

## UNIVERSITY OF SALFORD

## COUNCIL

## MINUTES OF THE MEETING HELD ON 27 NOVEMBER 2015

Present: Baroness Beverley Hughes (*Chair*), Derek Antrobus, Geoff Bean, Jonathan Carson, Phil Cusack, Garry Dowdle, Jill Evans, Amina Helal, Marina Hristova, Sam Plant, Susan Price, Ahmed Rafiq, Joyce Redfearn and Professor Tony Warne

Apologies: Dr Mike Burrows, Julia Fawcett, Ben Gallop, Professor Helen Marshall, Ian Moston, Sean O'Hara, and Tom Russell

In attendance: Professor Gerry Kelleher (Interim Pro Vice Chancellor), Vikki Goddard (Chief Operating Officer), Julie Charge (Director of Finance), Andrew Hartley (Director of Legal, Planning & Governance) and Stewart Smith-Langridge (*Secretary*).

COU.15.81 **MEMBERSHIP**

Reported:

- i. that Senate had appointed Jonathan Carson, Associate Dean Academic (Enhancement) in the School of Arts & Media, to serve as an internal member of Council, replacing Professor Martin Bull;
- ii. that Stephen Sorrell had resigned from Council and ceased to be a member of Council and Chair of Governance and Nominations Committee with immediate effect.

The Chair welcomed Jonathan Carson to his first meeting of Council.

COU.15.82 **MINUTES OF THE PREVIOUS MEETING (COU/15/63)**

**Confirmed:** the minutes of the meeting of Council held on 25 September 2015.

COU.15.83 **MATTERS ARISING FROM THE MINUTES**

Noted: the update on the previous meeting's actions appended to the minutes.

COU.15.84 **STARRED ITEM**

**Confirmed:** that agenda item 25 (Use of University Seal) would be noted without discussion.

COU.15.85 **CHAIR'S ACTION**

Reported: that the Chair had taken action to appoint Jonathan Carson as an internal member of the Governance and Nominations Committee.

COU.15.86 **ANNUAL ACCOUNTABILITY RETURNS – SUMMARY OF REQUIREMENTS (COU/15/64)**

Received: the summary of HEFCE annual accountability requirements

Reported:

- i. with the agreement of the Chair the dispatch to members of some papers for the meeting had been delayed pending an investigation into a potential issue relating to the financial returns to HEFCE;
- ii. after consideration of sector practice and scrutiny by HEFCE the University was assured the potential issue did not affect the 2014/15 return.

COU.15.87 **EXTERNAL AUDIT HIGHLIGHTS MEMORANDUM AND MANAGEMENT LETTER (COU/15/65)**

Considered: the Audit Highlights Memorandum and Management Letter for submission to HEFCE.

Noted:

- i. the report followed a standard external audit report structure from KPMG and raised no concern regarding the financial sustainability of the University;
- ii. through audit the provision for a potential liability to the Universities Superannuation Scheme had been reduced from £2.3m to £1.2m;
- iii. issues arising from the paper had been given thorough consideration at the joint meeting of the Audit and Risk Committee (ARC) and the Finance and Resources Committee (FRC) on 3 November 2015 (minute COU.15.101 refers) where no significant concerns had been expressed. An issue regarding the commissioning of non-audit work from the auditors would be considered by the ARC with a view to enhancing transparency of authorisation and fee levels;
- iv. there were no high priority recommendations arising from the KPMG audit; medium priority recommendations had been or were being addressed. With reference to the recommendation regarding Student Loan Company balances the University's performance and practice were not out of kilter with other institutions but steps had been taken to improve arrangements.

**Approved:** the submission to HEFCE of the Audit Highlights Memorandum and Management Letter .

**ACTION 1:** Director of Finance

COU.15.88

**FINANCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2015 (COU/15/66)**

Considered: the Financial Statements for the year ending 31 July 2015 for submission to HEFCE

Noted:

- i. the paper had not been amended since its endorsement by the joint meeting of ARC and FRC except for the correction of one typo;
- ii. the statements confirmed a positive trend, delivering a historical cost surplus of £11.2m and an operating surplus of £5.8m;
- iii. staff costs as a percentage of total income had reduced to 52%, meeting the University's target; this had been achieved in part through not filling some vacant posts;
- iv. the emoluments of the former Vice Chancellor were likely to feature in the annual review of VCs' pay by the Times Higher Education publication;
- v. next year's financial statements would be presented in accordance with new accounting standards.

**Approved:** the submission to HEFCE of the Financial Statements for the year ending 31 July 2015.

**ACTION 2:** Director of Finance

COU.15.89

**FINANCIAL RESULTS AND FORECASTS 2014/15 - 2015/16 (COU/15/67a & 67b)**

Considered: the financial results tables for 2014/15 for submission to HEFCE and a financial commentary on past performance and future prospects.

Noted:

- i. [REDACTED]
- ii. [REDACTED]

**Approved:** the financial commentary on past performance and future prospects and the accompanying financial tables for submission to HEFCE.

