

UNRESERVED MINUTES

THE UNIVERSITY OF LIVERPOOL

COUNCIL (1027)

MEETING OF THE COUNCIL

23rd November 2016

Present: The President (in the Chair); the Vice-President; the Pro-Chancellor; the Vice-Chancellor; the Deputy Vice-Chancellor; the Pro-Vice-Chancellor for Research and Impact; Dr A Scott; Ms Carmel Booth; Mr J Haymer; Dr P Johnson; Sir Colin Lucas; Dr R Platt; Mrs P Young; Professor F Beveridge; the President of the Guild of Students; Dr F Marret-Davies.

Apologies: The Pro-Vice-Chancellor for Education, Professor S Dawson; Professor R McGrath; Dame Lorna Muirhead; Mrs A Pointing.

Clerk to Council: Mr A Flett.

In attendance: Mr R Eastwood, Director of Finance, attended for the following items:-

- 3.1: HEFCE Accountability Returns
- 3.5: Financial Sustainability

COUNCIL AND MEMBERSHIP MATTERS

1.1 Council Membership

RECEIVED and **NOTED**:-

- i. Council membership for 2016/17.

1.2 Statement of Primary Responsibilities

RECEIVED and **NOTED**:-

- i. The Statement of Primary Responsibilities for Council, last revised in October 2015.

1.3 Roles and Responsibilities: Diversity and Equality

RECEIVED and **NOTED**:-

- i. A statement agreed as part of the University's Diversity and Equality Framework, approved by Council last session, which makes clear the role of committees in ensuring appropriate approaches to D&E are embedded in the way the University does its business.

1.4 Statement of Policy and Procedure on Disclosures of Interest

RECEIVED and NOTED:-

- i. The University's Statement of Policy and Procedure on Disclosure of Interest.

1.5 Disclosures of Interest

Members of Council were invited to disclose any potential conflicts of interest they had in relation to items on the agenda. Any such conflicts are noted under relevant minute headings.

MINUTES/COMMUNICATIONS

2.1 Minutes of the Previous Meeting

AGREED:-

- i. The minutes of the meeting held 6th July 2016 should be approved as an accurate record.

2.2 President's Communications

a. Action Taken on Behalf of Council Since the Last Business Meeting

ENDORSED:-

- i. Approval of an update of the Guild Byelaws and Guidance with regard to referenda and petitions.

2.3 Vice-Chancellor's Communications

a. University Management Conference

REPORTED:-

- i. The recent two day management conference at Carden Park was felt to have been a success.
- ii. It would be repeated next session, but probably with a more focussed list of invitees.

b. Policy Update

REPORTED:-

- i. It had now been confirmed that EU students applying for 2017 entry would be given access to SLC funding for the duration of their study.

- ii. Brexit had, as expected, had an effect on recruitment, with applications from EU students down c. 10%.
- iii. The HE Bill has now passed through to the House of Lords, where UUK would be seeking to influence any amendments.

c. Knowledge Quarter

REPORTED:-

- i. Plans for the Knowledge Quarter, to be located in Paddington Village, had now been unveiled.
- ii. The Knowledge Quarter would be a collaboration between the University, the City Council, LJMU, LSTM, and the new RLBUHT.
- iii. Investment will be c. £2bn and be spread over 5 years. Occupants already signed up for the site include the Royal College of Physicians and Kaplan.
- iv. Colin Sinclair, the Chief Executive of the Knowledge Quarter, will be invited to a meeting of Council later in the year to give members a fuller briefing.

d. Non-Standard Contracts

- i. A report had been published recently in the Guardian, criticising universities for the number of staff they employed on non-standard contracts.
- ii. The report had conflated a number of data sets, for example including practitioner teachers who might only teach for a few weeks per year, with other more substantive posts, leading to misleading headlines.
- iii. However, it was fair to say that there was more that the sector should be doing to enhance the terms and conditions of particular groups of staff, particularly new career entrants in the discursive subjects, where supply always far outstripped demand.

AGREED:-

- iv. A briefing note prepared by the Director of HR in response to the Guardian article should be shared with Council members.
- v. The position regarding staff funded through research grants should be looked at in more detail, to ensure that they were not disadvantaged in redundancy situations.

