

UNIVERSITY OF LEICESTER

COUNCIL

Minutes of a meeting held on
Monday 24 November 2014

Present:	Dr B Towle (Chair)	
	The President and Vice-Chancellor	Mr D Moore
	Mr P Ash	Mr A Morgan
	Professor M Barstow	Professor M Peel
	Mr G Dixon	Professor E Raven
	Mr I Johnson	Dr M Rawlinson
	Mr M Hindle	Dr N Reed
	Mr I Johnson	Mr M Rubin (except for 14/M80)
	Professor J Ketley	Dr V Sharma
	Mr P Lawson	Professor M Thompson
	Professor M Lester	Ms C Thorogood
	Dr D Lockett	Mr L Trotman

In attendance: the Registrar and Secretary, the Director of Finance, the Director of Estates, Professor K Schürer (only for the business recorded in minute 14/M69), and Mr N Cox (Assistant Secretary).

Apologies for absence were received from Judge A Hampton and Professor D Wynford-Thomas.

14/M56 **DECLARATIONS OF INTEREST**

The President and Vice-Chancellor, Mr Moore and Mr Morgan declared an interest as Directors of College Court Conference Centre Limited. Mr Rubin and Dr Reed declared an interest as Trustees of the Students' Union.

14/M57 **MEMBERSHIP OF COUNCIL 2014-2015**

Council received details of its membership for the academic year 2014-2015. Professor Paul Boyle and Mr Luke Trotman were warmly welcomed to their first meeting as members of Council.

13/M58 **RESPONSIBILITY OF MEMBERS AND CORPORATE GOVERNANCE**

Council received the following documents concerning the conduct of Council business, the powers of Council and the role of members:

- a. Extracts from Statutes (Section 5) and Ordinances (Section 9), *'Powers of the Council'*
- b. Council's *Statement of Primary Responsibilities*
- c. Council's *Standing Orders*
- d. The University's *Corporate Governance Code of Practice*
- e. *The Register of Members' Interests*

Council noted that the above documents had been updated, where required, to take account of the recent approved changes to the formal title of *President and Vice-Chancellor* and *Chair of Council*.

With regard to the *Register of Interests*, members were reminded of the need to ensure that any substantive changes to their entries on the *Register* were notified promptly to the secretariat.

14/M59 **MINUTES OF THE PREVIOUS MEETING**

Council considered the minutes of the meeting held on 4 July 2014.

Council approved them as a correct record.

14/M60 **PRESIDENT AND VICE CHANCELLOR'S BUSINESS**

The President and Vice-Chancellor outlined to Council his initial observations of the University, based on an extensive programme of departmental visits and meetings with key staff, since formally taking up his position on 1 October 2014.

The President and Vice-Chancellor indicated that he had been impressed by the clear sense of collegiality inside the University, and the wide range of innovative work that was being progressed in teaching and research. Having recently joined the University from outside it was evident to him that the University needed to be much more effective in communicating its strengths to an external audience.

The University was not achieving the level of external research funding that would be expected of a top 20 institution (and was ranked outside the top 20 in terms of research income alone – minute 14/M69 also refers). This was possibly indicative of a previous – although not clearly articulated - focus that lay more towards teaching than research.

There were a number of areas of excellence in both teaching and research which had potential for further development, but the University needed to be more nuanced in setting its strategic priorities. It was possible, for example, to make strong strategic arguments for the University to become a larger – or smaller – institution, and for investment to be prioritised in certain academic areas or professional services. Decisions on such matters would need to be properly evidence-based and the product of a robust and open strategic conversation across the University, including at a Council awayday to be held in the spring term 2015. 'Constructive criticism' from the governing body would be an important and valued component in the future development of the University.

14/M61 **ESTABLISHMENT OF NEW UNIVERSITY MANAGEMENT BODIES**

Council received details of the membership and terms of reference of two new management bodies, the senior of which would report to Council, established by the President and Vice-Chancellor.

The University Leadership Team (ULT) consisted of the President and Vice-Chancellor, the Pro-Vice-Chancellors/Heads of College, the Registrar and Secretary, and the Director of Finance. Reporting to Council, and to Senate as required, the ULT would normally meet weekly throughout the year with an

overarching remit to develop and review the University's strategic approach and financial plans, for approval by Council, and to monitor performance against agreed objectives. The ULT would be supported in its work by monthly meetings of the University Executive Board (UEB), which added a small group of other senior academic and professional services staff to the basic ULT membership.

Council approved the establishment and terms of reference of the ULT, and **noted** the establishment and terms of reference of the UEB. **Council also noted** that the establishment of these two new bodies was part of a wider review of the University's committee structure and scheme of delegation. Related issues included an acknowledged need to improve the gender balance on University committees (including Senate and Council), and to improve lines of communication between 'the centre', committees and heads of department.

