in both science and non-science subjects it was relatively well placed to preserve its overall QR allocation despite HEFCE's decision to transfer funding to the science-related UoAs at the expense of other subject areas.

THE COUNCIL RESOLVED:

- (i) to receive the report and to thank Professor McMillan for his presentation;
- (ii) to congratulate the University its excellent performance in the 2008 RAE.

CO.09/4 Minutes: report of meeting on 21 November 2008

Document: GAP/2009/0034

THE COUNCIL RESOLVED to approve the minutes as set out, subject to the inclusion of Mr L. King in the list of those present at the meeting.

CO.09/5 Current schedule of future business

Document: GAP/2009/0099

THE COUNCIL RESOLVED to note the rolling schedule of business.

CO.09/6 Vice-Chancellor's report

Documents: VC/09/R011; GAP/2009/0100

The Vice-Chancellor drew attention to his written report and the following points:

- (a) the latest admissions data suggested that Home-EU undergraduate applications had fallen by 4% compared with the previous year (although this was thought to be in part the result of an increase in the entry grades required by the Management School) and overseas UG applications had increased by 9%: national comparative data from UCAS was expected before the end of February and the University would continue to closely track overseas applications in the light of the uncertainties caused by the worldwide financial recession;
- (b) a letter from John Denham, the Secretary of State for Innovation, Universities and Skills, to HEFCE outlining the 2009-10 grant settlement had highlighted the following points:
 - there would be a total cash increase of 3.8% compared with 2008-09 with an additional £65m for the QR allocation;
 - HEFCE had been asked to ensure that institutions did not recruit more new Home-EU undergraduate and PGCE students for 2009 entry than they did for 2008 entry;
- (c) it would be prudent to assume that the HEFCE grant settlement for 2010-11 would not be so positive for the sector;
- (d) the government would be holding a workshop at the end of February to consider the reports on issues in H.E. commissioned by John Denham, and it was expected that this would be the start of a process that would lead to a green or white paper;
- (e) on behalf of the Council the Vice-Chancellor offered his warm congratulations to Mr Bryan Gray on being awarded a CBE in the Queen's New Year Honours list.

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

CO.09/7 Strategic Planning Process

Document: GAP/2009/0093

The Vice-Chancellor introduced a short report that summarised the process which would be followed to produce a revised version of the Strategic Plan. He reported that, following the meeting of Council members that took place in July of last year to consider strategic issues, a three day workshop had taken place in January attended by members of the Academic Planning Committee and others. A small group was now working on a draft plan, which would be considered by the Academic Planning Committee and the Senate before being brought for final approval to the Council in June.

THE COUNCIL RESOLVED to note the report.

CO.09/8 Teaching Partnership with G.D. Goenka Educational Trust

Document: GAP/2009/0074

The Deputy Vice-Chancellor reported that a new international partnership had been established with G.D. Goenka Educational Trust, who were a high quality private education provider based in New Delhi, which would involve the delivery of Lancaster degrees at a new campus to be built by Goenka. They were to provide the academic staff (but with Lancaster playing a significant role in the recruitment process) and would be responsible for marketing and recruitment. Lancaster would define and provide the majority of the curricula, and the form and content of assessment would follow the Lancaster model and be under the complete control of the University. There also some planned Masters programmes which would be jointly delivered by Goenka and Lancaster staff from the Management School. Over the longer-term it was hoped that there would be opportunities for further expansion beyond New Delhi.

In response to questions from Council members the Deputy Vice-Chancellor reported:

- (a) the systems which would be used to ensure Lancaster's oversight and control of academic quality had been agreed;
- (b) the benefits of the scheme would be both academic and financial, and it had the potential to play an important role in helping the University to establish a major presence in a strategically important part of the world;

- (c) it was not thought likely that the proposed partnership would damage the direct recruitment of Indian students to the University;
- (d) other UK institutions had entered into partnership arrangements of this kind in India although these had tended to be on the basis of a consortium of institutions.

THE COUNCIL RESOLVED to note the report.

CO.09/9 LUSU President's report

Document: GAP/2009/0078

The LUSU President, Michael Payne, drew attention to his written report and the following points:

- all but one of the four external LUSU trustees posts had now been filled;
- since his report had been written he was pleased to report that some constructive discussions had taken place regarding the management arrangements for the college bars and it had been agreed in principle that the University and Students' Union Joint Committee should set up a working party to consider a range of issues concerning the future of the college system.

The following points were noted in discussion of the President's report:

- (a) the terms of reference and membership for any working party would need to be approved by the Pro-Vice-Chancellor for Colleges and the Student Experience as chair of the Joint Committee;
- (b) it was suggested that an issue that needed considering was the extent to which involvement in the college system was attractive to academic staff, particularly those at the start of their careers;
- (c) in a wider context, it was suggested that the number of formal university committees currently in existence (of which the University and Students' Union Joint Committee was one) and their roles might usefully be reviewed.

THE COUNCIL RESOLVED to receive the LUSU President's report.

CO.09/10 Finance

Documents: FO/09/14; FO/08/135 (previously circulated); FO/09/010 (previously circulated); FO/09/11; FO/09/12; FO/09/13; FO/09/18 (Restricted); GAP/2009/0095; GAP/2009/0096 (Restricted)

(A) **REPORT OF DIRECTOR OF FINANCE AND RESOURCES**

The Director drew attention to the written report before the Council.

(B) **MANAGEMENT ACCOUNTS FOR 30 NOVEMBER 2008 AND 31 DECEMBER 2008**

The latest Management Accounts had been circulated to Council members.

