

**LANCASTER UNIVERSITY**

Notes of the Council Awayday  
held on 20 May 2016

**PRESENT:** Pro-Chancellor (in the Chair); Vice-Chancellor; Professor A. M. Atherton; Mr D. Barron; Dr R. Boumphrey; Mr J. R. Carr; Mr M. J. Dormer; Professor J. Garside; Mrs R. Georghiou; Professor S. Guy; Mr W. Hedley; Mr I. Johnson; Professor N. Johnson; Professor K. C. Jones; Mr L. King; Baroness Neville-Jones; Professor J. F. O’Hanlon; Professor E. Ritchie; Dr J. Taylor; Mrs V. Young.

**IN ATTENDANCE:** Professor S. Bradley; Professor A. G. Chetwynd; Professor S. P. Decent; Mr S. Franklin; Dr H. Hardie; Ms H. Hunter; Professor S. R. A. Huttly; Mr S. Jennings; Ms N. C. Owen; Ms J. Prudence; Mrs S. J. Randall-Paley; Mr S. Reynolds; Mr M. Swindlehurst.

**APOLOGIES FOR ABSENCE:** Mr E. McLaughlin; Mr J. O’Neill; Mr A. Warriner.

CO.16/22 Awayday

The Council met for a series of discussions relating to the future strategy and potential growth of the University. The key points noted during each session are detailed below.

22.1 Lancaster’s Strategy in Context

The Vice-Chancellor gave a presentation on the University’s Strategy 2020 in the context of the rapidly changing Higher Education sector environment. The HE White Paper had set out a new policy framework for the sector, which included the creation of the UK Research and Innovation strategy body, which would be responsible for the allocation of research funding across the UK for bodies such as Research Councils, and QR-related funding for England only.

There was a significant shortfall in funding the costs of research within the sector of around £1Bn which suggests that the funding model is unsustainable.

It was noted that Lancaster's current market share of research funding was lower than the target figure of 1.5%, although the work on the University's research strategy by Professors Ruckenstein and Decent had already had an impact, and this year's level of research grant awards was already higher than the previous year's total.

The removal of the cap on undergraduate admissions had created a wider market, with a greater number of private education providers, although it had not led to the variation in fees that may have been expected. It was noted that the majority of alternative providers were specialists in certain disciplines, and the number of these providers was expected to grow by around a third over the next few years.

With regards to undergraduate applications, the University had seen a rise against the background of a decline in university age demographic. Growth in the international student market was uncertain due to current immigration legislation, and this was reflected in the University Strategic Risk Register, to be discussed later in the agenda.

## 22.2 Strategy 2020 Update – Progress and Key Changes

*Document: SEC/2016/2/0580*

The Chief Administrative Officer and Secretary provided an overview of the University's progress in relation to the goals set out in the Strategy 2020 document.

Several actions were being taken to improve the University's standing in League Tables, since these were known to be an important factor in attracting new students.

Issues relating to student retention were being discussed at departmental level; a report on the actions being taken to improve retention rates would be brought to Council in due course.

**Action: Pro-Vice-Chancellor (Education);  
Provost (Student Experience, Colleges and the Library)**

A review of Lancaster's PGT portfolio had taken place, and the Education Committee would be responsible for implementing the recommendations. The Council would receive a progress report on the implementation plan at a future meeting.

**Action: Pro-Vice-Chancellor (Education)**

In discussion, it was noted that the University's strategic engagement with the Northern Powerhouse, Local Enterprise Partnerships and local businesses was agreed to be significant. The University would need to develop a strategy to ensure that it maximised the opportunities presented and its ability to support economic regeneration and productivity.

More work was required in order to raise the awareness of the University's international strategies among many departments.

### 22.3 Future Configuration of Student Numbers at Lancaster University

*Document: SEC/2016/2/0574*

The Deputy Vice-Chancellor reminded the Council that the growth targets in the Strategy 2020 were based on reaching a £300M turnover by 2020, through either organic or step-change growth. It was noted that several opportunities for growth had been identified but not yet utilised. The university's application to enrolment ratio had been increased to 6:1 in recent years, but was still lower than our key UCAS and league table competitors.

It was noted that the assumptions on future growth were based on a combination of market research, internal reviews, and studies of aspirational competitors. The predictions for postgraduate student numbers included static PGR numbers and a steady growth in PGT students, with a target UG/PGT ratio of 70/30.

Once agreed, the growth predictions would be used to inform departmental strategies, but not used as targets to which they would be held accountable (targets were set through a separate annual process).

The Council discussed the growth predictions set out in the document, in a group breakout session, and agreed that the assumptions were realistic and achievable, and should be looked at as a minimum requirement for future growth, not as an end goal.

