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# The Council

### COUN12-M5

**Minutes of the meeting of the University Council held on Friday, 12 October 2012.**

**Members:**

Sir Peter Bonfield **(Chair);** Professor Bob Allison; John Blackwell; Penny Coates (ab); Lord Sebastian Coe; Dr Sophie Crouchman; Brian Dent; Gifty Edila (ab); Christine Fisher; Sir John Gains; Professor Jacqui Glass (ab); Ann Greenwood; Professor Elaine Hobby; Alan Hughes; Professor Allan Jones; Professor Chris Linton; Rory Mitchell; Jim Murphy; Professor Ric Parker (ab); Ellie Read; Professor Helen Rendell (ab); Dr Carol Robinson; Sir Nigel Rudd (ab); Mark Sismey-Durrant; Dr Adrian Spencer; Dr Gerry Swallowe; Jane Tabor; Jon Walker.

In attendance:

Professor Morag Bell; Professor Mike Caine (for item 12/69-71); Dr Mark Hollingsworth; Professor Myra Nimmo; Dr Jennifer Nutkins; Professor Steve Rothberg; Andy Stephens; Miranda Routledge; Caroline Walker.

**Apologies for absence were received from:**

Gifty Edila; Professor Jacqui Glass; Professor Ric Parker; Professor Helen Rendell.

The meeting was preceded by an Open Session with the new Vice-Chancellor, Professor Bob Allison.

The Chair of Council welcomed new members, including Lord Coe, to their first meeting of Council.

### 12/69 Minutes

#### Minutes of the Meeting of Council held on 2 July 2012 (COUN12-M3) were **CONFIRMED**.

### 12/70 Chair’s Introduction and Duties and Responsibilities of Members of Council/Overview of Forthcoming Business

70.1 Duties and Responsibilities of Members of Council/Statement of Responsibilities of Council

 COUN12-P98A and COUN12-P98B - **NOTED**

Paper COUN12-P98B would be amended to incorporate reference to the University’s Ethical Framework as well as the Nolan Principles. **Action: Assistant Secretary**

70.2 Overview of Year’s Forthcoming Business

 COUN12-P99 – **NOTED**

70.3 Introduction to the Loughborough Students’ Union (LSU) Executive

The President and Vice-President: Finance & Commercial Services of LSU introduced themselves and explained their primary mission of enhancing the student experience, recognising that this would mean different things for different groups of students. As previously presented to Council, LSU split its activities into three distinct themes: “A Voice Where it Counts”; “Skills for the Future” and “Unforgettable Times”. During their presentation, the LSU Executive outlined a number of past successes and campaigns planned for the coming year. They hoped to have a constructive dialogue with the University in relation to the consistency of student contact time with staff. The students were thanked for their informative presentation and Council looked forward to hearing more about their activities later in 2012/13.

70.4 Register of Interests

Council members **NOTED** the requirement to complete a Register of Interests form, which would be held by the Secretary to Council. Members were responsible for updating the Register of Interests on an annual basis and for the current year, this should be completed by November.

 COUN12-P100

### 12/71 Olympic Park

*(Lord Coe declared an interest in this item. He was working with the Cabinet Office on behalf of the Prime Minister to maintain an oversight of the developments in and around Olympic Park. He was not a member of the LLDC. The Chair agreed that Lord Coe would not be required to leave the meeting for this item.)*

The Deputy Vice-Chancellor presented the high-level vision for the project and outlined the opportunities that it presented to the University. The aim was to create a vibrant academic community, delivering Research, Teaching and Enterprise activities on the OP site. This would be underpinned financially by strong postgraduate taught (PGT) provision which would generate sufficient surplus to re-invest in the OP campus. It was likely that the academic activity would be structured into Institutes as a way of maintaining stability in a market (PGT provision) that was known to be fairly volatile. PGT programmes tended to have a relatively short shelf life and provision would need to be re-designed on a regular basis.

The project was considered to be strategically important to the University for the following reasons:

* It would enhance the visibility and reputation of the University and contribute to the University’s global competitiveness.
* It offered the best opportunity for transformational change. There was limited scope to increase the scale of the University’s activity in the East Midlands. Exposure to London was expected to open up new student markets and create opportunities for partnerships with business and international HEIs.
* The undergraduate market was changing and was potentially a less secure income stream than it had been in the past. An expansion of postgraduate activity might help to mitigate this.

