

UNIVERSITY OF LEICESTER

COUNCIL

Minutes of a meeting held on
Tuesday 24 November 2015

Present:

Dr B Towle (Chair)

Mr P Ash	Professor J Ketley
Professor P Baker	Professor M Lester
Professor M Barstow	Dr D Lockett
Professor P Boyle	Dr S Macleod
Professor J Coleman	Mr D Moore
Mr G Dixon	Mr A Morgan
Ms R Holland	Professor M Peel
Mr I Johnson	Professor E Raven

In attendance: the Registrar and Secretary, the Director of Finance, and Mr N Cox (Assistant Secretary).

Apologies for absence were received from Judge A Hampton, Mr M Hindle, Mr P Lawson, Dr N Reed, Dr V Sharma, Ms C Thorogood and Mr L Trotman.

15/M61 **QUORACY**

The Chair explained that Council's quoracy rule required the lay members to be in the majority at any meeting where important decisions were due to be taken. With seven lay members having sent their apologies for this meeting, this requirement would not be met. The Chair indicated that some items of business on the agenda could not be dealt with in the absence of a quorum, and proposed that formal decisions on these items should be taken after item 23a on the agenda. The Provost and the three Pro-Vice-Chancellors and Heads of College were already due to leave the room before item 23b, from which point the meeting would be fully quorate.

Council agreed to proceed as described above, and the decisions taken on this basis are recorded in sections 15/M72-75, 79, 90 and 91 of these minutes.

15/M62 **DECLARATIONS OF INTEREST**

No personal interests were declared in relation to any items of business to be transacted at the meeting, but see note under 15/M92.

15/M63 **MEMBERSHIP OF COUNCIL 2015-2016**

Council received details of its membership for the academic year 2015-2016. Professor Baker, Professor Coleman, Dr Macleod and Ms Holland were warmly welcomed to their first meeting as members of Council.

15/M64 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*

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.

15/M65 MINUTES OF THE PREVIOUS MEETING

Council considered the Unreserved and Reserved minutes of the meeting held on 8 July 2015.

Council approved the minutes as an accurate record, subject to the correction of one misspelling under 15/M43.

15/M66 CHAIR'S BUSINESS

Members of Council confirmed to the Chair that they would welcome another Council Awayday, probably in the first half of 2016. Possible topics and dates would be canvassed in due course [ACTION: CHAIR OF COUNCIL/NEIL COX].

15/M67 PRESIDENT AND VICE-CHANCELLOR'S BUSINESS

The President and Vice-Chancellor informed Council that:

- a. the publication of the government's Green Paper on *Fulfilling Our Potential: Teaching Excellence, Social Mobility and Student Choice* included a number of core principles including the merger of HEFCE and OFFA; the introduction of the Teaching Excellence Framework; criteria by which universities might be permitted to charge higher fees; and the role of new higher education providers. The Pro-Vice-Chancellor (Student Experience) would be co-ordinating the University's response to the consultation on the Green Paper;
- b. the government was taking evidence from universities on the potential impact of a UK referendum vote to leave the European Union.

15/M68 COUNCIL ADVISORY COMMITTEE

Council considered reports of meetings of the Council Advisory Committee held on 1 October and 12 November 2015.

The Chair of Council indicated that it was important for the Council Advisory Committee, as a key part of its role, to have regular opportunities to discuss strategic topics and potential new initiatives at a very early stage in their development, not just when work was already well advanced. **Council endorsed** this view and noted that early-stage discussions on a range of topics had been scheduled during the remainder of 2015-16.

15/M69 STRATEGY DEVELOPMENT

Council considered the first 4 – covering Research, Learning, Enterprise and Finance - out of a total of 10 supporting strategies designed to enable the delivery of the objectives set out in the University's new Strategic Plan. All 10 supporting strategies were scheduled to be presented to Council on a phased basis up to May 2016. The first 4 had also been presented to Senate and the Council Advisory Committee, but they were not to be regarded as 'finished' at this stage. Comments and suggestions on the strategies would be collated at each stage of discussion and refinements would be made on a rolling basis, and at the end of the cycle, before the strategies were finalised.

Council noted that the strategies had been broadly welcomed in discussions to date, and work was underway to begin the implementation of some essential features. There was a general view, expressed both in Senate and the Council Advisory Committee, that the Research and Learning strategies needed to be more holistic in explaining the full extent of the synergy between research and teaching, and to evidence what was claimed to be 'distinctive' in Leicester's approach.

