

**UNIVERSITY OF SALFORD
COUNCIL
MINUTES OF THE MEETING HELD ON
23 NOVEMBER 2011**

Present: Dr A Mawson (Chair)
Mr C Wells (Deputy Chair) (except for item COU.11.67)
Cllr D Antrobus
Mr M Appleton
Mr I Austin
Mr T Britten
Prof M Bull (from COU.11.61)
Dr M Burrows
Mr N Collins
Ms C Dangerfield
Mr T Doyle
Ms F Goodey (from COU.11.61)
Mr J Greenough
Prof M Hall
Mr E Healey
Mr M Johnson
Mr W Smith
Prof H Takruri-Rizk
Ms R Turner

Apologies: Mr K Brady
Mr P Crompton
Ms J Fawcett

In attendance: Dr A A Graves (Registrar and Secretary)
Ms K Brown (Executive Director of Finance)
Mr P Hopwood (Head of Planning and Performance – COU.11.62)
Ms S Craddock (Senior Risk Officer – COU.11.62)
Mr K Barnes (Pro-Vice-Chancellor, Strategic Partnerships – COU.11.64)
Mr M Rollinson (Head of Governance Services and Deputy Secretary)

COU.11.57 MINUTES (COU/11/52)

Council confirmed the minutes of the meeting held on 4 October 2011 as a correct record.

COU.11.58 MATTERS ARISING

1. Acquisition and Disposal Policy for the University Art Collections (COU/11/53)

Further to minute COU.11.49, Council noted a slightly revised version of the Acquisition and Disposal Policy for the University Art Collections which incorporated revisions made by Executive which had not featured in the version seen by Council on 4 October 2011. The

revisions confirmed that the sums set aside for maintenance of the collection were subject to budgetary constraints.

COU.11.59 CHAIR'S ACTION

Council noted that, following consultation with the Nominations and Governance Committee, the Chair of Council had appointed Councillor Derek Antrobus as the Lead Member for the College of Science and Technology.

COU.11.60 VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/11/54)

Council received a report from the Vice-Chancellor updating members on developments since the previous meeting of Council on 4 October 2011. The Vice-Chancellor invited questions and comments on the report and the following matters were raised;

- i) Council welcomed the invitation from Cllr D Antrobus to respond to the consultation on the Crescent Planning Framework;
- ii) the closing date for interviews for the post of Pro-Vice-Chancellor (Research and Innovation) had now passed; the post had attracted a strong field and interviews were to be held in early December;
- iii) the Duke of Gloucester had visited the Energy House and Think Lab on 17 November 2011;
- iv) Council welcomed the thought provoking report from the Vice-Chancellor, drafted following the conclusion of the open consultation on the future of Arts, Humanities and Social Sciences (AHSS) at the University. The Vice-Chancellor reported that recent discussion at Executive had reinforced the view that the University's postgraduate taught provision (in Arts, Humanities and Social Sciences and other disciplines) needed to undergo significant review. The following agenda item (COU.11.61) contained details of failure to recruit to budgeted levels of international postgraduate provision and whilst this could be partly attributed to UKBA and visa related issues, the Executive was clear that Masters provision needed to be re-engineered and re-energised. From 2012, postgraduate fees would rise (because of the lack of HEFCE grant); the absence of student number controls for postgraduate taught students meant that this was a potential growth area, provided that the University had an attractive and engaging portfolio of programmes. In the context of AHSS, for example, there were opportunities for innovative cross-disciplinary work (eg linking creative writing/storytelling to mental health) and across the board, there was scope for development of progression for professionals at the early stage of their mid-career which was a currently underexplored segment of the market. Examples of disciplines where existing strengths could be built on in terms of professional development were prison services, security services and interpreting and translating; in addition, the University could build and expand on existing strengths in on-line provision.

Council concurred with the view expressed by the Vice-Chancellor that the University's postgraduate taught portfolio should be predicated on distinctiveness and difference, and not a discounted version of traditional Masters programmes offered elsewhere. Council welcomed the Executive decision to establish a Task Group to review the area of postgraduate provision and looked forward to receiving a progress report at its next meeting.

