

## UNRESERVED MINUTES

THE UNIVERSITY OF LIVERPOOL

COUNCIL (1032)

### MEETING OF THE COUNCIL

7<sup>th</sup> February 2018

**Present:** The President (in the Chair); the Vice-President; the Vice-Chancellor; the Deputy Vice-Chancellor; the Pro-Vice-Chancellor for Research and Impact; The Pro-Vice-Chancellor for Education; Dr A Scott; Ms C Booth; Dr P Johnson; Dr R Platt; Mrs P Young; Mrs A Pointing; Mr S Butler; Mr E Fishwick; Professor F Beveridge; the President of the Guild of Students; Professor R McGrath; Professor B Gibson.

**Apologies:** Dame L Muirhead; Professor S Dawson

**Clerk to Council:** Dr A Fairclough

**In attendance:** Ms A Causley, Head of HR Policy and Employee Engagement, and Mr Darren Mooney, Diversity and Equality Officer, for item 4.2 on the Gender Pay Gap.

### DISCLOSURES OF INTEREST

#### 1.1 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 Meeting held 23<sup>rd</sup> November 2017

##### AGREED:

- i. The minutes of the meeting held 23<sup>rd</sup> November 2017 should be approved as an accurate record.

#### 2.2 Matters Arising on the Minutes

- a. Wealth Screening (item 2.3b refers)

##### REPORTED:

- i. Further to the item in the Mail about the use of wealth screening surveys, the Information Commissioners Office had written to Universities on the 12<sup>th</sup> January requiring a response by the end of February.

**NOTED:**

- ii. The University's Legal and Compliance Department was currently coordinating a response to this letter.

**2.4 President's Communications**

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

**ENDORSED:**

- i. Appointment of Non-Executive Director of LUP, Professor Charles Forsdick.
- ii. Changes to Membership of Remuneration Committee. Interim changes made in response to guidance include the appointment of Chris Williams as an independent member of the Committee, with the VC in attendance rather than a member of the Committee and absent for matters relating to her remuneration.
- iii. Approval of the HEFCE Annual Efficiency Return 2016/17, following review at Planning and Resources Committee and Audit Committee.

b. Council Membership Roles

**REPORTED:**

- i. Proposals are under consideration for the amendment of membership roles in Council, to address recommendations from the Council effectiveness review from the previous year.
- ii. These proposals would be considered by Nominations Committee in June, and onwards to Council and the Privy Council for approval.
- iii. A number of amendments would need to be made to the Charter, Statutes and Ordinances. For the Charter and Statutes these changes would require special resolutions to be made by Council, with changes only becoming effectual once approved by the Privy Council.
- iv. The anticipated key changes would be:
  - To disestablish the separately defined formal role of Pro-Chancellor
  - To appoint a Professional Services representative on Council, replacing one of the members from Senate when the post became vacant (end of July 2018)
- v. One implication of the proposed changes was that there would be an opportunity to make an additional lay appointment to Council. To provide expertise for Planning and Resources Committee and Council it would be beneficial to appoint a member with particular experience in finance.

## **AGREED:**

- vi. These proposals should be developed as outlined, for consideration by Nominations Committee and Council.
- vii. An advertisement for an additional Council member should be prepared and published.

## **2.5 Vice-Chancellor's Communications**

### a. Sector Developments

#### **REPORTED:**

- i. Since the last meeting of Council, there had been a change in Ministerial Positions, with Sam Gyimar MP being appointed as the Minister of State for Universities, Science, Research and Innovation.
- ii. The Office for Students had now been formed. Full guidance on registration requirements would be available on 28th February, and the University would be required to submit registration documents in April, covering access and participation, student protection plans, governance and Competition and Markets Authority compliance.

