

COUNCIL
**Loughborough
University**

Minutes of the meeting of 30 June

COUN22-M2

Attendance

Christine Hodgson

Penny Briscoe (ab)
Prof. Malcolm Cook
Dr Marcus Collins
Graham Corfield
Andrea Davis
Prof. Claudia Eberlein
Andrew Fisher (ab)
Prof. Lisanne Gibson

Sally-Ann Hibberd
Prof. Nick Jennings
Prof. Chris Linton
Pauline Matturi*
Jennifer Maxwell-Harris (ab)
Freya Mason
Peter Saraga (ab)

Oliver Sidwell
John Sinnott
Charlotte Style
Steve Varley (ab)
Mike Wedderburn

In attendance: Harry Hughes; Dr Jennifer Nutkins; Alex Owen; Danny Smith; Dr Luke Stott; Richard Taylor; Prof. Rachel Thomson; Luke Vulpiani

Apologies received from: Penny Briscoe, Andrew Fisher, Jennifer Maxwell-Harris, Peter Saraga, Steve Varley

The Chair welcomed Alex Owen, new Chief Financial Officer to Council.

Declaration of Interest

John Sinnott declared an interest as the head of the administering authority for the Local Government Pension Scheme, relevant to item 17 on the agenda.

Quoracy

The Chair noted that the meeting was quorate as there was a majority lay membership present when items were approved (*Pauline Matturi was not in attendance for the confirmation of items).

22/24 Tribute to Paul Hodgkinson

The Chair paid a tribute to Paul Hodgkinson former member of Council who sadly passed away in March. The Chair also thanked members of Loughborough staff who had responded to the situation at March Council.

22/25 Minutes & Matters Arising

25.1 Minutes

COUN22-M1

Council **CONFIRMED** the minutes of the meeting held on 31 March 2022.

25.2 Matters Arising

Council **NOTED** that approval of the National Rehabilitation Centre is now expected in autumn 2022, rather than June, as central government sign-off and final contract negotiations are currently pending.

SECTION A – Items for Discussion

22/26 Chair's Report

The Chair noted the new university strategy had been approved at the March Council meeting and that Loughborough was in a strong position as it looked to the future and the implementation of the strategy.

22/27 University Strategy and KPIs

22/27.1 New University Strategy Update and Core Plans

COUN22-P38

Council **RECEIVED** an update from the Vice-Chancellor on the new University strategy and work on the development of the institutional core plans.

Two formal launches of the strategy had been undertaken since Council approved the strategy in March: in the east midlands and at 1 Great George Street in central London. The launch events had been successful and had received positive feedback including from a lay member of Council who had attended the London event.

The strategy has six strategic aims, which are supported by institutional core plans, developed in consultation with staff and other relevant stakeholders. The first core plan on International Engagement and Impact has been published and the next plan being developed is focused on Education and Student Experience.

Alongside the core plans a set of Enabling projects will ensure that the right foundations are in place to achieve the strategy. Each Enabling project will establish a project board responsible to the Change Portfolio Board.

Council supported more outward-facing events around the institutional themes of the strategy, which could be delivered in-person and/or online. Council also supported the continued involvement of students and alumni in promoting and spreading the strategy as it is developed.

22/27.2 Update on the Higher Education External Environment

COUN22-P39

Council **NOTED** an update on the Higher Education external environment in which the University operates.

The general Higher Education environment is financially constrained and highly competitive. Key points were highlighted to Council as follows:

- i. The ability to recruit and retain staff is becoming more challenging as terms and conditions and salaries have fallen behind some sectors.
- ii. The institution's financial basis is on good grounds and student numbers remain strong. However, the fee cap on domestic students means that tuition fee revenue can only be grown via international students. International student numbers, particularly Chinese postgraduates, are not back to pre-Covid levels. This fall has been mitigated in part by an increase in students from other geographic regions, particularly India and parts of Africa.
- iii. The institution's recent success in the Research Excellence Framework results should see an improvement in funding from £18 million currently to in excess of £20 million, however the figure is to be confirmed by Research England.
- iv. The risk of cyberattacks remain acute, with the Higher Education sector being particularly targeted. Attention is focussed on work to mitigating the risks of potential cyberattacks.
- v. Brexit and the war in Ukraine have affected procurement costs and lead times for projects.
- vi. UK institutions no longer have access to the EU Horizon Fund – the EU's key science research and innovation fund. A new domestic scheme is expected, which encourages international engagement beyond Europe.
- vii. There is a balance between flexible-working and students' desire for in-person contact. The campus experience is key to Loughborough's uniqueness.
- viii. It is increasingly important for universities to demonstrate an awareness of and commitment to Environmental, Social and Governance considerations and there is much positive ESG research taking place at Loughborough.
- ix. The government have proposed changes to university fees through a lifelong loan entitlement. Loughborough has responded to the consultation and is waiting to see how the scheme develops to ensure we are best placed to respond to any changes.

