

COUNCIL

MINUTES OF THE MEETING HELD ON 12 OCTOBER 2018

Present: Lord Keith Bradley (Chair), Professor Dame Sue Bailey, Geoff Bean, Dr Anthony Coombs, Phil Cusack, Garry Dowdle, Andrea Dunstan, Ben Gallop, Amina Helal, Merlyn Lowther, Professor Helen Marshall, Ian Moston, Sean O'Hara, Professor Sheila Pankhurst, Sam Plant, Professor Susan Price, Margaret Rowe, Emily Voss-Bevan.

Apologies: Cllr John Merry, Dr Priscilla Nkwenti, Kobby Ofori, Tom Russell, Helen Taylor.

In attendance: Alison Blackburn (Registrar and Secretary), Julie Charge (Executive Director of Finance), Louise Edwards-Holland (Director of HR and Organisational Development), Dr Sam Grogan (PVC Student Experience), John McCarthy (Executive Director of Marketing and External Relations), Jackie Njoroge (Director of Strategy), Jo Purves (PVC International and Regional Partnerships), Professor Richard Stephenson (Deputy Vice-Chancellor).

By invitation: Tony Meachin (Associate Director of Health, Safety and Wellbeing) [COU.18.71], Ed Moloney (Chief Executive Officer, USSU) [COU.18.74], Malcolm Purdie (Head of Commercial Services) [COU.18.76].

Secretary: Elaine Pateman Salt

COU.18.60 **DECLARATIONS OF INTEREST**

Noted: no declarations of interest pertaining to the agenda were received.

COU.18.61 **MINUTES OF THE PREVIOUS MEETING**

Confirmed: the minutes of the previous meeting held on the 6 July 2018 (COU/18/50).

COU.18.62 **MATTERS ARISING FROM THE MINUTES**

There were no further matters arising or actions due that were not already on the current or future agendas.

COU.18.63 **CONFIRMATION OF STARRED ITEMS**

Confirmed: that agenda item 20 – Use of the University Seal – would be noted without discussion (COU/18/68).

COU.18.64 **CHAIR'S ACTION: UNIFICATION OF THE SCIENCE SCHOOLS**

Received: a report from the Chair on action undertaken since the previous meeting regarding the proposed unification of the science schools (COU/18/51).

Reported:

- i) that the proposal to unify the science schools had been approved;
- ii) that the Deputy Vice-Chancellor thanked members for their participation in the process and for comments received;
- iii) that a project team to support the unification process had been appointed;
- iv) that the existing school management structures were to remain in place until the transition timeframe had concluded;
- v) that the interview for the Dean of the unified school was to take place on Wednesday 17 October 2018.

[Secretary's note: Professor Sheila Pankhurst exited the Chamber during the report due to a previously declared interest].

COU.18.65 CHAIR'S ACTION: ANNUAL SUBMISSION OF THE UNIVERSITY'S FINANCIAL FORECAST

Received: a report from the Chair on action undertaken since the previous meeting regarding the annual submission of the University's financial forecast to the Office for Students (COU/18/52).

Reported:

- i) that, as reported to the meeting of 6 July 2018 [COU.18.53], the annual submission had been requested by the Office for Students (OfS) in September 2018 whereas the Higher Education Funding Council for England (HEFCE) previously set a July submission date;
- ii) that the financial forecast had included an additional two years to extend to five years as stipulated by the conditions of submission.

Noted: that the long-term disposal of fixed assets had not been included as this was likely to be over a ten-year period and had not yet been finalised.

COU.18.66 VICE-CHANCELLOR'S REPORT

Received: a report from the Vice-Chancellor on key strategic issues (COU/18/53).

Reported:

- i) that ballot action was under way regarding the annual pay uplift;
- ii) that the Universities Superannuation pension scheme (USS) evaluation had not been fully resolved;
- iii) that the Post-18 Education and Funding Review was likely to be delayed whilst the panel awaited the outcome of the Office for National Statistics (ONS) review of the treatment of student loans in the public accounts;
- iv) that volatility in the external environment was further compounded by reports published by the Migration Advisory Committee and the lack of clear terms to leave the European Union (EU);
- v) that the Vice-Chancellor's Executive Team (VCET) undertook consistent and regular review of the external environment, and that this included risks relating to proposed terms;
- vi) that the British University of Bahrain (BUB) had opened and welcomed its first registered students;
- vii) that the first of the quarterly board meetings for BUB was to take place in October, with the Vice-Chancellor due to attend as part of the partnership agreement;
- viii) that the British Council had announced its intention to base its online International English Language Testing (IELT) Centre at BUB and that this was expected to increase exposure of both BUB and the University.

