

## COUNCIL

## MINUTES OF THE MEETING HELD ON 12 MAY 2017

Present: Baroness Beverley Hughes, (Chair), Geoff Bean, Dr Mike Burrows, Phil Cusack (*until minute COU.17.28*), Garry Dowdle, Jill Evans, Amina Helal, Councillor Paul Longshaw, Professor Helen Marshall, Ian Moston, Sean O'Hara, Sam Plant (*participated by telephone until minute COU.17.31*), Professor Susan Price, Margaret Rowe and Professor Tony Warne.

Apologies: Julia Fawcett, Ben Gallop, Joyce Redfearn, Tom Russell.

In attendance: Julie Charge (Director of Finance), Andrew Hartley (Director, Legal and Governance), Jo Makin (Corporate Governance Manager), John McCarthy (Director of Marketing & Student Recruitment), Jackie Njoroge (Director of Strategy), Jo Purves (PVC, International and Regional Partnerships), Professor Richard Stephenson (Deputy Vice-Chancellor) and Martin Toner (Secretary)

**PART 1 (COUNCIL MEMBERS AND DIRECTOR OF LEGAL AND GOVERNANCE ONLY)**COU.17.26 **RESIGNATION OF CHAIR OF COUNCIL**

Reported: that the Chair of Council had offered her resignation as a member and as Chair of Council in order to take up a new role as a Deputy Mayor. The resignation would be effective from 6 June 2017. The media business for the meeting was therefore to consider and agree an interim Chair and an approach towards the Recruitment and appointment of a new Chair.

AGREED that:

- i) Mike Burrows, the Deputy Chair, be appointed interim Chair for a period until the end of December 2017, noting that in view of external work and other commitments, Dr Burrows would be unable to extend this period;
- ii) a Recruitment Sub-Committee be appointed consisting of the chair of the Governance, Nominations and Ethics Committee (as Recruitment Subcommittee Chair), interim Chair, the VC, the chairs of ARC and SEC and an external chair from another university. The Sub-Committee would be supported by the University Secretary and search and select consultants to be appointed by the subcommittee.

**ACTIONS 1 - 2: DIRECTOR, LEGAL AND GOVERNANCE****PART 2**COU.17.27 **MINUTES OF THE PREVIOUS MEETING (COU/17/20)**

Confirmed: the minutes of the meeting of Council held on 24 March 2017.

COU.17.28 **MATTERS ARISING FROM THE MINUTES (COU/17/21a - c)**

In respect of COU.17.07 Teaching Excellence Framework (13 January 2017), a report (COU/17/21a) was received which set out the work being undertaken with regard to:

- The explanation of the higher fee regime;
- The communications plan around the publication of the TEF outcome which was expected to be a bronze rating for the University.

Noted: that while the report was welcomed, it would have been helpful to have seen targeted outputs for specific key strategic items such as the ICZs and International Medical School.

In respect of COU.16.06 Strategic Plan Update (18 March 2016), a report (COU/17/21b) was received which set out how the University had been communicating, promoting and

gathering feedback on its Strategy.

AGREED:

i) that a short script and soundbites to assist Council members on key messages would be circulated;

**ACTION 3: DIRECTOR, MARKETING & EXTERNAL RELATIONS**

ii) that the Government's Higher Education Green Paper and the University's response be circulated.

**ACTION 4: DIRECTOR OF STRATEGY**

In respect of COU.16.28 Budget 2016/17 (6 May 2016), an update (COU/17/21c) was provided on the current pay to income analysis, the University's relative position in the sector and the ongoing actions to ensure the level was appropriate.

In respect of COU.17.23 Quarter 2, 2016/17 Performance Report it was reported that it was proposed to bring the University's Marketing Plan to Council in the autumn following the end of the current recruitment cycle. The University was currently undertaking a mapping exercise to clearly distinguish between the University's strategies, which required Council approval, and University plans, which did not.

AGREED: that the completed mapping of University strategies and plans should be brought to the October 2017 meeting.

**ACTION 5: DIRECTOR OF STRATEGY**

COU.17.29

**VICE-CHANCELLOR'S REPORT (COU/17/16)**

Considered: a report from the Vice-Chancellor on key issues affecting the University.

Reported: that since the circulation of the report, the government's Higher Education and Research Bill, which had recently been passed, stipulated that universities participating in the TEF would be able to make annual inflationary increases to tuition fees, regardless of TEF rating, until 2019/20.

Noted: that the 22% increase in full-time postgraduate students over the last year cited was the sector-wide figure: the increase at Salford had been 66%. While it was possible that this increase was due to a set of specific circumstances, it was expected that going forward a better uptake would occur than previously.

COU.17.30

**ANNUAL OPERATING PLAN, 2017/18 (COU/17/23)**

Received: the University's Annual Operating Plan for 2017/18, introduced by a presentation from the Director of Strategy.