The senior executive is proactively responding to all of the challenges and working together will be key to Loughborough's future success.

22/27.3 Current Key Performance Indicators

COUN22-P40

Council **ACCEPTED** an update on the KPIs for the previous strategy (Building Excellence). The Provost reported that there were no significant changes since the last meeting and no changes to the RAG ratings with two exceptions:

- i. While Loughborough has retained its ranking of 7th in the Complete University Guide, it has dropped 25 places to 256 in the QS rankings – the leading global university

rankings. Being in the top 200 of the QS ranking is a key metric as many international governments and agencies use this as the cut-off for engagement. Loughborough has retained its place among UK institutions but overall UK institutions have fallen. Some of this fall is attributable to methodological changes to the rankings and the university is engaged in consultancy to understand its rating.

- ii. The number of staff who hold the most prestigious awards increased from 5-8 and the RAG rating was therefore changed from amber to green.

22/27.4 Proposed New Key Performance Indicator Framework COUN22-P41

Council **ENDORSED** the proposed KPI reporting framework for the new strategy (Creating Better Futures. Together).

Council will receive a performance measure for each of the new strategy's six core plans. The RAG ratings will have 5 categories and Council will also receive an explanatory narrative for the rating.

Each core plan will be supported by a group which will measure and monitor the RAG rating using both qualitative and quantitative methods.

The proposed KPI of three significant sustainable international partnerships builds on existing partnerships. The Chief Financial Officer Alex Owen is the executive sponsor for strategic partnerships.

The Chair asked if milestones could be brought to Council in one-years' time outlining what had been achieved.

22/27.5 Effectiveness Review & Committee Structure COUN22-P42

Council **NOTED** an update on committee changes following the 2021 Council Effectiveness Review and **APPROVED** new or revised Terms of Reference and Compositions for the following committees: Audit Committee, Infrastructure Committee and Human Resources Committee.

Key changes are:

- i. The renaming of Audit Committee as Audit and Risk Committee.
- ii. The creation of a joint Senate-Council Infrastructure Committee merging the remits of the current Estates Management Committee and Information Technology and Governance Committees.
- iii. The movement of the current joint Senate-Council Ethics Committee to become a sub-committee of Human Resources Committee.
- iv. Amendments to Human Resources Committee resulting from the forthcoming creation of the Equity, Diversity and Inclusion Committee (for implementation later in 2022/23).

Council discussed if Human Resources Committee is the appropriate committee for Ethics sub-committee to report to. Alternatives were considered but the original proposal was accepted.

It was noted that Finance Committee reports to Senate owing to its impact on academic matter, however, Council has primacy for financial matters.

22/28 Research Excellence Framework Results

COUN22-P43

Council **RECEIVED** the results of the Research Excellence Framework (REF) which had been very positive. 91% of Loughborough's research was rated world-leading (4*) or internationally excellent (3*) compared to 74% in 2014. The overall ranking was up 19 places to equal 30th place out of 129 institutions.

The REF is supposed to inform university budgets from August 2022 but it is likely to be after August when Research England sets the amounts to be awarded. Research England's budget is static for 2022/23 but due to increase over the subsequent 3-5 years. As noted earlier in the meeting it is expected Loughborough's overall funding from Research England will increase from £18 million currently to over £20 million.

The positive result now needs to be leveraged: the REF is important not only in terms of funding but also in terms of institutional reputation which means the institution may be able to engage new partners and attract more qualified students.

Academic Schools have already begun planning for the next REF, although the exact date is yet to be determined. Improvement on the output metric can continue to be made, with a need to focus on 4* rated research the key for future success.

It would be difficult to break into the top 25 as most places are filled by the Russell Group institutions, which are larger than Loughborough and size matters for an institution's overall ranking.

22/29 University Finances

COUN22-P44

Council **RECEIVED** an update regarding performance against the approved budget for 2021/22, **NOTED** the forecast out-turn for the current year, and **APPROVED** the planning parameters for the forecast period 2022/23.