Noted:

- i) that the University's exposure to the risk of 'Brexit' related predominately to the impact on staff from countries within the EU and European research funding. Mitigation had been under way, for example diversification in research funding sources, and, further, a mitigation plan was being produced by the Brexit Task Group;
- ii) that recruitment of students from the EU was proportionally low within the University's student body and that this was to be targeted for offset by development of alternative recruitment markets;
- iii) that there was a review of European suppliers being undertaken by the Finance Department and consideration given to potential exposure;
- iv) that the risks had been captured in the corporate risk register;
- v) that student recruitment for 2018 entry had concluded successfully, with an increase of 4% compared to 2017 entry and against a sector decline in 2018 of 5%;
- vi) that international student recruitment had exceeded target for undergraduate taught programmes and, although it had not met target for postgraduate taught programmes, was still higher than the figure for 2017 intake;
- vii) that the entry grade tariff had increased as part of the strategy of small annual

- iterative increases;
- viii) that some 'discounted' offers had been made but that these were not at a higher rate than previous years and were at a better grade average than the sector;
- ix) that members commended the recruitment activities and recruitment personnel;
- x) that student retention initiatives had been implemented including both academic and pastoral mitigation. Particular attention had been paid to known spikes or groups, including the high-risk commuter student group;
- xi) that retention initiatives had been planned and implemented with greater synergy and that the Executive had greater confidence for successful outcomes;
- xii) that the University of Salford Students' Union (USSU) was commended for winning the Relationships and Partnerships Award from the National Union of Students (NUS) in July 2018.

COU.18.67 **OFFICE FOR STUDENTS REGISTRATION**

Received: a report on the outcome of the application for registration with the Office for Students; and

Considered: the final version of the Student Protection Plan (COU/18/54).

Reported:

- i) that the application for registration as a higher education provider had been successful and that the University had been entered on the register (the Register) with effect from 17 September 2018;
- ii) that no additional conditions of registration had been applied, although attention was drawn to the standard ongoing conditions of registration (Annex D) and the notice of issues drawn to the attention of the provider (Annex F);
- iii) that the Access and Participation Plan had been augmented at the request of the Office for Students and that this broadly correlated with the emerging national guidance;
- iv) that the national guidance for criteria of 'fit and proper persons' was yet to be issued;
- v) that Annex E outlined the definitions of 'reportable events' and that these had a five-working-day notification timescale;
- vi) that the Student Protection Plan had been expanded at the request of the Office for Students and was presented here for consideration as a courtesy as the first iteration had been approved by the Council;
- vii) that the published Student Protection Plan template remained the official guidance, however, that the Office for Students had received alternative plans that provided exemplars.

Noted:

- i) that the Vice-Chancellor's Executive Team meeting would in future contain a standing agenda item: 'reportable events', designed to develop understanding and maintain rigorous oversight;
- ii) that future updates on the Access and Participation Plan and the Student Protection Plan would assist members to consider holistic assurance.

RESOLVED: to approve the expanded Student Protection Plan.

COU.18.68 **REMUNERATION COMMITTEE FORMAT**

Considered: a proposal to amend the format of the Remuneration Committee when reviewing the Vice-Chancellor's remuneration and reward, recommended by the Governance, Nominations and Ethics Committee (COU/18/55).

Reported: that to achieve best practice in governance, the Vice-Chancellor's remuneration and reward would be taken at a separate, single agenda item, meeting of Remuneration Committee and that this was indicated against section 2.1 in the Terms of Reference.

Noted: that section 2.2. also referenced the role of Vice-Chancellor.

RESOLVED:

- 1) to approve the amendment to the format of the Remuneration Committee for the consideration of the Vice-Chancellor's remuneration and reward with immediate effect;
- 2) to ensure, in its terms of reference, that all aspects of the Vice-Chancellor's remuneration and reward were considered by the separate meeting of the Remuneration Committee.

ACTION: REGISTRAR AND SECRETARY**COU.18.69 INTERNAL AUDIT ANNUAL REPORT 2017/18**

Considered: the Internal Audit Annual Report 2017/18, recommended by the Audit and Risk Committee (COU/18/56).

Reported:

- i) that the overall opinion was satisfactory;
- ii) that the Audit and Risk Committee had reflected on approaches to reach the highest rating for overall opinion.

RESOLVED: to approve the Internal Audit Annual Report 2017/18.

COU.18.70 HEALTH, SAFETY AND WELLBEING ANNUAL REPORT 2017/18 CLOSED

Considered: the Health, Safety and Wellbeing Annual Report 2017/18, recommended by the Audit and Risk Committee (COU/18/57).