### b. USS Reform and UCU Industrial Action

[Mr S Butler declared an interest with regard to USS]

#### **REPORTED:**

- i. The Universities and Colleges Union had held a ballot about industrial action on the issue of the proposed reform of USS pension. There was a 55% turnout; 84% voted in favour of strike action and 89% in favour of action short of strike.
- ii. The USS JNC took a decision to move forward with the employer's slightly revised proposal.
- iii. A communication was sent from the VC to all USS members, outlining the revised employer proposal. USS were now preparing for a statutory 60 day period of consultation which would begin on 20th March. The regulator had made it clear that the reform would need to be complete by June.
- iv. UCU did not accept this position and on 30th January notified the University of planned strikes and action short of a strike. The first two days' strike action was due to take place on 22nd and 23rd February.
- v. The action would escalate by an additional day each week for 4 weeks, totalling 14 days action. Action short of a strike would also take place throughout the period.
- vi. An industrial action planning group had been meeting for the past few months, focusing on minimising the impact of the industrial action on the student experience, particularly for final year students.

- vii. Any academic staff not delivering teaching on strike days would be expected to provide learning materials to students.
- viii. A motion had been submitted by a student to the Guild which had been discussed through The Summit; a decision was made to support the industrial action.

**NOTED:**

- ix. The Vice Chancellor had given regular updates to USS members and independent pension advisors had held open briefing events for staff.
- x. The experience of defined contribution schemes in other sectors had been positive and reflected the reduction in defined benefit schemes generally.

c. Teaching Excellence and Student Outcomes Framework

**REPORTED:**

- i. The University had submitted a return to the Teaching Excellence and Student Outcomes Framework (TEF3) in January.

d. Institutional Priorities towards Strategy 2026

**REPORTED:**

- i. Since the Council away day discussion about institutional priorities to accelerate progress towards Strategy 2026, the University had been implementing additional actions to improve NSS and employability outcomes in the current year.
- ii. Progress would be reported to the Council Away Day as part of the Quarter 2 performance report. The data currently being collected on employability of our 2017 graduates were showing early signs of improvements compared to the previous year.

*Remaining minute redacted due to commercial interest*

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:

29 – 30.11.17	UUK International VC delegation to Rome / Conference of Italian University Rectors
07.12.17	Russell Group Small Dinner: Robin Walker, Parliamentary Under Secretary of State
08.12.17	LCR Combined Authority
12 - 13.12.17	British Council Trustee Board

UUK Meetings with Trade Minister Mark Garnier, Jo Johnson MP, and Treasury Select Committee

- 14.12.17 HEFCE / University of Liverpool Formal Institutional Visit
- 18.12.17 Unilever - Peter Gallagher, Executive Vice President, Unilever Strategic Science Group
- 01 – 11.01.18 British Council and UUKi delegation to Taiwan and Japan and UoL Hong Kong meeting
- 15.01.18 UUK Belfast visit
- 18.01.18 LCR LEP Board
- 19.01.18 LCR Combined Authority
- George Howarth MP Knowsley
- 22.01.18 Alder Hey Children's Research Fund Presentation
- 25.01.18 Truth Project Secretary of the Inquiry, John O'Brien
- 26.01.18 Angela Eagle MP, Derek Twigg MP
- 30.1- 02.02 VVIP Delegation to China

ii. Some of the highlights of these activities included:

- The donation of £800k towards research at Alder Hey
- Positive discussions with potential collaborators in Italy, Taiwan and Northern Ireland.
- Positive publicity about the new XJTLU branch campus in China.
- An opportunity to inform the Prime Minister of the research work the University was leading on modern slavery.

## FOR ENDORSEMENT, APPROVAL OR NOTE

### 3.1 Committee of University Chairs Remuneration Code and other Guidance on the Remuneration of Senior Staff

#### RECEIVED:

- i. A report summarising a range of guidance on remuneration in higher education, and the University's current and anticipated future position with respect to the recommended principles and practice.
- ii. Proposed comments to be included in the institutional response to the Committee of University Chairs consultation on the draft Code on Remuneration.
- iii. Key areas of development required to ensure alignment of institutional practice with external guidance.

#### REPORTED:

- iv. The CUC Code was one of several sets of guidance about remuneration in the sector. Other material had been included in the institutional review, including HEFCE guidance, the CUC Higher Education Code, guidance from ACEVO, government announcements about their intentions about senior staff exit payments, the Office for Students consultation, and statements and queries from Lord Adonis.
- v. The University had already made changes to the membership of Remuneration Committee to address guidance about attendance of the Vice Chancellor and the involvement of an independent member.
- vi. A more detailed development plan would be submitted to Remuneration Committee for consideration.
- vii. The guidance recommended an annual report from Remuneration Committees to be produced from the following session. The President had agreed that an annual report would be developed for Remuneration Committee for the current session to establish good practice in this area.