- i) Reported: that this year's plan had been developed within the context of University's framework of academic sub-strategies and key functional strategies, and gave assurance that the University's strategic priorities would be progressed in 2017/18. It was explained that the planning process, which was currently undertaken by schools/professional services on an individual basis, would be run differently from next year in order to reduce siloing.

Noted:

- ii) the view of Council that the document represented a significant improvement on previous Plans, clearly showing the alignment of the institution's strategic priorities and operational objectives. However it was felt that the Plan could have better reflected the role played by cross-University collaboration in the achievement of key objectives;
- iii) While the table of Core Indicators was helpful and provided an increased degree of transparency, it might benefit from some tightening of the terminology used; for example the replacement of "target" with "minimum" or "threshold". The use of "stretch" and "consolidation" targets should also be reviewed;
- iv) Due to the significant differences in methodology likely to be introduced by the Stern report, it was difficult to track accurately the University's trajectory for the next Research Excellence Framework exercise; as a result the indicators included

were cautious.

RESOLVED:

- i) that the Plan be approved for adoption in 2017/18;
- ii) that Council receive an update report in the autumn which would include an indication of progress against stretch targets and a review of Section 11, Core Indicators.

**ACTION 6: DIRECTOR OF STRATEGY**

**COU.17.31 FINANCIAL PLAN 2017/18 – 2019/20 (COU/17/24)**

Received: a report detailing the Financial Plan for the period 2017/18 to 2019/20, including the key assumptions.

Reported: that although it had been announced that all universities participating in TEF would be able to increase fees by RPI for a further year, until 2019/20, the next few years were likely to prove challenging for the HE sector. A number of universities were currently facing significant financial issues. A prudent approach had been adopted in calculating the projected figures, which incorporated an average 5% reduction against original budget submissions across business units. A series of planned actions were outlined to the Committee which sought to manage the financial challenge at Salford.

Noted that the plan noted a number of factors which were applying pressure on the University's pay to income ratio. While pay costs were considerable and the University was right to seek to keep this ratio as low as was practically manageable, it should remain open to other avenues for improving the operating surplus, such as reducing non-pay costs.

AGREED:

- i) that the Plan be approved;
- ii) that Finance and Resources Committee should receive a report setting out the University's options with regards to pay, pensions and non-pay spend, and implications for financial performance.

**ACTION 7: CHAIR OF FRC; DIRECTOR OF FINANCE**

**COU.17.32 BRONZE TO SILVER – TEF PATHWAY (COU/17/25)**

Considered: a report setting out the University's planned actions for achieving a TEF Silver rating by 2018/19. The report was a revised version of the document (COU/17/19) which had been submitted to the last Council meeting on 24 March 2017, but which had not been considered in detail due to time constraints.

Reported: that due to the data lag inherent in the TEF evaluation process, any metrics intended to impact upon the 2020/21 outcomes would have to be in place by February 2018.

Noted: the view of Council that this was a well-constructed and informative report.

**COU.17.33 GREATER MANCHESTER INTERNATIONAL MEDICAL SCHOOL (COU/17/26)**

Received: an update report on the activities underway to develop the business case for the Greater Manchester International Medical School (GMIMS).

Reported: that since the report was produced there had been further meetings of the three participating institutions on 9 May to consider the consequences of the removal of the cap on international recruitment for medical schools. All three institutions had now reconfirmed their commitment to GMIMS, with the University of Manchester underwriting the curriculum rather than proceeding as a fully participating joint venture party.

Noted:

- i) that the planned launch date of September 2019 was challenging, even with support

from General Medical Council. Council members confirmed their commitment to the agreed timeline.

ii) that it was crucial that the international market for the School was kept under close review. The next report to Council would include a critical gateway analysis, giving an indication of external assurance measures being undertaken to assess the continued feasibility of the project.

AGREED:

i) that the University would continue to develop the project through to completion, subject to the continued provision of a robust business case, including financial modelling;

ii) that a timeline identifying critical gateways be produced, with input from external assurance sources where appropriate.

**ACTIONS 8 - 9: VC; DEPUTY VC**

**COU.17.34 ICZ UPDATE REPORT (COU/17/27)**

Received: a progress report on the Industry Collaboration Zones.

Reported:

i) that the ICZs were increasingly becoming the focus of the University's academic activity. The next major step was the appointment of the four ICZ Directors, following which the governance structure would be revised appropriately. University Management Team was being repositioned to take the major governance role; assurances were given that this would not lead to a conflict of interest with the ICZ Strategy Board.

iii) that the final scheduled progress report would be brought to Council in the autumn, following which progress would be reported as part of business as usual through standard quarterly performance reporting.