The 2021/22 outturn projected a year-end cash balance of £131.2m and a surplus of £19.2m. This represents a £17.6m improvement to surplus resulting from the release of contingency, a strong January postgraduate intake, higher than expected vacancy levels and a reduction in capital spend because of previous restrictions associated with the pandemic and supply-chain challenges.

Following recent changes to the Treasury Policy approved by the Finance Committee in June 2022 there is likely to be an improvement to interest receivable, given increased cash balances and rises in interest rates, projected at approximately £500,000 annually.

The projected 2022/23 budget is largely similar to that presented to Council in March 2022, although key planning assumptions have been varied slightly. Most notably, international intake is now forecast at ~60% of pre-pandemic levels rather than ~75%, based on application data as of May 2022. In addition, there has been a significant shift in the demographic of postgraduate taught student applications, which was previously 75% Chinese but is now a majority Indian and African.

The decline in postgraduate taught students has been mitigated by increasing the undergraduate intake by 300 students, and again planning for a January start in some subjects for 2023. However, these mitigations do not fully offset the reductions in revenues leaving a £2.8m impact which is reflected in the proposed budget. Longer term mitigations are being prepared in order to protect the recruitment position in future years and include the proposal for a Private Pathway Provider considered under the next item and the international core plan.

22/30 Private Pathway Provider

COUN22-P45

Council **APPROVED** the commencement of a process for the appointment of a Private Pathway Provider (PPP).

A key part of the new strategy is to increase the number of international students to 20% and the PPP would be a key means to achieve this target. The PPP would provide a year 0 for international students prior to commencement of a 3-year undergraduate degree at Loughborough. The agreement would also include a pre-masters strand. Staff working on the PPP programmes would be employees of the PPP not Loughborough.

The advantage of partnering with a PPP is that they have more agents overseas so are able to recruit more effectively than an individual institution. Two-thirds of Russell Group institutions currently work with a PPP and the model is well established in the sector. Loughborough currently has some students who have completed PPP programmes at other institutions and then chosen to study at Loughborough.

Council noted that partnering with a PPP would be a significant strategic development and thus required effective governance and quality oversight to ensure that the associated risks were appropriately considered and mitigated. By year 8 of the PPP scheme the net contribution would be similar to the funding received through the REF.

A number of risks were discussed around the principle of working with a PPP. The University would chair the examination board so oversight of quality and progression would be retained. This would mitigate the key risk around academic quality. Students would need to meet specified criteria in order to progress to year 1 of Loughborough's degree.

Council agreed that quality control was very important as there was potential for reputational damage if things went wrong. The June meeting of Senate had considered the PPP proposal from an academic perspective and Professor Rachel Thomson PVC-Education and Student Experience was leading on quality. Contract negotiations will be important including the agreed duration and divorce clause.

Provision has been made to ensure that the extra capacity required for university welfare services including counselling are resourced.

22/31 Governance and Nominations Committee

31.1 Update on Recruitment Process for Lay Members

COUN22-P47

Council **NOTED** an update about the recruitment process for new co-opted lay members in light of the 2021 Effectiveness Review.

Council was seeking to fill a number of vacancies in the context of the new University strategy. Required priority areas of expertise identified include: Research & Innovation, Digital & Technology, Estate & Infrastructure Management and potentially Risk Management. Candidate search is currently underway and potential members are being spoken to.

Targets have been agreed for senior university committees of 40% female and 15% BAME members and recruitment is taking account of these targets. These targets will be delivered over the lifetime of the charters the institution is committed to, such as the Race Equality Charter.

Positive action is also being taken regarding the diversity of non-lay members of committees and Council should see an improvement in this area in future.

31.2 Alumni Member

Council **NOTED** the appointment of Alumni member of Council Dr Luke Stott.

31.3 Appointment of Lay Members

On the recommendation of Governance and Nominations Committee, Council **APPROVED** the appointment of Paul Taylor and Nicky Morgan, The Rt Hon the Baroness Morgan of Cotes, as new lay members of Council.

22/32 Audit Committee

32.1 Report of Meetings

COUN22-P48

Council **RECEIVED** a report from the meeting of the Audit Committee held on 10 June.

Audit committee has recommended a restricted trial of a new approach to risk management and compliance as considered under item 32.3.

Audit committee welcomed the new Chief Financial Officer Alex Owen to its membership. The CFO is examining how key decisions from other committees are recorded and how risks are appropriately managed. It had been agreed Audit Committee should not own any of the institutional risks but should receive greater assurance from other committees.

There are currently 14 overdue and open audit actions – owners have been asked to ensure these are completed by the start of the new academic year.