#### NOTED:

- viii. It was possible that the new Office for Students would set some expectations and requirements around remuneration in the future.
- ix. Many aspects of the draft Code were already in place in the University, including for example the linking of senior pay to achievement of institutional objectives and Key Performance Indicators.
- x. Good quality benchmarking data are key to the operation of the new guidance. National data are already made available through UCEA but it is important to recognise the international competitive environment for senior staff. Although the contexts differ between nations, international data should be reviewed and sourced as a standard data set for use in the sector.
- xi. Further clarification would be helpful on the definition of independent members of Remuneration Committees. It was important to recognise the specialist skills and

knowledge required to be able to contribute to remuneration discussions. The appointment of an HR expert from Unilever to the University's Remuneration Committee provided an appropriate balance between independence and knowledge and experience about the research and education environment.

- xii. The treatment of payments from external bodies (paragraph 40 of the draft code) is a key issue requiring further consideration by Remuneration Committee.

**AGREED:**

- xiii. The proposed points for the institutional response to the CUC Consultation should be endorsed, with the inclusion of the following particular points:
- The expectations around transparency are accepted. However, there will be a balance to be struck in areas relating to alignment to institutional strategy and performance relating to achievement of strategic objectives. This should be regarded as sensitive and confidential material as disclosure could compromise the competitive position of the institution. This should be taken into account when setting guidance on the required level of detail for performance data.
  - International benchmarking data should be sourced on behalf of the sector for use in remuneration decisions.
- xiv. The actions highlighted to ensure alignment of institutional practice to external guidance should be endorsed for implementation.
- xv. The issue of student representation on Remuneration Committee should be considered further, taking into account practice in other organisations and the appropriate balance between student interest and independence required for the role.
- xvi. A single action plan should be developed to allow Audit Committee to monitor progress.

### **3.2 Gender Pay Gap**

**RECEIVED:**

- i. A report including data and analysis of the Gender Pay Gap within the University.

**REPORTED:**

- ii. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 required the University to conduct a Gender Pay Gap analysis and publish the results by 31st March 2017.
- iii. The exercise was a key part of institutional activities designed to understand and address the barriers to equality within the organisation.
- iv. Evidence has shown that successful approaches include five areas of activity -leadership development, investment in talent, policy change, measuring and monitoring, and effective communication. Many policy initiatives were showing an impact but progress was relatively slow.
- v. The analysis had involved consideration of 6,800 staff records based on posts active on the defined census date, according to published criteria. There were differences between institutions that affected the overall outcomes, for example the high proportion of women at the lower end of the grade structure relative to other institutions, Sensitivity analysis

has shown that if low and high grades (Grade 1 and Grade 10 staff) are removed from the population, the gender pay gap reduces significantly.

- vi. The statutory requirements include reporting on bonus payments. In Liverpool this included a relatively small number of staff in comparison with other Russell Group institutions, where up to 20-30% of staff can receive bonus payments. This element included the clinical excellence awards administered by the NHS but allocated through the University's payroll. Without the NHS payments the pay gap was removed.
- vii. The trend data included in the analysis showed that the gender pay gap was closing slowly. Many initiatives should ensure further progress, for example the focus on academic promotions, which should increase the number of female Professors over time, and the use of schemes such as Aurora. However further action was required to accelerate the impact of institutional initiatives.
- viii. There was a communications plan associated with the release of the data, involving use of the infographics and the contextual information about the broader equality framework.
- ix. Further work was being undertaken to understand similar issues related to other protected characteristics such as ethnicity. These analyses would be submitted to future meetings of the Council.

