

**UNIVERSITY OF SALFORD
COUNCIL
MINUTES OF THE MEETING HELD ON
23 MAY 2013**

Present: Dr A Mawson (Chair)
Mr M Amin
Cllr D Antrobus
Mr K Brady
Mr T Britten (until item COU.13.39)
Prof M Bull
Dr M Burrows
Mr N Collins
Mr T Doyle
Prof M Hall
Mr E Healey
Ms C Kennedy
Ms J Luca (until item COU.13.39)
Ms C Moreland (until item COU.13.40)
Ms A Mullan
Prof G Murphy
Mr S Sorrell (until item COU.13.40)
Mr W Smith

Apologies: Mr M Appleton
Mr P Crompton
Mr M Johnson
Ms R Turner (maternity leave)

In attendance: Mr J Forshaw (Director of Planning and Performance)
Ms V Goddard (Deputy Registrar: Academic / Director of Student Information Directorate)
Professor B Longhurst (Pro-Vice-Chancellor International, Media and Digital Futures / Dean of College of Arts and Social Sciences) (item COU.13.40 only)
Professor H Morris, (Acting Deputy Vice-Chancellor)
Mr D Reeve (Interim Director of Finance)
Mr A Snowden (Chief of Staff)
Mr S Talboys, Executive Director of Estates and Property Services (item COU.13.39 only)
Mr M Rollinson (Head of Governance Services and Acting Secretary)

COU.13.29 MINUTES (COU/13/20)

Council confirmed the minutes of the meeting held on 21 March 2013.

COU.13.30 MATTERS ARISING

1. Appointment of External Auditors

Further to minute COU.13.23, Council confirmed the appointment of Grant Thornton as external auditors for the period 1 August 2013 to 31 July 2016, following successful conclusion of formal arrangements.

COU.13.31 CONFIRMATION OF STARRED ITEMS

Council confirmed the following items were starred and would therefore be approved or noted without discussion:

- Report from Council Advisory Group
- Report from Senate
- Report from Nominations and Governance Committee
- Use of University Seal

COU.13.32 CHAIR'S ACTION

Council noted the approval by the Chair, on behalf of Council, of the following matters:

1. Temporary amendment to delegated financial authority to reflect the interim management structure;
2. Opening of a deposit account with Close Brothers (formal resolution attached as Appendix A).

COU.13.33 VICE-CHANCELLOR'S MANAGEMENT REPORT

Council considered the report from the Vice-Chancellor which summarised major management and operational issues since the previous report to Council on 7 February 2013. The Vice-Chancellor reported on the following matters which had occurred since the report was drafted and were not covered in the Vice-Chancellor's report:

- i) the University was concerned about the implications of the recent murder of a soldier in Woolwich. The University was aware of the potential risk for Muslim and Nigerian staff and students and students with connections to the armed forces and was working closely with the Students' Union to assuage concerns (including the concerns of staff and students with family members in the armed forces and any other staff or students affected);
- ii) the disciplinary process for the Deputy Vice-Chancellor, Registrar and Secretary was continuing with an appeal scheduled for 24 May 2013. Responding to questions from members, the Vice-Chancellor confirmed that Council would be informed of the outcome as soon as possible;
- iii) the initial visit by the Quality Assurance Agency had taken place as a precursor to a further visit in late June. Initial indications were positive and the Vice-Chancellor paid tribute to the efforts of Prof H Morris, Prof G Murphy, Ms J Lloyd and Mr G Clark and others involved in preparation for the visit;
- iv) work with the Students' Union was ongoing to develop a stronger and reinvigorated partnership, ensuring that improvements to the quality of the student experience were delivered;
- v) the relationship with Salford City Council was being reinforced at senior level and the recently appointed Director of Estates and Property Services was integrally involved in this activity;
- vi) in light of some recent negative media publicity, the University had met its bankers to provide reassurance; there had also been regular dialogue with HEFCE to apprise them of the current situation;
- vii) Council members had been provided with a summary of recent media coverage; the recent leak of an internal briefing document was regretted and the difficulty of complete control of information in such a large organisation was acknowledged. Although the importance of document control and information security had been reinforced, no further action or investigation of the matter was planned at this stage;
- viii) the Vice-Chancellor had recently visited the United States; his itinerary had included Carnegie Mellon University, the University of Massachusetts and discussions with alumni, including Mark Thomson, now CEO of the New York Times and a recent honorary graduate; these discussions had included exploration of the potential for student placements.
- ix) the Salford Business School had recently held a 25th anniversary ball which was attended by over 200 people;