Council noted that the supporting strategies were intended to set the tone for the University's objectives in each area, and to be used as 'to do' lists for implementation purposes. Contribution maps, with relevant performance indicators, would set out the expectations placed on specific units for delivery of these objectives, and progress against these would be monitored and reported to Council on a regular basis. Draft contribution maps would be presented to the Council Advisory Committee at its next meeting.

Council endorsed the work undertaken to date to develop the supporting strategies.

15/M70 INFORMAL ASSURANCE

Council received the briefing papers prepared to date by University officers as background material for the launch of the informal assurance scheme involving lay members of Council. Council acknowledged that the briefing papers were intended to provide a starting point for discussions in the first round of informal assurance meetings, to be scheduled to take place before the next meeting of Council; they were not designed to address every single current issue in each area.

Council welcomed the production of the briefing papers, and particularly that lay members had each been provided with a full set, not just the one(s) for the area(s) they were linked with.

15/M71 **FINANCE COMMITTEE**

Council received reports of meetings of the Finance Committee held on 16 September and 30 October 2015.

With regard to the report of the meeting held on 16 September 2015, **Council approved** changes to the terms of reference and membership of the Finance Committee.

With regard to the report of the meeting held on 30 October 2015 **Council noted** that the Finance Committee had reviewed in detail the *2014-15 Financial Statements* and year-end outturn report, and had recommended the *Financial Statements* for approval by Council

Given that the University's surplus in 2014-15 was significantly ahead of both the budgeted and forecast position (minute 15/M73 refers) the Treasurer emphasised the need for the University to further strengthen its forecasting and cash movement monitoring procedures.

15/M72 **AUDIT COMMITTEE**

Council considered reports of meetings of the Audit Committee held on 24 September and 10 November 2015.

Council noted the contents of the report of the meeting held on 24 September 2015, none of which required approval by Council.

With regard to the report of the meeting held on 10 November 2015:

- a. **Council noted** that the Audit Committee had considered in detail the *2014-15 Financial Statements* and the external auditors' final report, including management letter points, on the conduct of the 2015 audit. The audit process had operated smoothly and cleanly and no fundamental financial control weaknesses had been identified. An unqualified audit opinion would be issued for the year ended 31 July 2015.
- b. **Council noted** the Head of Internal Audit's opinion that, based on the reviews undertaken during 2014-15, and with the 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.

Council approved the report for submission to HEFCE.

- c. Council considered the Annual Report of the Audit Committee on its programme of work during the financial year 2014-15 and the three-month period leading up to the preparation of the report.

With regard to the 'exceptions' to the opinion of the internal auditors (referred to in b) above), **Council noted** that these were in relation to a total of twelve High Risk/Partial Assurance items where significant improvements were required but not yet completed.

The Chair of the Audit Committee drew Council's attention to the Committee's disappointment at the increased number of exceptions included within the Head of Internal Audit's opinion for 2014-15, and to its concerns around the continued large number of outstanding improvement actions still not implemented by the University. These concerns had been expressed to senior management and the Committee expected rapid progress to have been made on clearing these items by the time of its next meeting in February 2016.

Council approved the 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 2015-16 accounts.

15/M73 **UNIVERSITY ACCOUNTS 2014-2015**

Council considered in detail the University's financial statements for the year ended 31 July 2015, 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 £15.5 million (5.1% of income), which was £9.4 million higher than forecast and £10.1 million ahead of the original 2014-15 budget. This was the second largest surplus ever achieved by the University, although driven in large part by a one-off receipt of £5.7 million of accrued tax credit income, plus unexpected savings in utilities and operating costs, and lower depreciation and capital spend. Bank covenants continued to be met, and costs would continue to be tightly controlled.

Council then considered the University's draft financial statements for 2014-15. **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 15/M72a refers) and Finance Committee, and recommended for approval by Council

Council approved the University's financial statements for 2014-15 for submission to HEFCE, and authorised the Chair of Council to sign the external auditors' representation letter.

15/M74 **ANNUAL ASSURANCE RETURN 2014-15**

Council received a copy of the University's Annual Assurance return for 2014-15, to be 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.

15/M75 **ANNUAL SUSTAINABILITY RETURN**

Council received a copy of the University's Annual Sustainability Assurance Report (ASSUR) for 2015, 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 6.3% 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 and forecast financial results for the six-year period 2012-13 to 2017-18.

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

15/M76 **SENATE**

Council received a report of a meeting of Senate held on 18 November 2015.

Council was pleased to note that Senate had endorsed the first four discovery-led and discovery-enabling strategies discussed separately under 15/M69.

Council was also pleased to note that the overall value of research grant applications submitted by the University in 2014-15 had grown significantly to £228 million, an increase of 21% on the previous highest record. Research income had also grown compared with previous years and had achieved the target contribution rate.