The project was being overseen by a Project Management Board (PMB) and the proposal had been scrutinised by an Independent Review Group (IRG). Both Groups were convinced of the value of the project as an opportunity to expand and develop the University. However, the IRG was not yet satisfied that the business model gave a sound financial base on which to proceed.

Professor Mike Caine briefed members of Council on the progress of the project since the last meeting. The successful bidder had been announced as iCity and the Head Lease Agreement was expected to be signed by the end of January 2013. This was a slippage on the originally envisaged timescale and further delays might occur due to the unsuccessful bidder seeking judicial review of the decision. Internally, the University continued to develop its thinking regarding how an academic presence at OP might be structured. In order to be a financially sustainable project, a critical mass of around 1000 taught students would be required in steady state. The PMB was working closely with the “champion” Schools to develop a robust portfolio of PGT programmes to achieve this critical mass. The current proposal featured a diverse cluster of activity, representing the key strengths of the University. The current model of PGT recruitment was being revisited to investigate partnering with other organisations and the introduction of a pre-Masters foundation programme.

During discussion, the following issues were raised:

* In response to a query, it was confirmed that the University would have been looking to expand in London even if this specific opportunity had not arisen. Whilst alternative options in London had not been fully evaluated, some other discussions had taken place. That said, the conditions at OP would be difficult to replicate. The University had been specifically invited to be involved in the re-generation of East London following the 2012 Games and, during the project to date, the University had gained a significant number of supporters.
* Some members queried the working title “Loughborough University Olympic Park London” as not promoting the London aspect enough. This was a difficult issue as the title needed to articulate with the Loughborough name/brand in the right way. Work was on-going in this area.
* A key challenge was to devise provision at the OP which would build on Loughborough’s reputation and strengths but be distinctly different to avoid competition with the main campus. The University needed to be very clear about which aspects of the Loughborough experience were to be replicated in London. For example – what would an excellent student experience in London look like compared to the student experience in Loughborough? The distinctiveness of each campus would need careful articulation to prospective students.
* It was noted that the international student market in the UK was still growing, a majority of UK postgraduate taught provision was delivered in London and Loughborough had struggled to meet its target for 2012. A presence in London was a potential opportunity to address this. There were around 40 Universities in Greater London, in the last few years, six or seven non-London institutions had also established a London presence. The Loughborough brand was distinctive and most programmes on offer would not be directly in competition with other institutions.

The Honorary Treasurer reported from the Independent Review Group (IRG). The Group agreed the project presented a unique opportunity for transformational change. However, the current business model was unsustainable and needed to be significantly re-worked to make the project financially viable. It was acknowledged that projecting a business model 10 or 20 years into the future would always be speculative. To mitigate against some of the financial risks on a long term basis, the University needed to build in “walk-away” points if it became clear that targets could not be achieved. Council members were reminded that not doing anything was not without risk as, in the current climate, the University needed new initiatives to maintain its competitiveness in an increasingly challenging environment.

Council **NOTED** that the University had a unique opportunity to make a transformational change in its academic activity but it was recognised that further work was required to devise a viable operational and financial model Council noted that it remained possible that proposals for a final decision would be made in November but a delay in the external timescale was quite likely and this would give more time to work through revisions to the business model.

 COUN12-P101

### 12/72 Key Performance Indicators

Council **RECEIVED** an update on the University’s KPIs. The data was being presented in a new format which gave high level judgements of performance (as assessed by Operations Committee) and complied with CUC guidelines. The information would be updated quarterly. There were currently three “amber” indicators – Internationalisation (assessed on weak performance in international league tables); Teaching and Learning (assessed on under recruitment of students in 2012/13) and Finance (assessed on under recruitment of students in 2012/13).

Two Health and Safety indicators were included in the KPIs and further details were provided in the Health, Safety and Environment Committee minutes.

LSU representatives requested a summary of the proposals identifying how a 5% cut in support services expenditure might be achieved so that they could assess the potential impact on the student experience. **Action: Chief Operating Officer**

 COUN12-P102

### 12/73 University Finance *– redacted: Commercial Sensitivity*

#### 73.1 Council **RECEIVED** an update from the Director of Finance. The 2011/12 year-end audit was nearly complete and there were no material threats to the audit results presented. Full details would be brought to Council at the November meeting for approval.