- x) the University had hosted the Nobel Prize winner, Prof Muhammad Yunus on 18 May; the University had conferred an honorary degree on Prof Yunus, who had addressed 1,000 people at a summit on business and social and community benefit held in Maxwell Hall. Later in the day, Prof Yunus had led an event in Oldham, which has the largest Bangladeshi population outside London. The event had generated good publicity for the University and a significant number of course inquiries had resulted from the events;
- xi) the University had hosted (at MediaCity) Sir Mervyn King's farewell dinner as Governor of the Bank of England. The successful event had led to a £13,500 donation (for bursary purposes) from an alumnus of the University;
- xii) the Vice-Chancellor invited the Deputy Registrar (Academic) to update Council on the latest position regarding student numbers. Council was advised that applications were currently at 95% of target, although this overall figure masked significant variations with very strong performance in some areas (e.g. in Arts and Media and Health Sciences) and relatively weak performance in others (e.g. in Salford Business School and Environment and Life Sciences). Council noted that achievement of 95% of undergraduate target was important to cover the possibility of HEFCE clawback. In response to questions, Council members were advised that recruitment could continue shortly after the start of the 2013-14 academic year. The University was about to embark on a "Spring Burst" campaign aimed at students who had not yet applied, supported by the message that "it's not too late" to apply. Open Days at the end of June and later in the year were being heavily publicised, which included large banner posters on the A6; the June events would target students for both 2013 and 2014 entry. The University continued to monitor its comparative position so that it could understand the reasons, for example, for its relatively poor performance (compared to at least one regional competitor) in business related disciplines and in Environment and Life Sciences. The "squeezed nature" of some undergraduate markets, resulting from Russell Group universities reducing their UCAS tariff points entry requirement, was noted;
- xiii) the position relating to international undergraduate recruitment was generally good, although slightly below target overall (increased effort was being put into conversion activity);
- xiv) the postgraduate market continued to be challenging; a postgraduate Open Day would shortly take place at MediaCity aimed at both existing undergraduate and prospective new postgraduate students;
- xv) the Interim Director of Finance would address the financial implications of the current situation in his report; there was confidence that the mechanisms in place would ensure implementation of the measures outlined to Council in the presentation on 21 March;
- xvi) the recruitment process for a Director of Marketing was underway; this was a significant, strategic appointment which would lead to a refreshed, improved marketing presence and approach;
- xvii) Prof Huw Morris would be leaving the University at the end of August 2013 to take up a position with the Welsh government; Council congratulated Prof Morris on his appointment and paid tribute to his significant contribution to the University since his appointment in 2010. Prof Gai Murphy had been appointed Acting Pro-Vice-Chancellor (Academic) until December 2013.

COU.13.34 PROPOSALS FOR REORGANISATION OF THE UNIVERSITY'S SENIOR LEADERSHIP AND MANAGEMENT STRUCTURE (COU/13/24)

Prior to consideration of this item, and following discussion, Dr M Burrows, who would hear the appeal as part of the ongoing disciplinary process described in COU.13.33 ii) above, withdrew from the meeting. Dr Burrows had not received the report covering this item with his agenda papers.

Council considered a report from the Vice-Chancellor seeking, in principle, approval of changes to the University's senior leadership and management structure. Council noted that the proposals outlined in the report could not be implemented until there was an outcome from the ongoing disciplinary process involving the Deputy Vice-Chancellor, Registrar and Secretary. Following a thorough review of the report and detailed questioning of the Vice-Chancellor into various aspects of it, Council **resolved** to approve the changes outlined in the report, subject to the outcome of the ongoing disciplinary process involving the Deputy Vice-Chancellor, Registrar and Secretary.