Reported:

- i) that no significant breaches in health and safety had occurred for the period;
- ii) that the Vice-Chancellor's Executive Team had requested an addendum to include evidence of assurance and external verification, which was included.

Noted:

- i) that management of asbestos risk was undertaken alongside external consultancy review;
- ii) that there was a culture of management responsibility, with appointed Safety Co-ordinators in each business area;
- iii) that reporting of sickness absence was well-developed and data was influenced by instances of long-term absence;
- iv) that the impact on the student body, for example by contractors on site, was carefully managed and monitored;
- v) that the management of hazardous materials was strictly controlled;
- vi) that there was limited availability of wellbeing data and that the awareness of presenteeism was considered. The Health and Safety Committee was reviewing the reports of Professor Sir Cary Cooper in this regard;
- vii) that members thanked the Associate Director of Health, Safety and Wellbeing for the comprehensive report.

RESOLVED: to approve the Health, Safety and Wellbeing Annual Report 2017/18.

COU.18.71 TRAVEL AND EXPENSES POLICY

Considered: the proposed amendments to the Travel and Expenses Policy, recommended by the Finance and Resources Committee (COU/18/58).

Reported: that the four minor amendments proposed were the result of a consultation with staff.

RESOLVED: to approve the amendments to the Travel and Expenses Policy, with immediate effect, noting that the adoption of benchmark scale rates (BSR) for UK business travel, would come into effect from April 2019 as part of the pending Finance Bill.

COU.18.72 MEDIACITYUK BUILDING LEASE

Considered: the proposal to enter into a lease for additional teaching accommodation on the MediaCityUK campus, recommended by the Finance and Resources Committee (COU/18/59).

Reported:

- i) that teaching space was at capacity on the MediaCityUK campus;
- ii) that, along with review of alternative options, the opportunity had presented itself to lease accommodation alongside existing space;
- iii) that the Finance and Resources Committee had considered the anticipated uplift in student numbers on the campus and had noted that the site was not part of the Campus Masterplan. The proposal had been robustly scrutinised before endorsement.

Noted:

- i) that the University of Salford Students' Union was supportive of the proposal and also further connectivity between the campuses;
- ii) that the accommodation would be flexible in configuration;
- iii) that the lease would be a sub-lease, on favourable terms to the head-lease which was held by Salford City College;
- iv) that the lease, if approved, would be included in negotiations for the University's continued long-term presence at MediaCityUK.

RESOLVED: to approve the proposal to enter in to a lease for additional teaching accommodation.

COU.18.73 THINKLAB SPIN OUT COMPANY CLOSED

Considered: the proposal to form a new spin out company, recommended by the Finance and Resources Committee (COU/18/60).

[Secretary's note: Professor Richard Stephenson presented the proposal in his capacity as a member of the University of Salford Enterprises Ltd Board].

Reported:

- i) that University of Salford Enterprises Ltd (USE) sought to commercialise appropriate intellectual property through the mechanism of a spin-out company;
- ii) that the THINKLab commercial proposal had been considered by the Vice-Chancellor's Executive Team and Finance and Resources Committee;
- iii) that a single contractor was proposed;
- iv) that commercial competitors were developing a similar product in the sector and that it was therefore timely to propose a spin-out.

Noted:

- i) that spin-out company formation was common in the Higher Education sector, particularly within the Russell Group, although it had not been routine for the University;
- ii) that there was no impact on this proposal anticipated from the UK leaving the European Union;
- iii) that the primary market was the rail sector;
- iv) that the University owned the intellectual property for use initially under licence;
- v) that the University did not have the resources or capacity to capitalise the opportunity;
- vi) that the equity split had been agreed via negotiation;
- vii) that members expressed concerns regarding assurances of the valuation for the company, the mechanisms to choose investor partners, the process by which business cases were presented to the Council, and the review of spin-out company performance;
- viii) that the Vice-Chancellor's Executive Team was reviewing the presentation of business cases;
- ix) that the review of spin-out company performance had been undertaken by the USE Ltd board and that the Vice-Chancellor's Executive Team, and the Finance and Resources Committee received quarterly reports from USE Ltd;

- x) that Price Waterhouse Cooper had audited USE Ltd approximately two and a half years previously;
- xi) that the non-executive director (NED) position on USE Ltd board advertised to members earlier in the year had not led to a successful appointment.

RESOLVED:

- 1) that the proposal to create a spin-out company was approved *in principle*, subject to an independent assurance review;
- 2) that the Chair of Finance and Resources Committee was nominated, on behalf of the Council, to consider the independent review;
- 3) to run a second recruitment exercise to seek appointment of a non-executive director to USE Ltd board.