e. VC's Engagements

REPORTED:-

- i. Since the last meeting of Council, the VC had visited, met with, hosted or attended meetings regarding the following:-
- National Nuclear Laboratory Visit, Sellafield; 7th October 2016
 - Knowledge Quarter Launch; 20th October 2016
 - Harveian Oration & Dinner;
 - Formal Dinner, Roscoe & Gladstone Hall/Sir Robin Saxby; 25th October 2016
 - Newcastle University Women's Annual Lecture (Keynote); 26th October 2016
 - Private Roundtable with Jo Johnson, re Higher, Education and Research Bill; Russell Group Board & Dinner; 27th October 2016
 - Literary Festival; 29th/30th October 2016
 - British Council Board of Trustees; 1st November 2016
 - UUK Harassment on Campus Conference (Keynote); Host Roundtable at University of Greenwich; 3rd November 2016
 - UUK UK Board; 4th November 2016
 - Host Scholar's Reception; 7th November 2016
 - Host Staff Long Service Awards; 8th November 2016
 - Faith Express Annual Catch-up; 9th November 2016
 - Formal Opening ULMS Building;
 - Leadership Away Days; 10th/11th November 2016
 - Regius Professorship Royal Warrant Ministerial Visit/Chris Skidmore, MP; 15th November 2016
 - Host British Council ACCELERATE Reception;
 - LCC Strategic Dialogue; 16th November 2016
 - Lord Heseltine Dinner;
 - Heseltine Conference (Keynote) 17th November 2016
 - Official Opening of Blackwells Bookshop 21st November 2016
 - NHA Reception: 'Realising the potential of the Northern Powerhouse's health economy'. 22nd November 2016

FOR ENDORSEMENT, APPROVAL OR NOTE

3.1 HEFCE Annual Accountability Returns 2016

RECEIVED:-

- i. Draft annual accountability returns, for submission to HEFCE, including:
- Annual Assurance Report.
 - Audited Financial Statements.
 - Financial Commentary.
 - Audit Committee Annual Report.
 - External Audit Management Letter.
 - Internal Audit Annual Report.
 - Value For Money Report.
 - Annual Sustainability Assessment.

- Statement of compliance with Research Concordat.
- Confirmation funding for high cost subjects is in line with provision.
- Assurance of quality and standards of provision.

REPORTED:-

- ii. The year-end accounts showed:-
- A consolidated surplus before tax of £33m, 6.7% of income.
 - Net cash flow from operating activities of £68.6m.
 - Staff costs of £247m, an increase of 3.6%.
 - Cash balances of £118m, approximately £20m ahead of plan.
- iii. A number of issues had been encountered during the finalisation of the accounts due to the introduction of FRS102, but these had now been resolved. Papers would be formatted before submission to HEFCE.

NOTED:-

- iv. This was the first time that the University's accounts had been prepared using new accounting standard FRS102. The main changes, and how they affected the reporting of the University's finances, were described in note 35 to the accounts.
- v. Notable substantive changes to reporting included:-
- The identification of financial commitments in relation to XJTLU as a separate line in the accounts.
 - The removal of ULPF from reporting because it was currently in surplus and as such held no financial liability for the University.
- vi. The introduction of FRS102 had led to a significant swing in reported surplus, and the nature of this reporting mechanism meant year on year changes in this area was likely. However, the University's true financial performance, for example concerning cashflow, remained consistent.

AGREED:-

- vii. The returns should be approved for submission to HEFCE.

3.2 Prevent Annual Monitoring Report

RECEIVED:-

- i. The Prevent Annual Monitoring Report for submission to HEFCE.

REPORTED:-

- ii. This was the first annual submission on Prevent.

- iii. Prevent activity within the University was overseen by a working group, chaired by the Deputy Vice-Chancellor.

NOTED:-

- iv. Council was assured that the University had, in 2015/16:-
- Had due regard to prevent people from being drawn into terrorism.
 - Provided HEFCE with all required information in this respect.
 - Had processes in place to report all serious issues to HEFCE in a timely way.
- v. Where any issues requiring intervention had occurred, these had tended to involve far-right groups.
- vi. Although the University did not currently have a Muslim chaplain, discussions to address this were currently taking place.
- vii. In managing its Prevent responsibilities, the University benefited greatly from its positive relationship with the Guild.

AGREED:-

- viii. The report should be approved for submission to HEFCE.

3.3 Effectiveness Review of Council

RECEIVED:-

- i. A proposal for the appointment of an external reviewer to carry out an Effectiveness Review of Council.

REPORTED:-

- ii. The CUC Code of Governance suggested that governing bodies should be subject to external review at least once every five years. The University's last such review was in 2012.
- iii. The proposal was that Professor Ella Ritchie, previously Deputy Vice-Chancellor at the University of Newcastle and a current Council member at Lancaster University, should undertake a review of Council to report by the end of the current session.

NOTED:-

- iv. Professor Ritchie had recently undertaken a Governance Review of XJTLU on its Board's behalf.

AGREED:-

- v. Professor Ritchie should be appointed to undertake the Effectiveness Review of Council as proposed.

3.4 Strategic Risk Update

RECEIVED:-

- i. An update on the development of a new Strategic Risk Register, to be created in light of *Strategy 2026*.