COU.13.35 **FINANCE UPDATE REPORT (COU/13/25)**

1. Report from Interim Executive Director of Finance

Council considered the report from the Interim Executive Director of Finance, setting out the following:

a) Quarter three management accounts

The University was on course to achieve its full year surplus of £4.5 million (£6.5 million minus £2 million contingency). Council noted that there was still potential impact on the year end result so it was imperative that the University maximised the size of surplus (pre-contingency) to ensure that all costs were covered;

b) review of procurement processes;

c) Budget 2013-14

The report set out risk factors in relation to achievement of the Student Number Control target, noting the allocation of some numbers to FE College partners for insurance purposes to ensure achievement of the 95% of the target (as outlined in COU.13.33 xii above);

d) Salford Professional Development

Council had requested an update on performance of Salford Professional Development and this demonstrated steadily increasing income and profit;

e) Professional Services

The current situation in relation to collective consultation was noted; vacancy control and voluntary severance measures were likely to minimise the number of redundancies.

The Interim Executive Director of Finance reported that, contrary to recent press reports, the University's cash reserves were strong. The University had been given the opportunity to comment on the draft HEFCE risk letter which indicated that HEFCE's opinion was that the University was not at higher risk (one of two potential judgements); the final version of the letter would be reported formally to Council at its next meeting.

The following matters arose from members' questions:

- i) the Interim Executive Director confirmed that actions being taken by the University would bring it into line with the sector average in relation to salaries as a percentage of income; Council noted the importance of improving on sector average performance given static fee levels and (albeit relatively modest) pay inflation and the continuing challenge of the increased demands placed on the University by pension funds;
- ii) the Vice-Chancellor advised that the University intended shortly to announce its commitment to the Certified Living Wage as part of broader public announcements;

- iii) the University was mindful of the importance of a constructive and effective working relationship with the local press.

The Interim Executive Director of Finance advised that it was intended to offer Council a more detailed financial breakdown (on a unit by unit basis) at future meetings.

2. Report from Budget Review Group

The Lead Member for Finance introduced the minutes of the Budget Review Group held on 23 April 2013 and accompanying documentation. The Lead Member advised that the Group had been pleased with progress and the level of detail provided to the April meeting. Council noted that each School had been asked to adopt contingency plans for 2013-14 indicating how they would respond to failure to achieve student recruitment targets. In response to questions, the Interim Executive Director confirmed the University's commitment to address anomalies in staffing profile (i.e. over-representation of more senior grades in certain areas) as part of its medium to longer term planning.

COU.13.36 **CORPORATE RISK UPDATE (COU/13/27)**

Council considered the latest Corporate Risk Update from the Director of Planning and Performance; the report was made available at the meeting, having been considered by the University's Operations Board on 20 May 2013. Council noted the increased prominence given to reputational risks given recent developments which had been reported to Council under earlier agenda items.

Council considered the position of students accepting places on programmes which were withdrawn from 2013/14. There was lengthy and considered discussion of this matter and the Vice-Chancellor confirmed the University's commitment to teaching all students admitted and thus "teaching out" programmes subject to withdrawal; if students were still concerned about the viability of programmes or the quality of the student experience under "teach out" arrangements, the University would help them find suitable alternative programmes. Council was advised that clear and comprehensive communications on this issue would be issued as soon as possible; this would include written communication, face to face briefings and updates via social media.

In response to a member's query, the Director of Planning and Performance agreed to review the entry relating to staff retention, recognising the potentially higher risk of staff leaving before the Research Excellence Framework exercise in October 2013.

COU.13.37 **FUTURE STRATEGIC DIRECTION UPDATE (COU/13/28)**

Council noted the update on future strategic direction which had been circulated following the meeting of Council Advisory Group on 23 April 2013 and endorsed by members following circulation. The report was supplemented by a presentation from the Vice-Chancellor and the Acting Deputy Vice-Chancellor covering the University's current position and pressures for change. The presentation set out the draft vision and values for further consultation, including differentiation of the University through emphasis on its orientation to new technologies. The presentation also covered implementation and measurement of progress (in line with the direction of travel agreed by Council at its 21 March 2013 meeting). Council welcomed the presentation, noting that it presaged consideration of a draft version of a revised Strategic Plan at its next meeting in July.