The two departing lay members of Audit Committee, Sally Ann-Hibberd and Jennifer Maxwell-Harris were thanked for their contributions.

32.2 Risk Management

COUN22-P49

Council **CONSIDERED** an update on risk management.

Oversight committees have now been added to each risk and each oversight committee will add detail to the RAG rating. Some mitigation plans had passed with no updates and there is a need to ensure these are happening and being recorded.

The strategic risk register is being reviewed for the new strategy, the current register will stay upto 2023-24 while the new strategy is implemented.

It was requested that a key for GNT (gross, net and target) was placed on the bottom of each chart.

33.3 Risk Appetite

COUN22-P50

Council **ENDORSED** a new approach to risk and compliance, and **ACCEPTED** operating outside of narrow risk appetite for six months.

The new approach constitutes a shift in the management of risk and compliance, with more emphasis on having the right policies and training in place rather than compliance by checks and controls, which puts more strain on the operating model of university. The internal audit report highlighted that people are not completing compliance reporting and checks and the new focus will be on post-hoc assurance with Audit & Risk committee ensuring that compliance is happening.

Three initial areas of activity for the new approach have been identified: export control, ethics approvals and research contracts approvals. Not all areas of operation are suitable for the new model as the associated risks are too high, for example right to work checks.

There are risks associated with the new approach but these will be mitigated by effective monitoring and oversight. Four success criteria have been set and Audit & Risk Committee will be tasked with monitoring and assuring the changes. The implementation and success of the new approach to risk management will become a standing item for Audit & Risk Committee. The Chief Operating Officer will report back to Audit & Risk committee in September and PWC will also monitor assurance.

22/33 Health, Safety and Environment Report

Council **RECEIVED** a verbal report from the Provost on Health, Safety and Environment matters. Members were reminded that the Health and Safety Bulletins since the last Council meeting are available on the BI bookshelf (previously these were provided as a weblink) and members were encouraged to read the bulletins.

The single biggest health and safety risk is the wellbeing of staff and students and dominates the institutions work on health and safety.

There were two incidents of allergic reactions to food consumed on campus. These were unrelated incidents with different causes and no significant long-term Health and Safety

concerns. The root cause of both cases has been identified and one incident led to disciplinary action. Food safety is important because the potential penalties for the institution include an unlimited fine and criminal sanctions.

22/34 Reappointment of Chancellor

Council **APPROVED** the appointment of The Lord Coe CH KBE as Chancellor for a further five-year term.

22/35 Report from the Vice Chancellor

Council **RECEIVED** a verbal report from the Vice-Chancellor who was approaching the anniversary of his first year in office.

The Vice-Chancellor noted the number of award ceremonies at Loughborough, which was something the institution did very well. The Vice-Chancellor had attended the annual Degree Show for graduating students in the School of Design and Creative Arts and been impressed by the work on display. The Vice-Chancellor encouraged Council members to attend the Degree Show as a showcase of the work taking place at the institution.

The first in-person open days post-Covid were due to be held on Friday 1 and Saturday 2 July. Loughborough would be welcoming thousands of perspective students and their guests to campus and was looking forward to good weather.

There were a range of activities relating to the Commonwealth Games on campus, most notably the Queens Baton Relay is due to visit campus on Monday 11 July. Non-executive members of Council had been invited to attend and the Vice-Chancellor looked forward to welcoming all those who attended.

The two incoming Pro Vice-Chancellors, Professor Dan Parsons and Professor Charlotte Croffie, will be at next Council meeting.

SECTION B – Starred Items for Approval

22/36 *Loughborough Students' Union Annual Report

COUN22-P51

Council **APPROVED** the Loughborough Students' Union Annual Report.

22/37 *East Midlands Institute of Technology

COUN22-P52

Council **DELEGATED** authority to the Chair of Council to **APPROVE** the final arrangements for the Institute of Technology on the recommendation of Operations Committee.

22/38 *Office for Students Access and Participation Plans

COUN22-P53

Council **APPROVED** the proposed approach to the Office for Students Access and Participation Plans variation for 2023-24 and **DELEGATED** authority to the Chair of Council to sign-off the final version in July.

22/39 *Conditions of Service for Pensions**COUN22-P54**

Council **APPROVED** the updated wording reflecting changes to the Conditions of Services allowing individuals promoted from grades 1-5 to grade 6+ to remain in the Local Government Pension scheme (LGPS).

22/40 *Ethical Policy Framework**COUN22-P55**

Council **APPROVED** the Ethical Policy Framework for 2022/23.