Noted: that the destination of further performance reports, either Council or an appropriate committee, would be for a decision at the October 2017 meeting. It was intended from autumn 2017 to treat the ICZs as business as usual in performance reporting terms. There was a major step to be taken in terms of embedding the ICZs into the institutional culture and Council would welcome illustrations showing how the appropriate behavioural activities would be embedded. The University was aware of the need to move forward quickly before competitors started to imitate the ICZs; this was likely to involve taking some decisions on the prioritization of investment.

AGREED: that the final update report should consider the future reporting of ICZ-related business and in particular how to capture core and lead indicators.

**ACTION 10: DEPUTY VICE-CHANCELLOR;**

**COU.17.35 BRAND UPDATE (COU/17/28)**

Received: an update report on the brand development work being undertaken by the University, accompanied by a presentation on the evolution of the brand proposition.

Reported:

i) that the University's application rates for 2016/17 showed a considerably smaller decline than its competitor set; excluding Nursing (which had seen a significant decline due to funding changes), the University was currently showing a small increase. First choices to Salford were up by 8% and insurance choices by 14% over the past year. It was therefore considered that the direction of the University's marketing had been successful in attracting applicants;

ii) that due to the projected decline in the 15-18 age group, the next five years were likely to be extremely challenging; a situation exacerbated by the University's current student profile. The brand proposition therefore had to appeal to a more diverse range of potential students. The proposition would be underpinned by three principles: Industry, Integrity and Initiative.

Noted: that Council members responded positively to the proposed new brand proposition.

**COU.17.36 ENABLING THE STUDENT JOURNEY (COU/17/29-31)**

Reported: that this item would be deferred to the next Council meeting. The reports would be considered at the next FRC meeting on 15 June, following which a summary report would be brought to Council on 14 July.

**ACTION 11: DIRECTOR OF FINANCE**

**COU.17.37 REPORT FROM SENATE**

Received:

i) the minutes of the extraordinary Senate meeting held on 12 January 2017 (COU/17/32);

ii) the minutes of the meeting of Senate held on 1 March 2017 (COU/17/33).

**COU.17.38 REPORT FROM THE AUDIT AND RISK COMMITTEE (COU/17/34)**

Received: the minutes of the Committee's meeting held on 21 February 2017.

**COU.17.39 REPORT FROM THE FINANCE AND RESOURCES COMMITTEE (COU/17/35):**

Received: the minutes of the Committee's meeting held on 6 March 2017.

Reported: that a further meeting had taken place on 27 April.

Noted: that wherever possible, minutes from standing committee meetings should be submitted to the next scheduled Council meeting.

**COU.17.40 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (COU/17/36):**

Received: the minutes of the Committee's meeting held on 2 March 2017.

AGREED: to approve the revised terms of reference for Governance, Nominations and Ethics Committee;

**ACTION 12: DIRECTOR OF LEGAL, PLANNING & GOVERNANCE**

**COU.17.41 REPORT FROM THE HONORARY DEGREES COMMITTEE (COU/17/37)**

Received: the minutes of the Committee's extraordinary meeting held on 23 February 2017.

**COU.17.42 REPORT FROM THE REMUNERATION COMMITTEE (COU/17/38)**

Received: the minutes of the Committee's meeting held on 23 February 2017.

**COU.17.43 REPORT FROM THE STUDENT EXPERIENCE COMMITTEE (COU/17/39)**

Received: the minutes of the Committee's meeting held on 23 February 2017.

**COU.17.44 USE OF UNIVERSITY SEAL (COU/17/40)**

Received: a report on the use of the University seal since the previous meeting.

**COU.17.45 GOOD GOVERNANCE INSTITUTE – GOVERNANCE REVIEW**

Reported: that it was anticipated that the report from the Council Strategy Day on 24 March would be circulated within the next few weeks. This would include a short evaluation questionnaire.

Noted: that the delay from the GGI in providing the report was disappointing and had resulted in a loss of momentum in terms of planned actions.

**COU.17.46 BEVERLEY HUGHES AND JILL EVANS**

Reported: that this was Baroness Hughes' last meeting as Chair of Council before her departure to take up her new role as one of the Greater Manchester Combined Authority's new Deputy Mayors. Members of both Council and VCET paid tribute to Beverley for her leadership of Council over the last three years, which had seen significant improvements within the institution and in the operation of Council. In response Beverley thanked

Council members and University staff for their kind words and indicated that although she was looking forward to the challenge of her new role she was disappointed that this meant having to leave Council. She expressed her best wishes and her expectation that Council and University would continue the progress made in recent years.

Council also recorded its thanks to Jill Evans, who was also attending her last Council meeting, for all her work on behalf of the Council and the University, and especially in her role as Chair of Remuneration Committee.

COU.17.47

**DATE OF NEXT MEETING**

The next meeting would take place on Friday 14 July 2017.