14/M62 **AUDIT COMMITTEE**

Council considered reports of meetings of the Audit Committee held on 25 September and 11 November 2014.

Council noted the contents of the report of the meeting held on 25 September 2014, none of which required approval by Council.

With regard to the report of the meeting held on 11 November 2014:

- a. **Council noted** that the Audit Committee had considered in detail the *2013-14 Financial Statements* and the external auditors' final report, including management letter points, on the conduct of the 2014 audit. The audit process had operated smoothly and cleanly and no fundamental financial control weaknesses had been identified. A small number of internal control recommendations had been made but none of these were material and they were mostly procedural in nature, accompanied by appropriate management responses. An unqualified audit opinion would be issued for the year ended 31 July 2014.
- b. **Council noted** the Head of Internal Audit's opinion that, based on the reviews undertaken during 2013-14, and with three specific 'exceptions' referred to under c) below, the University had satisfactory arrangements in place from which to provide assurance to Council as to the overall effectiveness and adequacy of the risk management, control and governance processes, and the arrangements to promote economy, efficiency and effectiveness.
- c. **Council considered** the Annual Report of the Audit Committee on its programme of work during the financial year 2013-14 and the three-month period leading up to the preparation of the report.

With regard to the three 'exceptions' to the opinion of the internal auditors (referred to in b above), **Council noted** that these were in relation to specific weaknesses identified in the areas of risk management, IT general controls, and Student Loan Company and bursary data management. The Committee's annual report reflected the current position regarding those items and the actions being taken by the University to address them. In

monitoring such actions the Committee requested, if necessary, updates from other University committees with operational oversight of key areas.

Council approved the Annual Report, for submission to HEFCE.

- d. **Council approved** a recommendation for the 'annual re-appointment' of the external auditors to conduct the audit of the 2014-15 accounts.

14/M63 **FINANCE COMMITTEE**

Council received reports of meetings of the Finance Committee held on 2 October and 13 November 2014.

Council noted the contents of the report of the meeting held on 2 October 2014, none of which required approval by Council.

With regard to the report of the meeting held on 13 November 2014 **Council noted** that the Finance Committee had:

- a. reviewed in detail the *2013-14 Financial Statements* and year-end outturn report, and had recommended the *Financial Statements* for approval by Council (minute 14/M64 refers).
- b. considered a detailed report, and gained assurance, on the loan facilities available to the University and compliance with covenants on existing borrowings as at 31 July 2014.

14/M64 **UNIVERSITY ACCOUNTS 2013-2014**

Council considered in detail the University's financial statements for the year ended 31 July 2014, including a financial overview of the year prepared by the Finance Office, and the external auditors' final report, including management letter points.

With regard to the financial overview of the year **Council noted** that the final result had delivered a surplus of £7.556 million (2.64% of income), which was £2.412 million ahead of the 2014 Financial Forecasts and close to the original 2013-14 budget. The outturn was in line with the expected path of planned surplus results, within the University's medium term financial strategy of generating a surplus of at least 5%.

Council then considered the University's draft financial statements for 2013-14. **Council noted** that the financial statements included a public benefit statement, in line with HEFCE requirements, and a statement of Council's primary responsibilities. The draft financial statements had been examined in detail by the Audit Committee (alongside the external auditors' report, minute 14/M62a refers) and Finance Committee, and recommended for approval by Council

Council approved the University's financial statements for 2013-14 for submission to HEFCE, and authorised the Chair of Council to sign the external auditors' representation letter.

14/M65 ANNUAL ASSURANCE RETURN 2013-14

Council received a copy of the University's Annual Assurance return for 2013-14, signed by the President and Vice-Chancellor as the accountable officer, for submission to HEFCE. It was a HEFCE requirement that this document should normally be presented for approval by the governing body, alongside the financial statements.

Council approved the annual assurance return for submission to HEFCE.

14/M66 ANNUAL FINANCIAL SUSTAINABILITY RETURN

Council received a copy of the University's Annual Sustainability Assurance Report (ASSUR) for 2014, which formed part of the Annual Assurance Return to HEFCE. The report gave a figure for the University's 'Margin for Sustainability', expressed currently as 7.4% of Adjusted Turnover. Essentially this was a measure of the level of cash generation required for the University to be sustainable, derived from the actual results in 2011-2012, 2012-13 and 2013-14 plus a 3-year forecast to 2016-17, from the financial forecasts agreed by Council in July 2014.

Council noted that the ASSUR had been discussed in detail and endorsed by the Finance Committee. **Council approved** the ASSUR for submission to HEFCE.