COU.11.61 FINANCE REPORTS

The Committee considered the following documents which were introduced by the Executive Director of Finance;

- Financial Statements for the year ended 31 July 2011 (Document COU/11/55)
- Letter of Representation to the External Auditors regarding the Financial Statements for the year ended 31 July 2011 (Document COU/11/56)
- Report from the Executive Director of Finance (Document COU/11/57)
- HEFCE Financial Results and Forecasts 2009-10 to 2011-12 (Documents COU/11/58 and 58A)

The Committee noted that the Financial Statements included an Operating and Financial Review (OFR) and that this contained a section articulating risks to achieving University strategy (international recruitment was included in the list of risks under closest scrutiny at the end of 2010-11). The OFR included a Public Benefit Statement. The financial review contained comparative data from 2006-07 and this included an analysis of University performance against sector average in relation to historic cost surplus and staff costs as a percentage of total income.

The Executive Director of Finance drew attention to the historic cost surplus for the year after taxation (£345,000) and, on the balance sheet the increase in tangible assets which reflected the significant investment in the estate.

Council noted that the Financial Statements had been scrutinised and recommended for approval by Audit Committee and had received a "clean" opinion from the external auditors, Grant Thornton. Accordingly, Council **resolved** to approve the Financial Statements for submission to HEFCE. Council also **resolved** to approve the Letter of Representation to the External Auditors regarding the Financial Statements.

The Executive Director's report (COU/11/57) provided a bridge between the Financial Statements for 2010-11 and the Financial Forecasts for 2011-12.

Council noted and endorsed the following;

- i) the proposed approach to strategic land acquisition and disposals as set out in the report;
- ii) in relation to loan financing, the final outcome of negotiations and agreed interest rates as set out in the report;
- iii) in relation to the Student Residences Project, the approach outlined in the report;
- iv) in relation to Salford Software Ltd, action taken to date, including the establishment of monthly financial reporting meetings between the respective Directors of Finance.

The Executive Director spoke to the section of her report which provided further details in relation to the forecast deficit for 2011/12 and the adverse movements that had led to this. Council considered this information alongside the report and spreadsheets that had been prepared for submission to HEFCE, subject to Council approval.

The Vice-Chancellor's earlier report referred to the establishment of the Task Group reporting to Executive on the future of postgraduate taught provision. This work was taking place alongside the Academic Portfolio Review and, more recently, in light of the need to remove approximately 350 undergraduate places in response to "core and margin" student number controls, consideration of programmes for removal with effect from September 2012. The Deans had been asked to present financial options and business cases by early-mid December; this would enable the timely opening of formal consultation processes if appropriate. As a first step, Executive had made a decision to cease recruitment to a small number of foundation programmes with immediate effect. Council noted that the University's wide-ranging review of its academic offer was reflected elsewhere in the sector; it was reported that over 5,000 programmes had been removed from the sector over the past year. Council was advised that, following restructuring, the University now had good professional services support in both market intelligence and marketing and it was important that Schools provided an attractive, innovative range of programmes to build on and make full use of this support.

The Registrar and Secretary drew members' attention to the University's approach to Continuing Professional Development (CPD). In comparison to other comparable universities the University achieved modest revenue from this source (£1 million per annum compared to £10 million per annum at the University of Central Lancashire) and a fundamental revision of the University's approach had taken place. This included the establishment of a special purpose vehicle to manage CPD activity both at home and internationally (the University was aware of significant interest, from partners in India, for example in the CPD market). The Validation Service (initially with Manchester College) was also anticipated to attract significant revenue (approximately £1 million) in the current financial year.

Council endorsed the broad approach of continuing to keep costs under close scrutiny but in the context of a situation where focusing on areas of academic strength and retreating from unpopular, loss making programmes, might result in the short term need for further restructuring costs. Council requested the receipt of regular progress reports on measures to address the projected deficit, if necessary between (rather than solely at) meetings.

Council noted further that with the implementation of the Professorial Review Programme, alongside other performance review processes, the University was reaching a position where it could objectively assess the performance and measure the contribution of all staff. The Professorial Review process, which had been outlined to Remuneration Committee at its recent meeting would enable, for the first time, a robust process for linking professorial pay and reward to performance and contribution.

Council noted that, in retrospect, the challenging growth targets that had been included in some earlier forecasts had been over ambitious, although it accepted that the public policy and international context had changed markedly in a relatively short space of time. It was noted further that the University's forecasts (for both recruitment and retention) for 2012-13 were extremely prudent and probably the most conservative in the sector. The Registrar and Secretary expressed the view that despite the forecast deficit, the University's long term financial position was robust.