The Director of Finance drew Council’s attention to the following issues:

#### There were some shortfalls in student recruitment. Whilst for UK/EU students these were not inconsistent with the rest of the Higher Education Sector, the disappointing international Taught Postgraduate outcome had been unexpected. Some under-recruitment had been anticipated and a contingency incorporated into the 2012/13 budget. Operations Committee would review the 2012/13 budget position following an update on student intake data at its meeting on 29 October.

* The Unions were seeking a 7% pay claim and had balloted for industrial action. An offer of 1% had been made by UCEA.
* A pensions accounting issue had arisen which would not affect the University’s cash-flow but was expected to affect the surplus.
* It was **NOTED** that updated Five-Year Forecasts did not now need to be submitted to HEFCE until July 2013. The forecasts were undergoing a major review and would be updated to include the Olympic Park project and the latest student recruitment position.

 COUN12-P103

73.2 Council **RECEIVED** an update from the Director of Finance regarding the refurbishment of Falkner Eggington and it was **NOTED** that Council had previously approved the project at an indicative budget of £10.5M but that the preferred bidder’s tender was above this. On the recommendation of the Project Management Board, Council **APPROVED** the appointment of the preferred bidder and increased the budget for the project.

 COUN12-P103A

### ****12/74 UK Border Agency – Compliance Requirements****

Council **RECEIVED** a report on the University’s management of compliance with the UKBA’s student immigration requirements. It was **NOTED** that this area represented a high level of risk to the sector as a whole, not least because UKBA regularly changed its requirements, and that the University had not been the subject of a UKBA Audit since 2010. Whilst ALT had reviewed the current arrangements and was satisfied that the risk at the University was low, in view of the critical nature of compliance, it was agreed that Internal Audit should undertake a review of the University’s procedures; the findings of which would be reported to Council.

 COUN12-P104

### 12/75 Nominations Committee and Membership of Council

75.1 Council **RECEIVED** a report of the meeting of Nominations Committee held on 19 June 2012.

 COUN12-P105

75.2       On the recommendation of Nominations Committee, Council **APPROVED** the appointment of Gareth Williams and Esme Winch as co-opted members of Council with effect from 12 October 2012 until 31 July 2015.

 COUN12-P106

75.3      Council **NOTED** that Christine Fisher has been appointed as President of the Alumni Association (and member of Council).

75.4     Council **NOTED** the membership of Council for 2012/13.

 COUN12-P107

### 12/76 Matters for Reports

**76.1 Pro-Vice-Chancellor (Research)**

Council **RECEIVED** a report and **NOTED** that grant applications had increased while awards had slightly decreased after what had been an exceptional year in 2011/12. There had been several multi-million pound bids in the previous few weeks. Issues associated with the “Finch” report concerning open access publishing of research were **NOTED.** RCUK were also introducing requirements to publish research data. These were challenging developments for the whole sector and the University was fortunate to be one of only 30 institutions to receive support from the Government’s £10m ‘open access’ funding.

The importance of the REF was **NOTED** and, while good research was inherent in the University, any minor improvements that could be made to the University’s submission were vital given the importance of the REF results. Only 3\* and 4\* work was likely to attract HEFCE funding and which staff to submit was a sensitive issue. Internal procedures had been established which accorded with the relevant HEFCE requirements In response to a query from a member of Council, the University confirmed that professional “writers” were contributing to the preparation of the University’s Impact Statements. There was still time to attract leading researchers to the University and Council was assured that every possible step was being taken to ensure a robust REF submission.

A member queried whether too much resource was expended on applying for funding from Research Councils when research contracts were an alternative source of income and one which the University had a good history of attracting. It was noted that Research Council funding contributed significantly to good REF results which would help attract further contract research. Success rates for contract research were also not directly comparable to those for Research Council and charitable grants.

 COUN12-P108

**76.2 Pro-Vice-Chancellor (Teaching)**

 Student Recruitment

 The latest admissions position regarding undergraduate and taught postgraduate recruitment to the University for 2012 entry was **NOTED.** The shortfall in UK/EU undergraduates was not unexpected and many competitors were in a similar or more challenging position. Whilst international recruitment had looked promising at the start of the summer and international taught postgraduate targets had been increased following the introduction of new programmes, the outcome had not been as successful as had been hoped. It was important to set realistic, rather than aspirational, targets in the future. Work was underway to better understand the causes of the shortfalls and to take appropriate action.

 COUN12-P109

 National Student Survey

 The results of the most recent National Student Survey were **NOTED** and while there were some strong performances there were significant variations between subject areas. Action plans were in place to increase performance and consistency. The NSS was as important for Learning and Teaching as the REF was for Research.