14/M67 STUDENT RECRUITMENT AND ADMISSIONS UPDATE 2014-2015

Professor Mark Peel, Head of College and Pro-Vice-Chancellor with University-wide responsibilities including student recruitment, provided Council with a brief overview of recruitment against targets for 2014-2015 entry, and a summary of the recruitment and admissions strategy for entry in 2015-2016.

Council noted that, overall, the University had recruited relatively well in a highly competitive market and in comparison with other universities. The underlying pattern in different areas of the University was more uneven, with some departments and some levels of provision, particularly PGT, falling short of target. The financial impact was currently estimated as a negative variance against budget of £4.283 million, which represented a shortfall above contingency of £2.483 million. The University Leadership Team would consider the budget implications of this shortfall alongside other operational indicators, and take appropriate action.

For entry in 2015-16 the early statistics showed an uneven situation across the University, with Home PGT applications in particular currently showing a decline of 58% compared with the same point in the previous year. This reflected a concern that the 2015-16 PGT cohort, the first to pay the £9,000 UG fee, would be less willing to incur further debt by continuing to postgraduate study. The position was being closely monitored and the University Leadership Team would review the provisional intake targets in the light of all available information.

With regard to the development of recruitment strategy in the longer term, work would need to focus on the strengthening of programme development processes, in order to bring an improved offer to the market, and much clearer direction from the University as to the objectives and targets to be placed on individual departments.

Council noted that it would receive a more detailed presentation on these matters at its next meeting.

14/M68 **SENATE**

Council considered a report of a meeting of Senate held on 12 November 2014.

Council approved proposed amendments, presented to Senate by the Staffing Policy Committee, to the University's policy and procedures regarding flexible working. The amendments were in respect of changes to legislation, which extended the statutory right to request flexible working to all members of staff with at least 26 weeks service, but did not involve any fundamental changes to the University's existing arrangements.

Council noted that, following an extensive consultation process across the University, Senate had approved proposals to amend the structure of the academic year and to harmonise the University's credit framework across the institution, for full implementation in the 2017-18 academic year.

14/M69 **UNIVERSITY RESEARCH – EXTERNAL INCOME**

Council received a presentation from Professor K Schürer, Pro-Vice-Chancellor for Research and Enterprise, on the pattern and distribution of external research income across Colleges and Departments.

Council noted the following main themes:

- a. during the last four years there had been an overall increase in the volume of the University's research income. Leicester's percentage growth in research funding was the 7th highest in the sector over the period, but the University was still outside the top 20 recipients of funding for the majority of research councils.
- b. there was significant variation in performance at departmental level. Only a small number of departments had achieved top 20 positions nationally in terms of overall research income, with only three in the top 10. There was no simple explanation for this variation, and some factors affecting the award of research grants at subject level were outside the control of individual departments, but a stronger and more consistent performance was required across the institution.
- c. there was a relatively heavy reliance on a small number of high profile individuals in receipt of substantial research grants, and a need to broaden the base of major award holders.
- d. although the University had a strong success rate in the conversion of applications to grant awards, the level of application rates had declined overall. Departments had expressed a need for more guidance to be provided to staff on how to target appropriate funding opportunities.

Council noted that the 2014 Research Excellence Framework (REF) results would be published on 18 December. It was intended that there would be an initial

opportunity for Council to reflect on Leicester's REF results at an awayday in the spring term 2015.

14/M70 **RESEARCH INTEGRITY WORKING GROUP**

Council received the first annual report of the Research Integrity Working Group (RIWG).

Council noted the requirements placed on the University under the national *Concordat to Support Research Integrity* and the *Research Councils UK Research Integrity Assurance Questionnaire*. Work conducted inside the University, to ensure that its policies and processes complied with the requirements of the Concordat and questionnaire, was being overseen by the RIWG. At its meeting held on 12 November 2014 Senate had approved a revised *Research Code of Conduct*, and work was now progressing on a range of associated dissemination and training initiatives.

Council noted that, in accordance with the requirements of the *Concordat*, it would continue to receive research integrity reports on an annual basis, and that the reports would be made publically available on the University website.

Council approved the 2014 annual report.

14/M71 **HONORARY DEGREES BOARD**

Council considered recommendations of the Honorary Degrees Board, as endorsed by Senate, for the award of a number of Honorary Degrees and a Distinguished Honorary Fellowship, for conferral from 2015.

Council approved the awards.

14/M72 **ESTATES AND INFRASTRUCTURE STRATEGY COMMITTEE**

Council considered the report of a meeting of the Estates and Infrastructure Strategy Committee held on 4 November 2014.