Council noted a question about the potential increase in demands on staff arising from any acceleration or widening of the scope of the Transformation Programme; a number of key academic and professional services colleagues were already stretched through a combination of maintaining business as usual and contributing to the Transformation Programme. The Vice-Chancellor advised that Executive was mindful of this and kept a close eye on developments (for example, the Registrar had commissioned a review of all initiatives and programmes to facilitate prioritisation); the Vice-Chancellor advised further that through a combination of the optimisation of data returns and ensuring a close match between staff availability and student demand, pressure on staff: student ratios would be managed appropriately.

After full consideration of the matter, as outlined above, Council **resolved**:

- vi) to approve the Financial Forecasts for 2011-12
- vii) to receive regular update reports on the financial situation (including between meetings as and when appropriate)

COU.11.62 CORPORATE RISK UPDATE REPORT (COU/11/59)

Council received the Corporate Risk Update report, presented by Ms S Craddock, the Senior Risk Officer. Council noted the top twelve risks and changes to the schedule since the previous meeting as outlined in the report. The most significant risks were around international recruitment and the 2011/12 budget, in accordance with discussion under the previous item. Other risks commented upon included those surrounding implementation of the Transformation Programme and potential loss of key staff in the lead up to the Research Excellence Framework Submission. In relation to Media City, Council noted that successful delivery of the building on time and within budget meant that this item had been closed, although the achievability of the associated business plan was being kept under close review.

The Vice-Chancellor reminded Council that Executive regularly reviewed the full Risk Register and that, in addition, he received regular personal updates. In response to a question, Council noted that the Executive was mindful of congruence of risks and potential impacts and the difficulties this might present for effective management of the institution; this formed part of consideration during the regular reviews referred to above.

COU.11.63 ICT TRANSFORMATION PROGRAMME (COU/11/60)

Council noted the update report on the ICT Transformation Programme from the Chief Information Officer. Council thanked the Chief Information Officer for the work to date, noting the scale of the challenge involved (and noted that the project included future operation and development of IT Services). Council would receive a final report, including a full financial breakdown at its next meeting.

COU.11.64 SALFORD EDUCATION TRUST (COU/11/61)

Council received a report from the Pro-Vice-Chancellor (Strategic Partnerships and Development) which advised that Executive had approved, in principle, the University's involvement in the proposed Salford City Academy Trust. Council noted that the vehicle for this development was likely to be a company limited by guarantee; Salford City Council had secured Department for Education approval to be an academy sponsor and act as the "academy body". The Trust would, initially, be responsible for Albion High School and Marlborough Road Primary School.

Council noted the changing pre-16, local educational landscape; to ensure coherence, proposals were being developed to create a Salford Learning Partnership to allow interaction and collaboration between Schools and sharing of support services. It was noted that the Learning Partnership would report into the existing Salford Strategic Partnership, of which the University was already an active partner.

Council noted that there were potential reputational (and to a lesser degree) financial risks involved and these would need to be appropriately addressed and mitigated; nevertheless, Council endorsed the benefits outlined in the report, in particular the potential to raise pupil aspiration and enhance relationships between the University and young people (and their parents) in the community.

Council therefore endorsed the approach outlined in the report, subject to further work on the development of the company structure; a further report would be brought back to Council, once proposals had developed further.

COU.11.65 REPORT FROM AUDIT COMMITTEE (COU/11/62)

Council considered the report from the meeting of Audit Committee held on 1 November 2011 and **resolved** to;

- i) endorse Audit Committee's approval of the Key Issues Memorandum issued by Grant Thornton;
- ii) approve the HEFCE Annual Assurance Return for signature by the Vice-Chancellor;
- iii) approve the Audit Committee Annual Report

Council noted that Audit Committee had recommended approval of the financial statements and the letter of representation to the external auditors which had been approved earlier in the meeting (COU.11.61)

COU.11.66 REPORT FROM NOMINATIONS AND GOVERNANCE COMMITTEE (COU/11/63)

Council noted the report of the meeting of Nominations and Governance Committee held on 3 November 2011.

COU.11.67 REPORT FROM NOMINATIONS AND GOVERNANCE COMMITTEE (CONSIDERATION OF HONORARY DEGREES) (COU/11/64)

Council considered the report for the meeting of Nominations and Governance Committee (for the consideration of Candidates for Honorary Degrees) held on 14 November 2011 and **resolved** that awards be made to candidates recommended by the Committee.