COU.13.38 **DEVELOPMENT OF FURTHER EDUCATION PARTNERSHIPS**

In response to a request from Council Advisory Group, the Acting Deputy Vice-Chancellor provided a presentation on the University's development of partnerships with further education colleges. The report outlined the current position, noting that relationships with The Manchester College and Blackpool and the Fylde College were the most developed with further developments planned with a number of regional partners. The University was planning for strategic partnerships with between five and ten partners in the North West; underpinning principles for this approach were:

- strategic alignment to areas of University expertise;
- high quality and large volume (i.e. moving away from partnerships involving just one or two programmes);
- no duplication of provision within Greater Manchester;
- routes for access and progression;
- ease of transport links;
- effective risk management;
- delivery through partnership; and,
- building additional opportunities for shared working and benchmarking practice.

Council was advised that the University would continue to recruit from other regional providers, noting that some other regional FE Colleges had established, alternative HE partners. Council noted further that the model for delivery of higher education in further education (and for alternative providers) was significantly different given lower staff costs and no research overheads.

COU.13.39 PROPERTY/ESTATES MATTERS (COU/12/29A – 29B)

Council considered reports prepared by the Executive Director of Estates and Property Services on the Student Residences and Gateway Projects.

1. Student Residences

The report summarised the current position, outlining structure, finance and key issues and risks. In response to questions, Council was advised that, whilst delivery of the project (by August 2015) was expected, the contingency plan provided for continued use of facilities at Castle Irwell, Horlock and Constantine Court until the new facilities were ready. Council noted further that the University had the option to nominate a number of rooms each year but did not have to guarantee occupancy.

Council asked that further detail of the financial arrangements be included in the more detailed report to be submitted to Council in July; Council noted that, as funders of the deal, Standard Life would be carrying out appropriate due diligence arrangements. It was noted further that, should the consortium (Salford Villages) fail to meet its obligations to Standard Life, the University could be required to meet outstanding rental payments; however, a mechanism in the deal enabled the University time to identify and/or install an alternative provider before such rental payments were due.

2. Gateway Project

The report summarised the current position, setting out context, strategy, benefits of delivery, finance and key issues and risks. Council noted that delivery of the Gateway Project was essential to the delivery of the strategic objectives outlined earlier in the meeting and would facilitate contemporary programme delivery, innovation and improved space utilisation; the phased approach to fit out of the building was indicative of a cautious approach (it was noted that equipment for some specialist areas, including Digital Architecture, was portable and this provided a contingency should there be delay; potential contingency measures were outlined in the report).

Council endorsed the approval timelines as set out in the reports noting that fuller reports, including detailed business plans would be considered at the July meeting, where financial approval would be sought. In order to allow scrutiny of the more detailed proposals before they were submitted to the July meeting, Council **resolved** that a sub-group of members chaired by the Lead Member for Estates be established for this purpose (membership would be confirmed following consultation between the Lead Member for Estates and the Acting Secretary).

COU.13.40 MEDIACITY – RETURN ON INVESTMENT (COU/13/30)

Council considered a report from the Pro-Vice-Chancellor (International, Media and Digital Futures) on the University's presence at MediaCityUK. The report reminded members of the University's initial aspirations and that the University was on a journey towards achievement of those aspirations. The report identified positive aspects of performance and how the University was responding to key challenges as well as identifying a number of ways in which the University's presence at MediaCityUK had been a force for change. Noting that the current phase of development could be described as "the end of the beginning", the report concluded by identifying some key initiatives and opportunities.

Council welcomed the report and noted the difficulty of identifying clear, unambiguous metrics to establish impact. Council noted the commitment of the Pro-Vice-Chancellor (International, Media and Digital Futures) to develop Gross Value Added measures and encouraged him in this endeavour. It was agreed that mechanistic measures (which, in any case, ran the risk of double counting) should be avoided and that measures chosen should affirm the MediaCityUK contribution as an integral part of the University rather than an offshoot or subsidiary.

COU.13.41 SUBSIDIARY COMPANY MATTERS (COU/13/31)

Following consideration of a report from the Director of Research and Innovation, Council **resolved:**

- i) to dispose of its interest in Salford Software Limited as outlined in the report;
- ii) to dispose of its interest in CVD Ltd, as outlined in the report, on the proviso that other current shareholders exited at the same time.

Council also asked that the position in relation to any claims against the companies after withdrawal (i.e. any residual liabilities) be clarified.

