

Council Minutes:
24 September 2021
(hybrid meeting)

PRESENT: Rt. Hon. Alistair Burt (Pro-Chancellor) (in the Chair); Professor Andy Schofield (Vice-Chancellor); Mr David Barron (lay member) (online); Ms Hanah Burgess (lay member) (online); Mr Anthony Carey (lay member) (online); Mr Ian Johnson (lay member) (online); Ms Alison Mullan (Senate representative); Ms Marcia Reid Fotheringham (lay member) (online); Professor Ella Ritchie (Deputy Pro-Chancellor); Mr Oliver Robinson (Students' Union President); Mrs Valerie Young (lay member).

IN ATTENDANCE: Mr Paul Boustead (Director of People and Organisational Effectiveness) (*for item 11*); Ms Claire Geddes (Committee Secretary); Professor Simon Guy (Pro-Vice-Chancellor (Global)) (*for item 8*); Dr Paul Harness (Director of Information Systems Services) (*for item 8*) (online); Mr Simon Jennings (Director of Strategic Planning and Governance); Andrew M (National Cyber Security Centre) (*for item 8*) (online); Ms Nicola Owen (Deputy Chief Executive (Operations)); Mrs Sarah Randall-Paley (Director of Finance).

APOLOGIES FOR ABSENCE: Professor Steve Bradley (Deputy Vice-Chancellor); Professor Sir Ian Diamond (lay member); Baroness Neville-Jones (Deputy Pro-Chancellor); Ms Gayatri Shewani (student member); His Hon. Phillip Sycamore (lay member).

INTRODUCTION

1. WELCOME AND APOLOGIES

- 1.1 Council noted the apologies.
- 1.2 The Chair welcomed new Senate appointed members, Professor Claire Leitch and Professor Jo Rycroft-Malone.

2. DECLARATIONS OF INTEREST

- 2.1 There were no new declarations of interest.

3. MINUTES OF THE LAST MEETING: 9 JULY 2021

PAPER A

- 3.1 Council approved the minutes of the meeting held on 9 July 2021.

4. MATTERS ARISING

Restricted and Commercial in Confidence

5. VICE-CHANCELLOR'S UPDATE AND QUESTIONS TO THE EXECUTIVE

- 5.1 The Vice-Chancellor highlighted his intention to use the regular circulated 'Reports to Council from the Executive' as the reference source of his reports to Council and to supplement in the meeting on key issues or issues arising since the previous Report. He reported on the following:

- (i) the University's declining position in the domestic league tables, the reasons for this and that remedying the position to ensure that Lancaster was a destination of choice for applicants would be an Executive priority;
- (ii) the continued planning for a more normal return to campus life and teaching for the start of the new academic year;
- (iii) the intention of UCU to ballot its members for industrial action on the basis of both pay and pensions and the potential implications of a successful mandate both locally and nationally;
- (iv) ***Restricted and Commercial in Confidence***
- (v) the appointment of a new Secretary of State for Education, the Rt Hon Nadhim Zahawi MP and his potential influence on Government policy direction.

5.2 Council noted the report from the Vice-Chancellor.

6. PRESIDENT, LANCASTER UNIVERSITY STUDENTS' UNION: REPORT PAPER B

6.1 The President of the Students' Union reported on the following:

- (i) his concerns regarding the general state of the Higher Education sector and the future resource and policy challenges it could face, including how these could manifest at Lancaster. He drew Council's attention to the Students' Union's intention to work collaboratively with other Students' Unions to defend the HE Sector, as well as working to ensure that Officers were aware of students' lived experience over the coming year to be able to represent them effectively on a local level;
- (ii) his support for blended learning as a way to enhance students' academic experience, but not as a substitute for in-person engagement;
- (iii) that the Students' Union would be holding a referendum on whether or not to support any industrial action by UCU (if the Trade Union secured a mandate);
- (iv) plans to recruit an External Trustee to the Students' Union Trustee Board with financial expertise; and
- (v) the purpose behind his short-term Students' Union strategy which was subject to discussion and approval by the Trustee Board.

6.2 Council noted the report and appendices and welcomed the increase in the number of student academic representatives.

ITEMS FOR DISCUSSION

- 7. EXECUTIVE STRATEGIC PRIORITIES FOR 2021/22 ORAL UPDATE**
Restricted and Commercial in Confidence
- 8. CYBER SECURITY**
Restricted and Confidential

9. ORAL REPORT FROM ESTATES COMMITTEES

9.1 The Chair of the Estates Committee provided an oral report from the meeting of the 13 September 2021, drawing attention to its consideration of: revision of its terms of reference in light of post pandemic demands and focus; the Engineering Phase 2 capital project; a presentation regarding the University's digital futures; the Local Plan and potential implications for the University of the Bailrigg Garden Village and new M6 junction; and the complex issues surrounding the Ruskin Building capital project.