15/M77 **HIGHER EDUCATION REVIEW**

Council received a briefing paper on the forthcoming Higher Education Review of the University's academic standards and the quality of the learning opportunities provided to its students. The QAA review team would arrive on campus at the beginning of February 2016, and the key findings and judgements would be notified to the University about two weeks after the visit.

Council noted that the outcome of the review could have significant reputational and strategic implications for the University, including its ability to raise fees above £9k a year.

15/M78 **EQUALITY AND DIVERSITY COMMITTEE**

Council received a report of a meeting of the Equality and Diversity Committee (EDC) held on 7 October 2015.

Council noted that the EDC was not a new committee but that with effect from 2015-16 it would report directly into Council, to help emphasise the governing body's responsibility for oversight of equality and diversity issues inside the University, affecting both staff and students.

15/M79 ROLE AND MEMBERSHIP OF COURT

Council considered a report and recommendations from the Nominations Committee regarding proposed changes to the role and membership of Court.

The proposal was for the current Court membership of around 430 to be restructured into two main groups consisting of Full and Associate members, with the two groups initially comprised of around 100 and 150 members respectively. The Full members would be invited to attend the annual meeting of Court, whereas the Associate members would continue to receive communications from the University but would not be invited to attend the Annual meeting. Around 180 existing members would not be retained as either Full or Associate members, and their membership would cease on 31 December 2015.

Council noted that the proposals were informed in part by the workshop held with a group of current active Court members, as part of the strategic conversation, and were designed to provide a more structured way for the University to benefit strategically from the knowledge, experience and contacts of members of Court. They also sought to provide Court members with greater clarity about their role, and a more active and fulfilling engagement with the work of the University, whilst acknowledging that Court ultimately was not a decision-making body and the current and still growing membership of more than 430 individuals and organisations had become unsustainable.

Council approved the proposed changes to the role and membership of Court, and **agreed** that these changes would be notified to the members ahead of the next Annual Meeting of Court in February 2016 [ACTION: CHAIR OF COUNCIL/NEIL COX].

15/M80 CUC CODE OF GOVERNANCE – REVIEW GROUP

Further to the discussion at the last meeting (minute 15/M41 refers) regarding a review of the compliance requirements of the new Higher Education Code of Governance, published by the Committee of University Chairs, **Council approved** a recommendation from the Nominations Committee for the membership of a review group to be established as follows:

Dr B Towle (Chair)
Mr D Moore
Dr N Reed
Professor M Peel
Professor J Ketley
Mr D Hall
Secretary: Mr N Cox

The review group would commence its work early in 2016.

15/M81 VAN GEEST TRUSTEES

Council noted that the Nominations Committee, acting on behalf of Council, had appointed the following to serve as Trustees of the van Geest Heart and Cardiovascular Diseases Research Fund in 2015-16:

Professor P Baker
Professor P Boyle
Professor I Gillespie (Chair)
Mr P Lawson
Mr D Moore

A minimum of five and a maximum of seven trustees were required to be appointed under the terms of the Fund.

15/M82 NOMINATIONS COMMITTEE ANNUAL REPORT

Council received and noted the annual report of the activities of the Nominations Committee during 2014-15. 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.

15/M83 SUMMARY OF INSTITUTIONAL PERFORMANCE AND KPIS 2014-2015

Council received the seventh, annual, summary assessment of the University's performance across the broad range of its principal activities and interests during the 2014-15 academic year.

Council acknowledged that, although the 2014-15 report followed the established format and approach as recommended to the HE sector in guidance published by the Committee of University Chairs in 2006, the focus was now shifting to the identification and reporting of appropriate measures to monitor progress against the new strategic plan. Council members would be part of the process to agree these new measures, and it was anticipated that KPI reports would then be submitted to Council more frequently than once a year.

In the meantime, **Council noted** that of the 11 general performance areas none was judged to have been Good in 2014-15, with 6 rated as Satisfactory and 5 rated as Mixed, although there had been no prior strategic targets against which fully objective assessments could be made.

15/M84 UNIVERSITY LEADERSHIP TEAM – REVISED TERMS OF REFERENCE

Council approved minor revisions to the terms of reference of the University Leadership Team, to reflect ULT's normal reporting line into the new Council Advisory Committee rather than directly into Council as originally envisaged.

15/M85 STUDENTS' UNION SABBATICAL ELECTIONS 2015

In accordance with Ordinance 22(8), **Council approved** the appointment of Professor Mark Peel, acting in his capacity as Provost, to oversee the conduct of the Students' Union sabbatical elections with effect from 1 January 2016.