**NOTED:**

- x. Progression of staff in Professional Services differed to academic routes as grading was based on a role evaluation system. However, staff were supported and encouraged to apply for higher-graded posts within the organisation. This would continue to be supported through the work of the Academy and the Athena Swan Professional Services group. The ratio of female to male members of the Professional Services Leadership Team was equal to the ratio of the Professional Services staff body.
- xi. Further analyses had been carried out to compare pay within grades, and any differences of more than 5% had been investigated.
- xii. In other organisations, unconscious bias training had been impactful in removing gender barriers. Within the University, this had been provided for members of promotion panels and staff responsible for policy development. An online module would be rolled out to reach a wide audience.
- xiii. There was no blanket policy on gender balance for recruitment panels as it was recognised that in some areas this placed a substantial burden on a limited pool of individuals. However, where it was not possible to find a balance on final interview panels, the use of more balanced groups was encouraged in shortlisting or other recruitment phases such as candidate presentation audiences.
- xiv. The University had made a deliberate choice to have senior male staff as champions for Athena Swan.
- xv. Cohort tracking to monitor the progress of staff following equality activity was carried out as part of the Athena Swan processes.



**AGREED:**

- xvi. The report itself was of high quality and demonstrated the positive work going on in the University to improve gender equality. However, it was recognised that there remained significant challenges in addressing the gap.
- xvii. That the data and analysis report should be approved for publication ahead of the legislative deadline on International Women's Day (8th March 2018), placed in the context of the continued commitment to make progress on gender equality.

**PLANNING AND RESOURCES COMMITTEE**

**4.1 Report of the Meeting of the Planning and Resources Committee held 16<sup>th</sup> January 2018**

Council **RECEIVED** a report of the meeting of the Planning and Resources Committee held 16<sup>th</sup> January 2018.

a. Equality Framework Implementation Plan 2016-2026

**NOTED:**

- i. An implementation plan had been developed for the Equality Framework approved in 2016. This had involved an extensive consultation process with stakeholders and aimed to embed equality and diversity into institutional activities and objectives.

**AGREED:**

- i. The Equality Framework Implementation Action Plan, which set out specific actions to address the student and staff strategic equality objectives and priority areas within the Equality Framework, should be approved.

b. Pension Increases 2018

[Mr P Hackett declared an interest with regard to the University of Liverpool Pension Fund]

**AGREED:**

- i. The recommended pension increases effective from April 2018 that would be applied to the pensions paid by the University of Liverpool Pension Fund (ULPF), Federated Superannuation System for Universities (FSSU) and NHS Severance Pensions (NHS) should be approved. This included:
  - A recommendation from the ULPF Trustee Board to grant a discretionary 3% consolidated increase on ULPF pensions in payment built up before 6 April 1997 in excess of the GMP.
  - Granting a discretionary 3% consolidated pension increase to the Ex-Gratia pensioners paid directly by the University.

c. ULCCo SP Ltd Future Business Planning Report

[Mr P Hackett and Dr A Scott declared an interest with regard to ULCCo SP]

**AGREED:**

- i. ULCCo SP Ltd's projected business plan should be approved.

d. Financial Forecasts Quarter 1 2017/18

**NOTED:**

- i. Despite a forecast increased income of £3.4m compared with plan (mainly due to increased tuition fees following strong recruitment), the forecast EBITDA fell short of the plan position by £0.5m due to additional costs in excess of plan being included. Forecast savings in depreciation had resulted in an operating surplus improvement of £0.4m compared to plan.
- ii. Further work would be carried out to review additional expenditure before Quarter 2.

e. TRAC Return 2016/17

**NOTED:**

- i. The University's draft TRAC return for 2016/17 had been prepared, including a new calculation for margin of sustainability and investment (MSI). The data showed a cost recovery for research that was lower than the lower quartile for the University's benchmarking group. Research charge out rates would be investigated further as an action.

f. Revised Bad Debt Policy

**NOTED:**

- i. Planning and Resources Committee had approved a revised bad debt policy to include a provision for all debts greater than 365 days, and to continue with a specific review of items that fall below the 365 day threshold which are considered to be at risk of genuine default to be included in the provision.

#### **4.2 Budget Parameters for 2018/19**

**RECEIVED:**

- i. A paper summarising the institutional known changes in income and expenditure since the last planning cycle, an overview of investment priorities, and proposals on the level of surplus to be targeted for 2018/19 and 2019/20.

**AGREED:**

- ii. The budgetary parameters for 2018/19 and 2019/20 should be approved for use in the current Planning and Performance Cycle. This would include a temporary reduction in institutional surplus in 2018/19 and 2019/20, pending development of initiatives to generate savings and increase income.