**ACTION 3:** Director of Finance

Paragraphs from this minute have been redacted as they are considered to be exempt information as defined by section 43 (2) of the Freedom of Information Act 2000

COU.15.90 **ANNUAL ASSURANCE RETURN (COU/15/68)**

Considered: the Annual Assurance Return to HEFCE.

**Approved:** the submission of the Annual Assurance Return to HEFCE.

**ACTION 4:** Director of Finance

COU.15.91 **AUDIT AND RISK COMMITTEE ANNUAL REPORT (COU/15/69)**

Considered: the Annual Report of the Committee for submission to HEFCE

Noted:

- i. the new Chair of the Committee commended the depth of analysis undertaken by Committee members and the University's approach to addressing audit recommendations which had also been commended by the internal auditors;
- ii. the Committee was adopting a more strategic approach, using the corporate risk register more systematically to determine the programme of audits while permitting some flexibility to plan in-year adjustments;
- iii. the Chair of the Committee confirmed that information security, and particularly cyber security, i.e. the protection of the University's data assets from online attack, would be considered at a future meeting of the Committee alongside Business Continuity and Disaster Recovery Planning. Any future investment plan to guard against potential data breaches would have to be considered by FRC;
- iv. the Committee had agreed a process whereby it would plan the exploration in depth of an issue or risk;
- v. a member of the Committee commended the value of internal audit in addressing issues proactively rather than only in response to perceived weaknesses.

**Approved:** the submission to HEFCE of the Annual Report of the Audit and Risk Committee.

**ACTION 5:** Director of Finance

COU.15.92 **VALUE FOR MONEY ANNUAL REPORT (COU/15/70)**

Considered: the Value for Money Report as an optional part of the return to HEFCE

Noted:

- i. while this return was currently voluntary it was likely to become mandatory in the future, leading to a standardised approach from the sector where currently there was diverse practice;
- ii. the University sought to benchmark its data against a sub-set of the University Alliance group. However, it did not belong to any specific data benchmarking groups and non-standardised data sets did present challenges for benchmarking. The University was receptive to the notion of further benchmarking which might provide greater insight into best practice and the effectiveness of investment;
- iii. the University had adopted the Best Companies "b-heard" employee survey which would provide a rich source of benchmarking and the results of this survey could feature in next year's VfM return;
- iv. the Procurement Team would welcome FRC consideration of the University's Procurement Strategy.

**Resolved:** that the University investigate a more pro-active approach to working with an identified sub-set of University Alliance institutions to benchmark data which was not publicly availability.

**ACTION 6:** Chief Operating Officer, Director of Finance

**Approved:** the submission of the Value for Money Report as an optional part of the return to HEFCE.

**ACTION 7:** Director of Finance

COU.15.93 **ANNUAL SUSTAINABILITY ASSURANCE REPORT (COU/15/71)**

Considered: the Annual Sustainability Assurance Report as an optional part of the return to HEFCE.

**Approved:** the submission of the Annual Sustainability Assurance Report as an optional part of the return to HEFCE.

**ACTION 8:** Director of Finance

COU.15.94

**LETTER OF REPRESENTATION FROM COUNCIL TO THE EXTERNAL AUDITORS (COU/15/72)**

Considered: the Letter of Representation to the External Auditors for submission to HEFCE.

**Approved:** the submission to HEFCE of the Letter of Representation to the External Auditors.

**ACTION 9:** Director of Finance

COU.15.95

**ACADEMIC SUB-STRATEGIES (COU/15/73)**

Considered:

- i. a paper providing a strategy map 2016/17 – 2020/21 and summary document for each of the University's four academic sub-strategies:
  - Academic Growth and Diversification
  - Education and Student Experience (currently Academic Improvement)
  - Research and Enterprise
  - International
- ii. a presentation by the Interim PVC on the context and focus of the academic sub-strategies supporting the delivery of the new University Vision

Noted:

- i. members welcomed the ambition evidenced in the paper and presentation and understood the context and focus of the sub-strategies; it was less clear to members how this ambition was to be achieved in practice, particularly in the absence of KPIs and Targets which were not included within the sub-strategy summaries;
- ii. the timing of the University's strategy development would bring draft 2016/17 KPIs to the Council Away Day on 29 January 2016 before an integrated Strategic Plan could be articulated; the subsequent planning cycle would consider across the institution how targets were to be achieved;
- iii. The Annual Operating Plan containing KPIs and targets had already been agreed for 2015/16 to set the groundwork for the implementation of the sub-strategies. For example the anticipated introduction of the Government's proposed Teaching Excellence Framework confirmed the immediate focus on improvements to NSS scores and retention rates;
- iv. the suggestion that stakeholder engagement and cultural change within the organization would be enhanced through a plainer, jargon-free articulation of the sub-strategies;
- v. investment strategy was crucial to deliver the matrix of strategies with many moving parts, especially within a highly competitive sector; the University could not hold back and needed to adopt a test and learn approach;
- vi. the sub-strategy summaries revealed a varied approach to identifying key risks and it was suggested that a consistent, in-depth risk analysis would be a useful development tool;
- vii. while the sub-strategies identified stakeholders, members could not easily discern what contributions those stakeholders were yet to make to the further development of the strategies. Specifically, mention was made of a local initiative involving both the University and Salford City Council which could provide an opportunity for road-testing the strategies. In addition student members highlighted the need to engage with students outside the National Student Survey, especially international students, on improvements to the student experience to meet student expectations;
- viii. members reiterated their support for the ambitious strategies and for the work already in train to establish the environment to deliver them;
- ix. further assurance was needed to demonstrate the feasibility of the strategic aspirations, given current levels of institutional performance and staff capability.