REPORTED:-

- ii. The proposed Strategic Risk Register would be submitted to the next meeting of Council for approval.
- iii. This would be informed by the Statement of Risk Appetite developed and approved by Council last session.

NOTED:-

- iv. The new Risk Register would be much more integrated with the University's planning processes than had previously been the case.
- v. The University would liaise with PwC over the development of the new Risk Register to ensure there were no issues when it came to its use by Audit Committee.

3.5 Financial Sustainability

RECEIVED:-

- i. The recent FSSG discussion paper on this topic, *Mind the Gap – Understanding the Financial Sustainability Challenge*.
- ii. An analysis of the possible implications for the University.

REPORTED:-

- iii. The paper gave an overview of the TRAC methodology, and identified the sustainability gap for the University. It also set out the role of the VC and Senior Executive Group in guiding Council on matters of financial sustainability.
- iv. The University's adjusted surplus under TRAC methodology for 2014/15 was 5.9% of total income, compared to that suggested of 9.9%, a gap of 4%.
- v. The gap would be closed should the current 3 Year Plan be achieved. This was based on continued growth in student population, no similar growth in revenue costs, and the management of capital expenditure.

NOTED:-

- vi. Most research intensive universities would have a sustainability gap by this method, due to the nature of research funding, where full economic costs were rarely recouped. The situation was exaggerated at Liverpool by the high proportion of clinical and science based research.
- vii. A further threat to sustainability was the deficit valuation of USS, which, unless the assumptions used for valuing the scheme were changed, was expected to increase significantly.
- viii. The key to achieving sustainability would be enhanced efficiency. In the event that income did not increase as planned, or revenue costs grew faster than anticipated, capital expenditure would be slowed.
- ix. However, it was important that the University continued to invest in the estate. There were particular pressure points on campus where student recruitment had been extremely successful, and the facilities needed to be upgraded to support this.
- x. It would be useful to see the University's existing three year plan analysed in light of this document, with due attention paid to sensitivity analysis, particularly around student numbers.

AGREED:-

- xi. An additional session for Council members to provide them with more information on this topic would be set up.

3.6 Safeguarding Annual Report

RECEIVED and NOTED:-

- i. A report of safeguarding activity for 2015/16, including summaries of:-
 - Training.
 - Reported incidents.
 - Updates to policies.

REPORTED:-

- ii. It was now mandatory for governing bodies to receive an annual report on this activity.
- iii. This report would also be received by the Health and Safety Governance Committee.

3.7 Liverpool University Press

[Professor Fiona Beveridge disclosed an interest as interim Chair of the LUP Board]

RECEIVED and NOTED:-

- i. The annual report of Liverpool University Press, covering 2015/16.

PLANNING AND RESOURCES COMMITTEE

4.1 Report of the Meetings of the Planning and Resources Committee held 21st September and 8th November 2016

Council **RECEIVED** a report of the meetings of the Planning and Resources Committee held 21st September and 8th November 2016

- a. Liverpool International College: Proposed Terms for Renewal of Co-operation Agreement with Kaplan

NOTED:-

- i. Negotiations with Kaplan for the relicensing of Liverpool International College were now complete. This followed the successful development of the partnership over the last eight years. Currently 15% of the University's OSI students had been recruited via the College.
- ii. The renewal was for 15 years, and would be worth c. £0.5bn to the University over that period.
- iii. As part of the agreement, Kaplan would construct a purpose built teaching and residential facility on the Paddington Village site, and release the Sir Alastair Pilkington Building back to the University.
- iv. The University retained control over QA matters, and entry standards for students transferring from the College. Performance targets had been built into the agreement.
- v. The renewal agreement, especially including the development of the new building, was seen as a major achievement. All concerned in the renegotiation should be commended for their work.

AGREED:-

- vi. The renewal agreement should be approved.

b. Mandate: Law and Social Justice

NOTED:-

- i. Following the significant growth in the School of Law and Social Justice over recent years a plan had been developed to relocate the School to a single site.
- ii. Pending delivery of this plan, the School was working hard to promote community and identity amongst its staff and students, despite the current split site.

AGREED:-

- iii. Mandate 188: Law and Social Justice should be approved, and £25.5m released to fund this.

c. Revised IP Policy

NOTED:-

- i. The revised policy was intended to:-
 - Provide greater clarity on the scope of the document and ownership of IP.
 - Provide greater transparency on the role of creators and their responsibilities in the process.
 - Provide greater transparency on the role of Liverpool IP/Business Gateway and the Enterprise Board as a decision making body.
 - Update the incentivisation/revenue sharing scheme to reflect best practice within the sector, and to promote inter and cross disciplinary collaboration.
- ii. In addition, the following had been added:-
 - A section on change of creator status which is a significant gap in the current policy.
 - A section on disputes and how they will be handled. This is also a significant gap in current policy.