ACTION: HEAD OF COMMERCIAL SERVICES
ACTION: CHAIR OF FINANCE AND RESOURCES COMMITTEE
ACTION: COMPANY SECRETARY, USE LTD

COU.18.74 ENERGY HOUSE 2

Considered: the capital build proposal for Energy House 2, recommended by the Finance and Resources Committee (COU/18/61).

Reported:

- i) that the European Regional Development Fund (ERDF) bid had been successful, with £8.2m secured against an investment of £3m from the Office for Students and £4.9m contribution from the University;
- ii) that the University's contribution included land value.

Noted:

- i) that there was a practical completion date of 2020;
- ii) that the investment was confirmed and held in the region;
- iii) that members commended the successful bid.

RESOLVED: to approve the capital build proposal for Energy House 2.

COU.18.75 UNIVERSITY OF SALFORD STUDENTS' UNION UPDATE

Received: a report on the current operation of the University of Salford Students' Union (USSU) (COU/18/62).

Reported:

- i) that the bi-monthly Partnership Steering Group was well received;
- ii) that several joint initiatives had been established;
- iii) that the USSU intended to seek incorporation as a Charitable Company Limited to Guarantee, and that this was to be considered by Council at its meeting in April 2019;
- iv) that a £107k operating surplus was recorded for 2017/18. This was due to work undertaken to stabilise and exploit commercial outlets of the USSU;
- v) that the profile of the block grant received had changed and that this was welcomed;
- vi) that the priorities for Student Officers included health, safety and wellbeing, engagement with the commuter student group, the rent gap in housing, employability within the ICZ strategy and student voice.

Noted:

- i) that the priority on student voice included black and minority ethnic (BAME) students, for example ensuring academic appeal panel make-up was representative of the student demographic, and that panels addressed unconscious bias;
- ii) that the working relationship between the University and USSU was strong;
- iii) the details of the sub-clinical peer counselling scheme – Rafiki – and that the scheme was highly commended;
- iv) that the sport strategy was being re-defined to a wellbeing focus rather than a focus on performance;

- v) that USSU was participating in the pan-Manchester universities mental health initiative.

COU.18.76 **FINANCE REPORT 2017/18**

Received: the 2017/18 financial report, subject to final audit (COU/18/63).

Reported:

- i) that the pre-audit report included an operating surplus of £7.2m;
- ii) that the overall operating cashflow had been circa £27m;
- iii) that pension scheme valuation continued to introduce volatility to the financial reports;
- iv) that the pay to income percentage remained higher than target at 55%;
- v) that the cost of the mutual agreement to leave scheme (MAL) had been accounted for in the 2017/18 financial year, with the benefits of the scheme expected in the current year;
- vi) that the capital spend was expected to increase significantly during 2018/19 due to activities under the Campus Masterplan;
- vii) that the cash position was strong and that no banking covenants had been breached.

COU.18.77 **CAMPUS MASTERPLAN REPORT**

Received: an update on the progress of the Campus Masterplan since February 2018 (COU/18/64).

Reported:

- i) that activities under the Campus Masterplan were developing at pace and included receipt of planning permission for the Castle Irwell land which had been received since the report was produced;
- ii) that the second phase of student residencies continued to be delayed and that Standard Life had requested further clarification on the demand report and present market position.

Noted:

- i) that the agreement with Standard Life was a closed legal agreement and included exclusivity for growth within a twenty-mile radius;
- ii) that there had been significant challenge to organise an alternative supplier;
- iii) that the proposed accommodation included different configurations which meant a cost range would be available to students (paid weekly);
- iv) that the document had not made mention of student impact with regard to Maxwell Hall re-development and that this was an oversight which would be rectified in future reports. That the project reports did contain narrative on student impact;
- v) that the current priorities were student residencies, Energy House 2, the science building and Maxwell Hall;
- vi) that the executive capacity was being monitored to ensure a spread amongst executive roles and that the appointment of the Chief Operating Officer (COO) would be significant in improving the capacity position.

COU.18.78 **QUARTERLY PERFORMANCE REPORT**

Received: a detailed report and presentation on the survey outcomes for National Student Survey (NSS) and Destinations of Leavers from Higher Education (DLHE), including the University's performance against lead indicators during quarter four 2017/18, recommended by the Vice-Chancellor's Executive Team (COU/18/42).

Reported:

- i) that the University was following a student impact improvement strategy and not a metrics improvement strategy;
- ii) that the trend analysis showed improvement against historical University results and also sector benchmark data.