15/M86 TITLE OF 'REGISTRAR AND SECRETARY'

Council considered a proposal for the title of 'Registrar and Secretary' to be amended to that of 'Registrar and Chief Operating Officer'. The current title was familiar within the UK University sector but its operational significance was not widely understood and the title was practically meaningless internationally. A number of other universities were incorporating the more business-orientated title of Chief Operating Officer.

Council confirmed its approval:

- a. for the title of 'Registrar and Secretary' to be amended to that of 'Registrar and Chief Operating Officer' with immediate effect;
- b. for the title of 'Registrar and Secretary' to be removed and replaced, wherever it appeared in the Statutes and Ordinances, with the title of 'Registrar and Chief Operating Officer';
- c. to proceed with the formal process to effect the changes in b) above, noting that this would require a submission to the Privy Council to confirm the changes to Statutes [ACTION: NEIL COX].

15/M87 HEALTH AND SAFETY COMMITTEE

Council considered a report of a meeting of the Health and Safety Committee held on 4 November 2015.

Council approved minor amendments to the Committee's terms of reference and membership.

15/M88 STANDING COMMITTEE OF THE ALUMNI ASSOCIATION

Council received a report of a meeting of the Standing Committee of the Alumni Association held on 3 October 2015.

Council noted that the next Alumni Dinner in London would be held at Claridges on Thursday 10 March 2016.

15/M89 UNIVERSITY SEAL

Council noted the affixing of the University seal to the documents listed in Appendix 15/M89App attached to the signed copy of these minutes.

15/M90 RISK MANAGEMENT UPDATE

Council considered the University's corporate strategic risk register as updated for the autumn term 2015, with a supporting revised risk management policy and a new risk appetite statement.

Council welcomed the developing new format and presentation of the risk register and the steps that were being taken to further integrate risk management considerations into the University's normal planning processes. The document would continue to evolve, in line with the new Strategic Plan.

Council also welcomed the revised risk management policy and the development of a risk appetite statement for the University. The latter had been a major omission in the University's previous approach to risk management and was intended to be an important reference document for Council as the University moved forward in pursuit of its new strategic objectives.

Council approved the revised risk management policy and the new risk appetite statement.

15/M91 **HONORARY DEGREES BOARD**

- a. **Council approved** proposed amendments to the membership of the Honorary Degrees Board, to remove the Provost and all of the Pro-Vice-Chancellors, apart from the Pro-Vice-Chancellor (International, from the membership.
- b. Council considered recommendations of the Honorary Degrees Board, as endorsed by Senate, for the award of Honorary Degrees for conferral from 2016. **Council noted** that Senate had drawn attention to the limited number of female candidates recommended for awards on this occasion, and that the Board was considering making some supplementary recommendations to try to improve the gender balance.

Council approved the recommendations presented to date, and **agreed** that the approval of any supplementary recommendations would be delegated jointly to the President and Vice-Chancellor and the Chair of Council, acting on behalf of Senate and Council respectively.

15/M92 **REMUNERATIONS**

a. **Senior Staff Pay Committee**

Council received summary data of decisions of the Senior Staff Pay Committee regarding the remuneration of Grade 10 senior staff, non-clinical professorial staff and non-professorial Heads of Department in 2015-16.

Council agreed that, in future years, it would be helpful for a version of the summary data to be circulated to the staff groups whose posts were within the remit of the Senior Staff Pay Committee [ACTION: DIRECTOR OF HR].

***NOTE:** At the conclusion of the business recorded under item 15/M92a the Provost, Pro-Vice-Chancellors and Heads of College left the meeting and did not return. The meeting became properly quorate at that point and Council returned to and confirmed its formal approval for the business recorded under sections 15/M72-75, 79, 90 and 91 of these minutes.*

Before the commencement of the business recorded under 15/M92b the Registrar and Secretary, the Director of Finance and Mr N Cox left the meeting and did not return. The President and Vice-Chancellor remained in the meeting for a short period but left before the discussion of his own remuneration and did not return.

b. Remuneration Committee

Council received details of decisions of the Remuneration Committee regarding the remuneration of the President and Vice-Chancellor, the Registrar and Secretary, the Director of Finance, the Provost, the Pro-Vice-Chancellors and Heads of Colleges in 2015-16.

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

The Chair of Council indicated that operational changes, particularly the greater application of robust and objective data, had improved the decision-making process for both committees.

CHAIR

Duration of meeting: 2 hours and 35 minutes

Note to these minutes: supporting papers for the business recorded under 15/M90-92 were presented to Council on a separate reserved section of the agenda, due to the commercially sensitive/personal nature of their contents.