AGREED:-

- iii. The revised IP Policy should be approved.

4.2 Q4 Performance Report

- i. Key positives included a strong financial outturn (as per the financial statements).
- ii. Research income was £1.8m down on FC2 levels, with negative variances in S&E (£2.3m) and HSS (£0.6m) and a £1m positive variance against FC2 in HLS.

SENATE

5.1 Report of the Meeting of the Senate held 3rd November 2016

Council **RECEIVED** and **NOTED** a report of the meeting of the Senate held 3rd November 2016.

OTHER COMMITTEES OF COUNCIL

6.1 Remuneration Committee

RECEIVED:-

- i. A report of the meeting of the meeting of the Remuneration Committee, held 18th October 2016.

NOTED:-

- ii. The Committee had discussed the following matters:-
 - A change to the Terms of Reference of the Remuneration Committee in relation to the number of meetings during the academic year.
 - Recommendations arising from the 2016 Senior Management Team Salary Review.
 - A review of the Strategic Reward for Senior Staff to take account of USS changes, voluntary salary cap and employers contributions.
 - Senior Management Pay Structure.
 - Outcomes of the Professorial Levels Exercise.
 - Russell Group and UCEA Salary Survey Data for 2016.
 - Mandatory Gender Pay Gap Reporting.
 - A report on Senior Staff Matters.
 - The Annual Summary of the Vice-Chancellor's Expenses 2015/16.

6.2 Nominations Committee

RECEIVED:-

- i. A report of the meeting of the Nominations Committee held 18th October 2016.

NOTED:-

- ii. A review of the membership and purpose of the Military Education Committee had been undertaken. The review group proposed that:-
 - The MEC should be reconstituted as a joint Committee representative of the nine HEIs from which the local service units recruit their students, noting that there are a number of other similar models in operation (e.g. East Midlands Military Education Committee, Northumbrian Universities Military Education Committee).

- The MEC should have a more diverse and representative membership comprising only those with a current position at a member university, an official role with one of the service units, or a professional role related to the core purpose of the MEC.
- Current members of the MEC who are retired members of University staff, or who have been inactive for some time, should be thanked for their service and informed that they will not be invited to join the reconstituted Committee.
- The MEC should produce an annual activity report to be sent to the Councils of each member University.

AGREED:-

- iii. The recommendations regarding the MEC should be approved for implementation.
- iv. The Vice-President of Council should be appointed to the Nominations Committee for an initial period to 31st July 2019.

6.3 Health and Safety Governance Committee

RECEIVED:-

- i. The Annual Report of the Health and Safety Governance Committee.

NOTED:-

- ii. Significant progress had been made in this area over the last twelve months. There was now a clear framework in place, the implementation of which was being monitored closely. It was also now clear where accountability lay.
- iii. The reporting style would continue to be enhanced throughout the year to add value. For example, in addition to reporting on RIDDOR incidents, information would be included covering lessons learned and any adjustment to practice in light of the incident.
- iv. As the next stage of development further efforts would be made to integrate the work of the Wellbeing Board with the HSGC, to provide a fuller approach to staff welfare.

STRATEGIC COMMITTEES

7.1 Education Committee

RECEIVED:-

- i. A report of the meeting of the Education Committee held 19th October 2016.

NOTED:-

- ii. Minor adjustments to the Committee's Terms of Reference and Membership had been proposed.

AGREED:-

- iii. Revised Terms of Reference and Membership for the Committee for 2016/17 as proposed.

7.2 Research and Impact Committee

RECEIVED:-

- i. A report of the meeting of the Research and Impact Committee held 20th October 2016.

NOTED:-

- ii. The outcome of Lord Stern's review of research assessment had been published on 29th July 2016 and included a set of recommendations that were currently being considered by the UK funding bodies. The next stage was a Government consultation with HEFCE, which was expected to commence in November and take 12-14 weeks. At this point in the process, there was still a great deal of uncertainty regarding what specific policies would be implemented for REF2021. A key concern was the lack of portability of outputs between institutions.
- iii. The University's Peer Review College (PRC) had significantly enhanced the quality and outcomes of research funding applications. Processes managed by the PRC since its inception include successful bids for a £10M Leverhulme Research Centre and £1M for a NERC Arctic Call grant.

ROUTINE ITEMS

8.1 Use of the University Seal

RECEIVED and NOTED:-

- i. A summary of uses of the University Seal since the last meeting.

8.2 HR Summary Report of Action Taken Under Delegated Powers

RECEIVED and NOTED:-

- i. A summary of HR related actions taken under delegated powers since the last meeting.

8.3 Date of Next Meeting

NOTED:-

- i. The next meeting would take place on Wednesday 22nd February 2017, in The Victoria Gallery and Museum.