COU.13.42 WHISTLEBLOWING POLICY (COU/13/32)

Council approved the revised Whistleblowing Policy subject to minor typographical amendment and any amendment which might be required to reflect changes to organisational structure.

COU.13.43 STUDENT MEMBERSHIP OF COUNCIL (COU/13/32A)

Council considered a report from the Acting Secretary apprising members of the recommendation of the Vice-Chancellor and the President of the Students' Union that Council retain the practice of allowing two sabbatical officers to serve on Council. Accordingly, Council **resolved:**

- i) that one student (the Students' Union President) be appointed in accordance with Clause 4.3.3 of Statutes, with the other (postgraduate) position remaining vacant for the time being;
- ii) that another student member (a nominated sabbatical officer) be appointed under the general provisions of Clause 4.1 of Statutes for the time being;
- iii) to confirm that the above arrangement was interim (for a maximum of one year) and that the student membership clause of Statutes would be reviewed by Nominations and Governance Committee (noting that any permanent change needed to be approved by Privy Council).

COU.13.44 COUNCIL ADVISORY GROUP (COU/13/33)

Council noted the report from the meeting of Council Advisory Group held on 23 April 2013 including the appended reports from Lead Member meetings. Council noted that the report included a record of the declaration of interest received from Mr S Sorrell (who had left the meeting by this point) in relation to advice being provided by Eversheds on a high profile staffing matter. Council noted that Eversheds had been a long standing provider of HR legal advice to

the University and was satisfied with the appropriateness of involving Eversheds in this matter given the expertise of the partner providing advice and noting the declaration of interest from Mr Sorrell as outlined above. Council noted further that a report to the next meeting of Nominations and Governance Committee would propose a protocol for ensuring comprehensive capture of actual and potential future conflicts of interest.

COU.13.45 SENATE (COU/13/34)

Council noted the report from the meeting of Senate held on 25 March 2013 (which included the Learning and Teaching Strategy).

COU.13.46 NOMINATIONS AND GOVERNANCE COMMITTEE – AWARD OF HONORARY DOCTORATE (COU/13/35)

Council received a report from Nominations and Governance Committee and **resolved** that Mr Derek Brandon be awarded an honorary PhD. The reasons behind the award were exceptional, as set out in the report, and the Committee noted that the conferment of an honorary award outwith the current honorary degree regulations did not establish a precedent.

COU.13.47 USE OF UNIVERSITY SEAL (COU/13/36)

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

COU.13.48 DATE OF NEXT MEETING

Thursday 4 July 2013 at 2.00pm. Council noted that the Strategic Conference scheduled for Friday 7 June 2013 had been cancelled; the autumn conference would now take place on Tuesday 8 October 2013 rather than Thursday 19 September 2013. Tuesday 8 October was the date reserved for the first Council meeting of 2013-14 and it was noted that the Conference would conclude with a brief, formal meeting to enable essential business to be processed.

APPENDIX A**DEPOSIT ACCOUNT WITH CLOSE BROTHERS – RESOLUTION**

The Chair of the Council, Dr Alan Mawson, and the Lead Member for Finance, Dr Mike Burrows, considered the Close Brothers Customer Agreement (The Agreement) and other documents which Close Brothers Limited has provided and resolved that:

1. The University
 - a) appoint the Bank as one of the University's bankers; or
 - b) cancel the University's existing mandate(s) to the Bank (with the exception of any instructions given by the University prior to receipt of this resolution) and replace it/them with the attached.
2. The University accept the terms of the Agreement and confirm such acceptance to the Bank by completing the Bank's Account Mandate form.
3. The University authorise any person named in the mandate in the section headed 'Authorised Officials' (an 'Authorised Official') individually to give instructions relating to the operation of the University's accounts, in accordance with the security procedures set out in the Agreement.
4. A certified copy of these resolutions, which shall remain in force until the Bank receives a certified copy of the resolution rescinding or amending the same, be given to the Bank.

The Chair and Lead Member for Finance noted that the Bank is entitled to act on all instructions given to an Authorised Official in accordance with the Bank's security procedures until the University notifies the Bank that the Authorised Official is no longer authorised to act for it.

Notice of the Resolution was put to the next scheduled meeting of Council, on 23 May 2013, and recorded in the minutes of that meeting.