Noted:

- i) that the Student Experience Committee had commissioned a 'deep dive' to review the open comments made during the collection of data with the purpose of further insight and assurance;
- ii) that the Student Experience Committee had commended the improvements made to the results;
- iii) that the subject-level variation beneath the top-level reporting be brought to a future meeting to enhance members' understanding and support to the Executive.

RESOLVED: to receive subject-level data at an appropriate future meeting.

ACTION: PRO VICE-CHANCELLOR STUDENT EXPERIENCE

COU.18.79 SENATE REPORT

Received: the unconfirmed minutes of the special meeting of the Senate held on 16 July 2018 (COU/18/66).

Reported: that further open meetings had taken place to discuss and scrutinise the proposed unification of the science schools.

COU.18.80 COMMITTEE CHAIRS' REPORTS

Received: the Committee Chairs' reports (COU/18/67).

Reported:

- i) that the Audit and Risk Committee received school-level risk plans and that these were valuable in considering local challenges;
- ii) that the Governance, Nominations and Ethics Committee reviewed a closed report on the historical relationship with Grant Thornton UK LLP;
- iii) that the Council members' annual evaluation survey was to be re-opened to allow for further participation;
- iv) that the Council members' mentoring scheme had been approved and was to commence shortly;
- v) that the Student Experience Committee had received a 'deep dive' presentation on student engagement practices across the University;
- vi) that the Finance and Resources Committee had considered a draft committee scorecard to support the strategic focus of the Committee.

Received: an oral Committee Chair report for the Remuneration Committee:

Reported:

- i) that the 2% pay uplift was reported to have been implemented from August 2018, for staff below Joint Negotiating Committee for Higher Education Staff (JNCHEs) pay spine 51;
- ii) that the senior pay awards arising from the interim pay review were considered;
- iii) that the gender pay gap was considered;
- iv) that a substantive update from the Total Reward Framework working group was expected at the next meeting in December 2018.

COU.18.81 ANY OTHER BUSINESS

MANCHESTER SCIENCE FESTIVAL

Reported: that the University was the lead education partner with the Museum of Science and Industry and that there would be a full programme of activities at MediaCityUK on the weekend of 20/21 October 2018. Events included a virtual reality 'meet your own bacteria' event. A general invitation was issued.

CHIEF OPERATING OFFICER (COO)

Reported: that the appointment of Huw Williams as Chief Operating Officer had been announced. Mr Williams was currently Deputy Vice-Chancellor at the University of South

Wales and was a chartered accountant. Mr Williams was expected to join the University early in 2019.

SHOCK RADIO

Reported: that Shock Radio, the USSU radio station, had been nominated for best student radio station at the Student Radio Awards in November 2018.

COU.18.82

DATE OF NEXT MEETING

The next Council meeting was to be held on Friday 23 November 2018.

Reference	Meeting Date	Item	Decision/Action to be taken	Owner	Comments
COU 18.013	23-Mar-18	Council Pay and Pensions Sub-group membership	That an independent member of council with HR background join the group	Registrar and Secretary	This group now forms part of the Total Reward Framework Group, including an independent member with HR experience – action completed
COU 18.015	23-Mar-18	Council Effectiveness Review	That consideration be given to extend the risk appetite statement presented in the Financial Integrated Report to include a wider scope	Executive Director of Finance	Item due on the agenda for 23 Nov 2018 – action in progress.
COU 18.016	23-Mar-18	Statutes and Standing Orders	That further examination of committee membership be considered to ensure that independent members are in the majority at committee meetings	Registrar and Secretary	This will have an impact on the constitution of the committees and remains under consideration – action in progress.
COU.18.68	12-Oct-18	Remuneration Committee Format	to ensure, in its terms of reference, that all aspects of the Vice-Chancellor's remuneration and reward were considered by the separate meeting of the Remuneration Committee	Registrar and Secretary	Amendment made, to be presented to the next meeting of Remuneration Committee on 13 December 2018 – action closed.
COU.18.73	12-Oct-18	THINKLab Spin Out Company CLOSED	that the proposal to create a spin-out company was approved <i>in principle</i> , subject to an independent assurance review; that the Chair of Finance and Resources Committee was nominated, on behalf of the Council, to consider the independent review;	Head of Commercial Services Chair, FRC	Independent assurance review procurement exercise underway – action in progress
COU.18.73	12-Oct-18	THINKLab Spin Out Company CLOSED	to run a second recruitment exercise to seek appointment of a non-executive director to USE Ltd board.	Company Secretary, USE Ltd	Exercise initiated – action in progress
COU.18.78	12-Oct-18	Quarterly Performance Report (NSS and DLHE)	to receive subject-level data at an appropriate future meeting	Pro V-C Student Experience	Action in progress