The Council agreed that the proposal to maintain quality over quantity by capping the undergraduate student numbers was sensible, and would help to protect the research time for staff. It was further suggested that the present culture of the University should be maintained in terms of the balance of Home EU to Overseas students.

It was considered to be key that sufficient resources are provided to departments for the maintenance and development of academic facilities, in order to avoid a time lag behind student growth.

Members felt that they were unable to comment on the suitability of the overall curriculum, although it was agreed that the quality of the “products” offered by departments should be upheld, and that this quality should be made clear to applicants and prospective employees.

The increasing need for the expansion of student accommodation and College facilities was discussed, and it was agreed that the Bailrigg site should continue to be at the heart of the University, and that a review should be undertaken to determine the infrastructure expansion needed to accommodate the target growth.

The top-down approach of the planning process was acknowledged as a potential source of difficulty; it was agreed that staff should be engaged in departmental planning as much as possible.

Other issues which were considered to be key aspects of the University’s future growth plan, which required further thought and clarification, included the local business engagement strategy, and the management resource workload.

In summary, the Chair reiterated that the proposed income growth through student numbers and ITP expansion was primarily in support of Lancaster’s strategic ambition to be a leading research intensive institution.

#### 22.4 Key Strategic Risks

*Document: SEC/2016/2/0575*

The Council received and discussed the updated register of key strategic risks. Members agreed that the risks set out were broadly correct, and made the following suggestions for minor amendments.

- (i) The impact of the lack of benefits from the Northern Powerhouse would be Major.
- (ii) Risk 11 appeared to be too broadly worded in the current form.
- (iii) The risk of not achieving sustainable growth was not articulated on the register.
- (iv) The University should have a documented skills agenda, with strategies to attract and retain high calibre staff.
- (v) It would be helpful for the Council to be informed about the actions being taken to lower the number of risks with a potentially severe impact.

- (vi) The movement of risks over time should be indicated in some way on the risk register.

The Council asked for an overview of their legal responsibilities with regards to the strategic risks. It was agreed that a paper would be brought to the Audit Committee in July and to Council in September.

**Action: Chief Administrative Officer and Secretary**

## 22.5 Financing a Growth Strategy

*Document: FIN/16/24*

The Director of Finance presented an overview of the financial issues and options available to the University in pursuit of a student growth strategy to 2024/25. The Council considered the options and parameters set out in the paper and agreed that growth was necessary to maintain the University's strong reputation for research and teaching, in an increasingly competitive market.

The Council discussed the University's financial strategy, in the context of the proposed growth in student numbers, and raised the following points.

- (i) Specific capital investments would be necessary over the next few years, to accommodate increased student numbers, with particular pressures in areas such as engineering and computing.
- (ii) Student accommodation options would need to be considered further to provide greater capacity for growth, either on campus or in the city.
- (iii) The University was working with Lancaster City Council to develop a "city masterplan" to ensure that the future demands for student accommodation in Lancaster could be met in a sustained way.
- (iv) The University's sports centre was currently at maximum capacity, and the sporting and social facilities on campus would need to be reviewed to ensure that the student experience was not compromised.
- (v) Consideration would also need to be given to the expansion of office space and car parking to accommodate new staff.
- (vi) The Estates Masterplan was being updated currently but would need to be reviewed further in light of this discussion of a revised growth strategy. This would be considered by the Council in due course.

- (vii) There may be opportunities to use external funding to support discrete projects in the capital programme, such as the new Management School building.
- (viii) The management resource available to oversee and implement the proposed growth should be carefully considered and increased if necessary.
- (ix) The risk profile of student number expansion would vary by department, and certain areas would have a higher margin than others. These aspects should all be taken into account when creating an expansion plan and financial strategy.
- (x) The University should have a clear picture of how internal expansion at Bailrigg is prioritised against other investment opportunities, such as the development of overseas campuses.
- (xi) The Council would require detailed plans, updated financial forecasts and supporting capital programme as well as proposals for financing to support the growth strategy. It was noted that these would require detailed work over the summer.

CO.16/23 Summary and Next Steps

The Chair thanked all of the presenters for the informative discussions and made the following comments in summary.

- (a) The Council was supportive of the University's plans for growth.
- (b) The outcome of the REF and the increase in research grants applications were positive indicators of the University's progress on its research strategy.
- (c) External engagement with businesses and the Northern Powerhouse, etc. would be key for Lancaster's future. An engagement strategy should be developed and implemented as soon as possible.
- (d) The Council requested greater details on the balance of applications between Home EU and overseas students.

**Action: Deputy Vice-Chancellor;  
Director of Recruitment, Admissions and International Development**