Council noted that the Committee had agreed to recommend the refurbishment of the Charles Wilson Building for inclusion in the current capital programme, subject to completion of a detailed feasibility study and appraisal of options, to be presented for consideration by the University Leadership Team.

Council also noted that construction work to replace the Engineering Building roof was scheduled to start on site in January 2015.

14/M73 **SUMMARY OF INSTITUTIONAL PERFORMANCE 2013-2014 (KPIs) AND INTERNAL CONTROL AND RISK MANAGEMENT UPDATE, AUTUMN 2014**

Council received the sixth, annual, summary assessment of the University's performance across the broad range of its principal activities and interests during the 2013-14 academic year, alongside the internal control report update and strategic risk register for the autumn term 2014.

With regard to the KPI assessments, these followed the format and approach as recommended to the HE sector in guidance published by the Committee of University Chairs in 2006. **Council noted** that the University's performance across a number of areas had deteriorated over the last 3 years, reflecting in part the continued uncertainty and unpredictable prospects for the higher education sector in general, coinciding with the depressed state of the wider economic environment. However, the assessments had become increasingly qualitative rather than quantitative over time, possibly reflecting the lack of clear strategic objectives against which the University's performance could be properly monitored and assessed.

With regard to the corporate risk register, the format had been updated and further developments were planned to address concerns raised by the internal auditors that, although fundamentally sound in design, the University's risk management processes needed to provide more evidence of their effectiveness, and there was a need to address weaknesses in devolved risk management processes. However, as with the KPI monitoring report, further progress in this area required much greater clarity around the University's strategic objectives, against which the key corporate risks could be tracked and monitored.

Council agreed that the design and content of the KPI and risk management reports would need to continue to evolve, alongside the development of new strategic objectives for the University. There would need to be a much sharper focus on areas of performance, risk and mitigating actions that were genuinely material to the successful operation and long term sustainability of the institution.

14/M74 **NOMINATIONS COMMITTEE**

Council considered a report and recommendations from the Nominations Committee regarding appointments and re-appointments to Council, Court and other University bodies.

Council approved:

- a. the re-appointment of Mr G Dixon and Mr M Hindle as members of Council, for a further period of 3 years each, effective from 1 August 2015 and 1 April 2015 respectively (Mr Dixon and Mr Hindle left the meeting whilst this item was discussed);
- b. the appointment of Mr P Mulvihill, former Chair of the Alumni Association and lay member of Council, to serve on Court in a personal capacity from 1 December 2014.

Council noted:

- c. that at its meeting on 6 February 2015 Court would be invited to approve the re-appointment of Dr D Lockett as a member of Council appointed by Court, for a further period of three-years effective from 1 March 2015.
- d. the appointment of Professor Paul Boyle as a managing trustee of the van Geest Foundation Heart and Cardiovascular Diseases Research Fund, effective from 1 October 2014;

- e. the appointment of Professor Paul Boyle and Mr Andrew Morgan as Directors of College Court Conference Centre Limited, effective from 13 November 2014;
- f. The appointment of Ms Anita Linsell (former lay member of Council) to a lay vacancy on the University research ethics committee covering Economics, Education, Politics and Sociology, effective from October 2014.

Council received and noted the annual report of the activities of the Nominations Committee during 2013-14. By longstanding arrangement, the Committee informed Council of its activities by means of specific recommendations when required, and an annual report, rather than by submission of its minutes.

14/M75 **HEALTH AND SAFETY COMMITTEE**

Council received and noted a report of a meeting of the Health and Safety Committee held on 5 November 2014.

14/M76 **STANDING COMMITTEE OF THE ALUMNI ASSOCIATION**

Council received reports of meetings of the Standing Committee of the Alumni Association held on 28 June and 3 October 2014.

Council noted that the next Alumni Dinner in London would be held at Claridges on Thursday 12 March 2015.

14/M77 **STUDENTS' UNION SABBATICAL ELECTIONS 2015**

In accordance with Ordinance 22(8), **Council approved** the appointment of Professor Mark Thompson, acting in his capacity as the Senior Pro-Vice-Chancellor, to oversee the conduct of the Students' Union sabbatical elections with effect from 1 January 2015.

14/M78 **UNIVERSITY SEAL**

Council noted the affixing of the University seal to the documents listed in Appendix 14/M78App attached to the signed copy of these minutes.

14/M79 **REMUNERATIONS COMMITTEE**

Council received details of the decisions of the Remuneration Committee regarding the remuneration of senior staff in 2014-15.

Council noted details of the various awards determined by the Committee, and the range of factors that had been taken into account.

CHAIR

Duration of meeting: 2 hours and 40 minutes