(C) **COUNTY SOUTH PROJECT**

(D) **WATERSIDE PROJECT**

Proposals were before the Council for approval of the County South Refurbishment Project within a funding envelope of £11m and the Waterside Project within a funding envelope of £12m. The projects were both in the Capital Expenditure Programme already approved by the Council and the costs could be met from within existing cash reserves.

Council's attention was drawn to the following points:

- (a) the tenders for the two projects were being issued in parallel;
- (b) the Waterside Project was a new build intended to support increased activity in the Management School and it would be important that the assumptions underpinning the associated growth plan agreed with the School were kept under review given the current uncertain financial environment.

In response to a question from a Council member the Director stated that the possible additional utilisation of existing space was always considered as a means of meeting the requirements of additional students, but it was important to ensure students had access to high quality teaching facilities, particularly when they were taking courses with premium tuition fees.

(E) ELECTRICITY SUPPLY

A proposal was before the Council for the approval of a new electricity supply project within a funding envelope of £2.13m. Although successful steps were being taken to maximise efficiency and achieve the lowest possible average power consumption, projections showed that future peak demand was very likely to exceed existing capacity by the end of 2010, largely as the result of the facilities contained in the new ISS building combined with other planned new build and it was therefore necessary to expand the peak capacity.

(F) FINANCING OF CAPITAL PROGRAMME (*Restricted item*)

[Restricted minute]

(G) REPORT OF FINANCE COMMITTEE MEETING ON 16 JANUARY 2009

The Report of the Finance Committee was before the Council.

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THE COUNCIL RESOLVED:

- (i) to receive the report of the Director;
- (ii) to approve the County South capital project within a funding envelope of £11m;
- (iii) to approve the Waterside capital project within a funding envelope of £12m;
- (iv) to approve the new electricity supply project within a funding envelope of £2.13m;
- (v) to approve and ratify the actions of the University in seeking to establish a new borrowing facility as set out in document *FO/09/18*;
- (vi) that the existing Authorised Signatories Group for Phase 5 should be laid down;
- (vii) that a new Authorised Signatories Group be established with the membership and terms of reference set out in the document before the Council, subject to amending point 3(ii)2 to read: 'Any decision of the quorum must be approved by at least four members of the Group present, of whom one must be a lay member of the Council';
- (viii) to note the report of the Finance Committee and to confirm the actions taken.

CO.09/11 Human Resources: Redundancy Procedures

Document: GAP/2009/0102

The Council received a document from the Vice-Chancellor proposing that the Council agree in principal that it may become 'desirable that there should be a reduction in the academic staff ... by way of redundancy' (Statute 20, Part II, Para 10) and therefore appropriate to establish a Standing Redundancy Committee in accordance with the provisions and procedures set out in Statute 20, subject to the following steps taking place:

- the Council should receive comments from Senate on the proposals;
- the approval by Council of proposed terms of reference for any redundancy committee;
- the development of proposed procedures for the committee for review by the Human Resources Committee;
- the establishment of a panel of members to serve on the Committee.

In discussion it was noted that under the provisions of Statute 20 the Council would need to reach a definite view that staff redundancies were desirable before any redundancy committee could be set up and clarification was requested on (a) whether the Council was being asked to take this decision at the meeting; and (b) if so on what grounds. Some Council members questioned whether such a decision could be justified under current circumstances and concern was expressed about the possible impact on staff morale. The importance of clear communication with staff on the issues concerned was stressed by several speakers.

In reply the Vice-Chancellor stated:

- (a) there were no plans currently being considered for large scale staff redundancies; however, changes in employment law meant that there was no longer any legal distinction between staff on fixed-term and indefinite contracts and it was therefore a legal requirement that staff on fixed-term contracts whose posts were not renewed at the end of their contractual period of employment should be regarded as being considered for redundancy;
- (b) changes in employment law also meant that there were now more staff on indefinite contracts whose posts were dependent on time-limited funding sources;
- (c) that, despite lengthy negotiations, it had so far not proved possible to reach any agreement with the trade unions on proposed new redundancy procedures that would apply equally to all categories of staff and it was now necessary to consider how best to ensure the University procedures continued to be in

compliance with the legal requirements set out in employment legislation and also in accordance with the procedures set out in Statute 20;

- (d) the Council was being asked to agree in principle that these circumstances meant that staff redundancies, as defined in Statute 20, were desirable and that it would be appropriate to establish a redundancy committee, subject to the points set out.

The University Secretary confirmed that legal advice had been sought regarding the steps now being proposed.

THE COUNCIL RESOLVED (on a show of hands) to agree the next steps set out in the document whilst noting that any decisions by Council regarding the desirability of redundancies and the establishment of a redundancy committee would be subject to further discussion and reports being brought to the next Council meeting of:

- (i) the comments made by Senate on the proposals;
 (ii) the development of procedures for the Committee being discussed by the Human Resources Committee;
 (iii) progress with the other further steps set out in the document.

CO.09/12 Risk Register

Document: FO/09/15

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

CO.09/13 Key Performance Indicators

Documents: GAP/2009/0104; GAP/2009/0105; GAP/2009/0106

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

THE COUNCIL RESOLVED to note the latest balanced scorecard of key performance indicators and thematic report on teaching.

CO.09/14 Public Arts Strategy Committee: report of meetings of 25 February 2008 and 3 June 2008

Documents: VC/09/R014; VC/08/R068

THE COUNCIL RESOLVED to note the reports of the Public Arts Strategy Committee and to confirm the actions taken.

CO.09/15 Emeritus Appointments

Document: GAP/2009/0011

THE COUNCIL RESOLVED to approve the new emeritus and continuing membership appointments as set out.

CO.09/16 Review of current meeting

Council members expressed themselves happy with the arrangements made.