 COUN12-P110

 QAA Institutional Audit

 Council **NOTED** that a draft report of the QAA Institutional Review, carried out earlier in the calendar year, had been received and that provision on the Loughborough University campus was considered to meet UK expectations. However, an issue had been raised in relation to collaborative provision, specifically at the British University in Egypt where the QAA had judged that further work was needed to ensure the learning experience met UK expectations. The University had appealed against this finding and the result was expected in December. If the appeal was unsuccessful, there would be some reputational risk which would be managed carefully. The issue illustrated the challenges of operating in different educational and cultural environments.

**76.3 Pro-Vice-Chancellor (Enterprise)**

 COUN12-P111: **NOTED**

### 12/77 Chair’s Report

Council **RECEIVED** a report from the Chair on matters considered at Chair’s Advisory Group (CAG), and noted that the purpose of the group was advisory rather than decision-making. All items discussed at CAG had discussed as substantive items on the Council agenda.

The Chair of Council congratulated the Vice-Chancellor on his arrival at the University and the speed with which he had adapted to the role.

**12/78 Vice-Chancellor's Report**

The Vice-Chancellor reported that:

* The Staff Survey had had a 64% response rate and that 92% of staff felt that the University was a good place to work. Further embedding of the Performance and Development Review system had been identified as a key action to increase staff satisfaction further. The desirability of reducing bureaucracy had also been highlighted by respondents. It was **NOTED** that action plans being formulated and work undertaken as a result of the survey would be fed back to staff in a transparent way.
* The University had fallen one place to 12th in the latest the *Sunday Times* League Table although nine schools had at least one subject in the top 10. In the new *Which?* Guide, the University had done well and was one of three featured universities. The University had risen 12 places in the QS World University Rankings and seven in the Times Higher Education Table.
* The HEFCE funding to support the transition to open access publishing confirmed that the University was regarded as being one of the top 30 research intensive institutions. This was very pleasing but the risk of further concentration of research funding following the REF presented a significant future risk.
* School of Aeronautical and Automotive Engineering PhD student, Owen McAree, had won the first Royal Aeronautical Society (RAeS) Unmanned Aerial System (UAS) Innovation Award.
* LSU was to be thanked for the inclusion of alcohol-free activities during the newly introduced Alternative Freshers’ Week.
* The University was already performing well in the BUCS Competition for 2012/13.
* He had held a useful meeting with the Minister of State for Universities and Science and was seeking meetings with other relevant cabinet ministers.

**12/79 Confirmation of Amendments to Statutes and Ordinances**

79.1 Further to Minute 12/48, to Council **CONFIRMED** amendments to the Statute XIV (The Senate).

79.2 Further to Minute 12/49, to Council **CONFIRMED** the repeal of Ordinance XIII (Academic Year) and amendments to Ordinance XVII (Discipline of Students)

**12/80 Amendments to Ordinances**

 On the recommendation of Estates Management Committee, Council **APPROVED** amendments to Ordinance XXIII (Traffic and Parking in the University).

 COUN12-P112

**12/81 Risk Management**

Council **RECEIVED** a copy of HEFCE’s Assessment of Institutional Risk.

 COUN12-P113

**12/82 Professional HE Services Limited**

Council **NOTED** a paper detailing the University’s participation in a new Company Limited By Guarantee, “Professional HE Services Limited”, incorporating the activities of the British University Finance Directors’ Group (BUFDG).

 COUN12-P114

**12/83 Membership of Council Committees**

Council **NOTED** appointments to vacancies on Council Committees and Joint Committees with Senate.

 COUN12-P115

**12/84 Graduation Ceremonies 2012/13**

Council **NOTED** the dates of Graduation Ceremonies to be held in the academic year 2012/13 as follows:

Monday 17 December 2012.

Tuesday 16 July, Wednesday 17 July, Thursday 18 July and Friday 19 July 2013.

**12/85 Reports of Committees**

Council **RECEIVED** reports from the following Committees:

85.1 Enterprise Committee – 7 September 2012 [COUN12-P116]

85.2 Ethics Committee – 18 June 2012 [COUN12-P117]

85.3 Research Performance Monitoring Committee – 12 June, 10 July and 11 September 2012 [COUN12-P118]

**12/86 Date of Next Meeting**

Friday, 16 November 2012 (9.30 am)

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