COU.11.68 REPORT FROM REMUNERATION COMMITTEE (COU/11/65)

Council received the report from the meeting of Remuneration Committee held on 17 November 2011. The Chair of the Committee, Mr M Johnson, supplemented the report with some further information. The Committee noted that scope, terms of reference and membership of the Committee had been considered and this would provide useful background for the work of the newly appointed consultants to the Committee, Hewitt New Bridge Street (HNBS). HNBS would also be advising on the establishment of reward principles, providing and interpreting market data and designing reward structures.

Council noted that the Committee had also considered the professorial pay review. The Committee would, in the first instance, review recommendations arising from the Professorial Review Committee (PRC). PRC would provisionally allocate professors to one of four bands. The Committee was likely to meet again either later this year or early next year to confirm proposals.

The Chair reported the recommendations of the salary review of the senior staff (including the Vice-Chancellor and the Registrar and Secretary).

Noting that the Committee would meet more frequently in 2012, Council agreed to receive further reports from the Committee as and when required.

COU.11.69 REPORT FROM COUNCIL ADVISORY GROUP (COU/11/66)

Council considered the report of the meeting of the Council Advisory Group held on 3 November 2011, including the reports from the Lead Member meetings;

Council noted;

- i) that the Executive Director of Estates, Frank Benton, was leaving the University in December 2011. Council placed on record its thanks and appreciation to Mr Benton for his contribution to the work of the University over the past four years. An interim Executive Director, Keith Beal, had been appointed and there would be a brief handover period;
- ii) that the Lead Member Finance Report indicated that as recently as five weeks ago, firm quantification of the financial impact of failure to achieve recruitment targets had not been possible;
- iii) that since the Lead Member Human Resources meeting, UNITE had announced that its members had voted for action short of a strike. UNITE membership at the University was small (23 members) and minimal impact on service was anticipated. UCU had given the required seven days notice (following the recent ballot for strike action) and was asking its members to join the national day of action on 30 November 2011. Contingency

arrangements were in place and appropriate information had been passed to management and all other staff. Dialogue had taken place with UNISON regarding the apparent failure to offer prior notice of the intention to hold a ballot on industrial action. The University was disputing UNISON's claim that sufficient notice had been given and was currently in discussion with legal advisors about possible next steps;

- iv) the developments in relation to IT governance issues and the benefits of centralisation IT purchasing as outlined in the report from the ICT Lead Member;
- v) further to the report of the Equality and Diversity Lead Member, the "Living Library" event which had been held on 23 November 2011, which enabled staff and students to hear the life experience of a range of individuals from different minority communities.

COU.11.70 REPORT FROM SENATE (COU/11/67)

Council considered the report from the meeting of Senate held on 2 November 2011. Council **resolved** to endorse the approach of Senate (and the Executive) to the changes to Research Centre structure as set out in the report, ie;

- formation of the Civil Engineering Research Centre
- formation of the Autonomous Robotics Research Centre
- reconfiguration of four existing Research Centres into the Ecosystems and Environment Research Centre and the Biomedical Research Centre.

Council noted the report of the discussion at Senate on the change to a nomination process rather than election for appointment of staff members to Council. Whilst this matter had been before Senate for information only, Council agreed that it was helpful to be aware of the concerns of a small minority of Senate members on this matter, noting that there had been consideration of the respective merits of nominations and election processes at both Nominations and Governance Committee and Council. Council noted that similar concerns had been expressed by a member at its previous meeting and that, whilst no change was proposed, methods of appointment to Council would be kept under review by Nominations and Governance Committee.

COU.11.71 USE OF UNIVERSITY SEAL (COU/11/68)

Council noted the report outlining the use of the University Seal since the previous meeting.

COU.11.72 ANY OTHER BUSINESS

1. Appointment of Chancellor to new international position

The Vice-Chancellor had recently circulated to members, notification of the appointment of the Chancellor, Irene Khan, as Director General of the International Law Development Organisation. The Vice-Chancellor emphasised that appointment to this role would have no impact on the Chancellor's ability to fulfil her duties and provided a further opportunity to raise the University's international profile. Council **resolved** to pass on its congratulations to the Chancellor on her appointment.

2. Chris Wells

The Chair paid tribute to the contribution to the Council of Chris Wells, who was attending his final Council meeting before stepping down from Council on 31 January 2011. Mr Wells had served on Council for eleven years and had been a constant source of considered, sound and valuable advice, serving the Council in a wide range of capacities. Council **resolved** to record its sincere thanks to Mr Wells for his enormous contribution to University governance, noting its earlier decision to award him an honorary doctorate.

COU.11.73 **DATE OF NEXT MEETING**

Thursday 22 March 2012 at 4.00 pm

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