**Resolved:**

- i. to endorse the Academic Sub-Strategies;
- ii. that Council be kept abreast of strategic developments and receive appropriate assurances of the continuing feasibility of the University's strategic aspirations.

**ACTIONS 10 & 11:** Vice Chancellor

COU.15.96      **ANNUAL HEALTH, SAFETY & WELLBEING REPORT (COU/15/74)**

Considered: the Annual Report to Council on Health, Safety and Wellbeing

## Noted:

- i. in the context of its particular focus on the management of sickness the University had improved its performance during 2014/15;
- ii. the Finance and Resources Committee would consider amended targets for 2015/16 to ensure an appropriate level of ambition and progress.

**Approved:** the Annual Report on Health, Safety and Wellbeing.

**ACTION 12:** Director of Human Resources

COU.15.97      **IMPLEMENTATION OF ENHANCEMENTS TO TIMETABLING**

Reported: this item had been withdrawn from the agenda and would be considered at the next meeting of Council.

COU.15.98      **COUNCIL AWAYDAY UPDATE (COU/15/76)**

Considered: an outline structure for the Council Away Day scheduled for 29 January 2016.

## Noted:

- i. provision was being made for external input on issues raised by some members during their one-to-one meetings with the Chair earlier in the year;
- ii. the suggestions that the Away Day should provide:
  - reflection from (and attendance of) the Executive Team on how Council could be more effective
  - an opportunity for members to socialise informally
- iii. the proposal to hold the event at MediaCityUK while the induction event for new members on 8 January 2016 showcasing the main Peel Park campus would be opened up to all members of Council.

**Resolved:** that all members be invited to the induction event for new members on 8 January 2016.

**ACTION 13:** Director of Legal, Planning & Governance

COU.15.99      **REPORT FROM SENATE (COU/15/77)**

Received: the report of the special meeting of Senate held on 9 October 2015.

COU.15.100      **REPORT FROM AUDIT AND RISK COMMITTEE (COU/15/78)**

Received: the minutes of the meeting of Audit and Risk Committee held on 3 November 2015.

Noted: the outcome of the MediaCityUK internal audit reflected a need to develop improved performance measures to assure the University's investment was effectively controlled, including measurement of building usage.

COU.15.101      **REPORT OF THE JOINT MEETING OF THE AUDIT AND RISK COMMITTEE AND THE FINANCE AND RESOURCES COMMITTEE (COU/15/80)**

Received: the minutes of the joint meeting of the Audit and Risk Committee and the Finance and Resources Committee held on 3 November 2015.

COU.15.102 **REPORT FROM FINANCE AND RESOURCES COMMITTEE (COU/15/80)**

Received: the minutes of the meeting of Finance and Resources Committee held on 3 November 2015.

COU.15.103 **REPORT FROM REMUNERATION COMMITTEE MEETING (COU/15/81)**

Received: the minutes of the Remuneration Committee meeting held on 3 November 2015.

Noted: one of the two tendering companies had been appointed as external advisers to the Committee.

COU.15.104 **USE OF UNIVERSITY SEAL (COU/15/82)**

Received: a report setting out use of the University Seal since the previous Council meeting.

COU.15.105 **ANY OTHER BUSINESS: SETTING UP US DOLLAR BANK ACCOUNT (COU/15/83)**

Tabled: a proposal to set up a US dollar bank account with Lloyds Bank PLC to improve the administration of US loans for US students.

**Approved:** the establishment of a US dollar account with Lloyds Bank PLC with the same signatories as for other accounts held with Lloyds.

**ACTION 14:** Director of Finance

COU.15.106 **REFLECTIONS ON THE MEETING**

Noted: in response to the Chair's invitation to comment on the conduct of the meeting a member provided the following observations:

- the Chair had provided a careful introduction to the business of the meeting
- there was an effective relationship between the business of Council and its committees and evidence of consistency in the work of the Audit and Risk Committee through the transition from one Chair to another.
- members had demonstrated through discussion their conscientious preparation and had ample opportunity to ask questions and received considered responses from University officers
- the Council had provided both a reality check and a valuable steer to management on some matters under consideration
- consideration should be given as to how Council could be briefed on complex strategic issues in the most effective manner.

COU.15.107 **DATE OF NEXT MEETING**

Friday 18 December 2015 at 2.00pm.