## **OTHER COMMITTEES OF COUNCIL**

### **5.1 Audit Committee**

#### **RECEIVED:-**

- i. The report of the meeting of Audit Committee held 17<sup>th</sup> January 2018

#### **NOTED:**

- ii. Audit Committee had received two internal audit reports classified as high risk, and had considered a plan to address data quality issues associated with student-related statutory returns, involving a range of actions. This would be reviewed at each future meeting of the Committee.
- iii. The Effectiveness Review of Audit Committee was underway, involving a questionnaire and a series of interviews with members. The findings of the review would be reported to the Audit Committee meeting on 19<sup>th</sup> March 2018.
- iv. A report on PDR completion rates for 2017, following the implementation of actions arising from an earlier internal audit report. The PDR completion rates for 2017 was 91%, meeting the Performance Indicator to be achieved by 2021 ahead of time.
- v. The need to gain assurances regarding the University's approach to addressing guidance on Remuneration, due to the importance and high profile of the issue.
- vi. The intention to review the University's due diligence processes (initial and ongoing) for major contracts to ensure that exposure is minimal and the control environment is sufficient. This was in the context of the recent collapse of the construction firm Carillion.

### **6.2 Health and Safety Governance Committee**

#### **RECEIVED:**

- i. A report of the meeting of the meeting of the Health and Safety Governance Committee held 23<sup>rd</sup> January 2018.

#### **NOTED:**

- ii. The Committee had discussed the following matters:
  - Strategy Implementation Update Report (plus latest KPI information)
  - The Wellbeing Annual Report 2016/17
  - Terms of Reference for the Health and Safety Leadership and Risk Management Group

### **6.3 Committee on Research Ethics Annual Report**

#### **RECEIVED:**

- i. The Annual Report from the Committee on Research Ethics, focusing on the development and implementation plans for an improved research ethics process.

#### **AGREED:**

- ii. The changes to the management of the research ethics process, approved by the Senior Executive Group, should be endorsed.

## **STRATEGIC COMMITTEES**

### **7.1 Education Committee**

#### **RECEIVED:-**

- i. A report of the meeting of the Education Committee held 10<sup>th</sup> January 2018.

#### **NOTED:**

- ii. The Committee had discussed updates on:
  - Equality Framework Implementation Action Plan 2016-2026
  - Education Action Plan
    - Education Strategy Action Plan Updates
    - Academic Advisor System Update
  - Faculty Subject Action Plans
  - Draft TEF Provider Submission
  - Faculty Portfolio Plans
- iii. Significant work had been carried out to implement the Education Strategy Action Plan and it was hoped this would lead to improved performance in student experience and employment outcomes in due course. The Destination of Leavers in Higher Education survey was currently in the data collection phase and the early indicators suggested the final outcome for highly skilled employment, a key league table and TEF metric, would be significantly improved compared to the 77.5% value in 2016.
- iv. The KnowHow Centre had been established, with a physical centre in the Sydney Jones Library. KnowHow provided a one-stop shop and blended academic and wellbeing support.

## **7.2 Research and Impact Committee**

### **RECEIVED:**

- i. A report of the meeting of the Research and Impact Committee held 11<sup>th</sup> January 2018.

### **NOTED:**

- ii. The Committee had discussed updates on:
  - Chair's Report:
    - Pro-Vice-Chancellor (PVC) for the Research Environment and Postgraduate Research
    - Incentivising 4\*
    - Research Themes
    - Health, Wealth and Social Justice Theme
    - Tandem Nano
    - China Visit
  - University Partnerships Plan
  - Postgraduate Research Experience Survey (PRES) 2017
- iii. Protocols had been approved for REF 2021 Planning and Governance, supported by a detailed timetable. Progress would be reported to Council through the Quarterly Performance Reports and through update reports from Research and Impact Committee. Council members would not be required to review REF submissions.
- iv. A Times Higher Education supplement was being produced in order to showcase research strengths in the University, aligned to the University's thematic priorities.

## **ROUTINE ITEMS**

### **8 Date of Next Meeting**

#### **NOTED:**

- i. The next meeting of Council would be an Away Day on 18<sup>th</sup> April 2018 at Knowsley Hall.