22/41 *University Honours Committee**COUN22-P56**

Council **APPROVED** the new Terms of Reference and Composition for the University Honours Committee replacing the Honorary Degrees and University Medal Committee.

22/42 *Student Complaints Annual Report**COUN22-P57**

Council **APPROVED** the Student Complaints Annual Report (covering the years 2018/19, 2019/20, 2020/21).

A question was raised about how the number of complaints compares to other institutions. The national benchmark for student complaints is the Higher Education ombudsman the Office of the Independent Adjudicator (OIA). Students may complain to the OIA once Loughborough's internal procedures are complete. Loughborough has a lower rate of justified decisions from OIA cases compared to similar sized institutions.

There is always a lag with complaints but numbers appear to be normalising after an increase in cases over the last few years owing to industrial action and the Covid pandemic. There are an increased number of complaints involving students with mental health conditions which often complicates the complaint.

22/43 *Ordinance XXXVIII - Student Complaints Procedures**COUN22-P58**

Council **APPROVED** an update to Ordinance XXXVIII - Student Complaints Procedures.

22/44 *Ordinance XVII - Conduct and Discipline of Students

COUN22-P59

Council **APPROVED** revisions to Ordinance XVII - Conduct and Discipline of Students.

SECTION C – Starred Items for Information**22/45 *Matters for Report****45.1 *Pro-Vice-Chancellor (Research)****COUN22-P60****45.2 *Pro-Vice-Chancellor (Education & Student Experience)****COUN22-P61****45.3 *Pro-Vice-Chancellor (Enterprise)****COUN22-P62****22/46 *Capital Framework Progress Report****COUN22-P63**

Council **RECEIVED** a Capital Framework Progress Report.

22/47 *Senior University Appointments

Council **NOTED** the following senior appointments:

Professor Charlotte Croffie, Loughborough's first Pro Vice-Chancellor for Equity, Diversity and Inclusion

Professor Dan Parsons, Pro Vice-Chancellor for Research and Innovation

Professor Chris Rielly, Dean of the School of Aeronautical, Automotive, Chemical and Materials Engineering for a further three-year term.

22/48 *Office for Students**48.1 Regulatory Compliance****COUN22-P64**

Council **NOTED** an update regarding regulatory compliance requirements for the Office for Students.

48.2 Prevent Duty**COUN22-P65**

Council **NOTED** that the OfS have concluded the 2020/21 process for monitoring the University's compliance with its Prevent duties.

48.3 Reportable Events

COUN22-P66

Council **NOTED** that no reportable incidents have taken place since the last meeting of Council and that decisions not to report certain events will now be recorded.

22/49 *Common Seal

COUN22-P67

Council **RECEIVED** a list of documents to which the University Seal has been attached.

22/50 * Reports from Committees

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

| | |
|-------------------|--|
| COUN22-P68 | Senate - 16 March 2022 |
| COUN22-P69 | Audit Committee – 10 February 2022 |
| COUN22-P70 | Operations Committee – 7 March, 4 April and 3 May 2022 |
| COUN22-P71 | Finance Committee - 18 March 2022 |
| COUN22-P72 | Ethics Committee – 24 May 2022 |
| COUN22-P73 | Human Resources Committee – 25 May 2022 |
| COUN22-P74 | Health Safety & Environment Committee – 25 May 2022 |
| COUN22-P75 | Information Technology Governance Committee – 26 May 2022 |
| COUN22-P76 | Enterprise Committee – 02 November 2021, 11 January and 22 March 2022 |
| COUN22-P77 | Estates Management Committee – 11 February 2022 |

22/51 Date of Next Meeting

Thursday 13 October 2022, Council Away Day, Loughborough, Burleigh Court (all day, informal dinner the evening before)

2022/23 Meetings

Wednesday 23 November 2022, 9:00am, Online

Thursday 30 March 2023, Allison Committee Room, London, 9:30am – 14:00

Thursday 29 June 2023, Loughborough campus, 13:30-17:00

22/52 Any Other Business

The Chair thanked members of Council whose term of office is expiring following the June 2022 meeting:

Lay members: Andrew Fisher, Sally-Ann Hibberd (who has completed nine-years), Steve Varley, Tony Williams and Alumni member Oliver Sidwell.

SU Representatives: Freya Mason and Charlotte Styles

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Council Members of Staff: Pauline Matturi and Professor Claudia Eberlien.

Professor Steve Rothberg whose term of office as Pro Vice Chancellor Research is ending was also thanked by the Chair for his contribution to Council.

Author – Luke Vulpiani

Date – July 2022