9.2 Council noted the oral report from the Estates Committee.

10. ORAL REPORT FROM FINANCE AND GENERAL PURPOSES COMMITTEE (FGPC)

10.1 The Chair of FGPC provided an oral report from the meeting of the 23 September 2021, highlighting: the Committee's detailed review of the headline Draft Annual Accounts and the better than expected end of year position, the report received regarding the Students' Union's draft end of year financial position and financial challenges for 2021/22, debt write offs and concern regarding the current financial costs attached to the Ruskin Building capital project.

10.2 Council noted the oral report and the confirmation that the University had retained its A+ Stable Standard and Poor's credit rating at the recent review.

11. UPDATE ON CHANGES TO USS FOLLOWING THE 2020 VALUATION PAPER C/ PRESENTATION

11.1 The Director of People and Organisational Effectiveness and the Director of Finance presented a summary of the developments regarding USS pensions following the 2020 Scheme Valuation drawing attention to the Pension Regulator's view of the scheme deficit and recovery, proposal pricing scenarios, the UUK's proposal, scheme trends regarding opt-out, reform proposals and the UCU's position.

11.2 Council noted the work of its USS Pensions Sub-Group and response to the September consultation, the backstop position if reform was not agreed and the measures being undertaken to manage the situation locally. Council considered and commented on the following:

- (a) the intergenerational inequalities inherent to current pensions arrangements and the need for flexibility in any reformed defined contribution scheme to stem higher rates of opt-out amongst younger staff;
- (b) the potential consequences of the covenant support measures being required by the Regulator both in the short and longer term;
- (c) the UCU's national no detriment position, the likelihood of industrial action and ongoing engagement with local and regional trade union representatives; and
- (d) the importance of clear communications to ensure that staff members are well informed regarding the proposals as well as the consequences of no reform on the employers and members.

12. UUK REPORT: PROGRESS REPORT IN IMPLEMENTATION OF UNIVERSITIES UK GUIDANCE: *Managing Risks in Internationalisation: Security Related Issues Restricted and Commercial in Confidence* **PAPER D**

13. DRAFT ANNUAL ACCOUNTS 2020/21 **PAPER E**

13.1 The Director of Finance presented an overview of the University's draft Annual Accounts for 2020/21 drawing attention to the unpredictable nature of the year and the primary reasons for the more favourable variance against the projected out-turn position of breakeven. These were: significant underspends by budget-holders, better than expected research activity levels in the latter half of the year (previously slowed by the impact of Covid) and a stronger student retention rate than forecast.

13.2 The Committee noted the detailed nature of the work being undertaken by BDO in its first year as the University's external auditor, in addition to the draft consolidated statements and the Capital Programme attached to the report.

13.3 Council noted the report on the draft University Annual Accounts 2020/21 and that the University would continue to face some uncertainties in 2021/22.

14. NOMINATIONS COMMITTEE RECOMMENDATIONS **PAPER F**

14.1 Council approved the recommendation for the appointment of the Rt Hon Hazel Blears as a lay member of Council from 1 October 2021 to 30 September 2024 and the appointments of Marcia Reid Fotheringham to the EDI Committee and Hanah Burgess to the Nominations Committee.

14.2 Council confirmed the appointment of Professor Nigel Davies as the Senate appointed member to Finance and General Purposes Committee from 24 September 2021 to 31 July 2024.

ITEMS NOT REQUIRING DISCUSSION *

15.* USE OF UNIVERSITY SEAL **PAPER G**

15.1 Council noted the report on the use of the seal for 2020-2021.

16.* STRATEGIC REWARD COMMITTEE: REVIEW OF TERMS OF REFERENCE **PAPER H**

16.1 Council approved the changes to the Strategic Reward Committee Terms of Reference as recommended by the committee and as outlined in Paper H.

ITEMS FOR INFORMATION

17. WRITTEN REPORTS OF MEETINGS

PAPER I

Council noted the following written reports of meetings:

- Audit Committee, meeting of 5 July 2021
- Council Safety, Health and Wellbeing Committee, meeting of 10 June 2021
- Estates Committee, meeting of 8 July 2021
- Finance and General Purposes Committee, meeting of 8 July 2021

18. FORWARD SCHEDULE OF COUNCIL BUSINESS

PAPER J

18.1 The Chair highlighted the intended future use of starred/below the line items for Council business and that these items would be subject to earlier publication to allow Council members to raise questions and comments in advance of Council meetings.

18.2 Council noted the proposed forward schedule of business.

19. ANY OTHER BUSINESS

19.1 The Chair on behalf of the Council, expressed congratulations to Professor Dame Sue Black on her recent appointment as the next President of St. John's College, Oxford.

20. DATE OF NEXT MEETING

20.1 There will be Joint Council/Senate activity held from 6:00-7:30 p.m. with a buffet supper on Thursday 25 November 2021, followed by a presentation for Council members from 7:30 p.m.

20.2 The Council meeting will be held from 9:00 a.m. to 1:00 p.m. on Friday 26 November 2021, followed by lunch.