

**UNIVERSITY OF SALFORD
COUNCIL
MINUTES OF THE MEETING HELD ON
24 NOVEMBER 2010**

Present: Dr A Mawson (Chair)
Mr C Wells (Deputy Chair)
Mr D Antrobus
Mr M Appleton
Mr I Austin
Mr T Britten
Dr M Burrows
Mr R Chotai
Mr N Collins
Mr P Crompton
Ms C Dangerfield
Ms L Doyle
Ms J Fawcett
Ms F Goodey
Mr J Greenough
Prof M Hall
Mr M Johnson
Mr N Renfrew
Dr H Takruri-Rizk

Apologies: Mr K Brady
Prof M Bull (granted leave of absence until 1 February 2011)
Ms C Shaw
Ms R Turner

In attendance: Dr A A Graves (Registrar and Secretary)
Mr S Attwell (Director of Finance)
Mr F Benton (Executive Director of Estates and Property Services – items COU.10.62-64 only)
Mr K Barnes (Pro-Vice-Chancellor, Strategic Partnerships and Development (items COU.10.57 – COU.10.64 only)
Mr P Cartwright (Head of Change Management – item COU.10.60 only)
Mr P Hopwood (Director of Planning and Performance – items COU.10.62 – 63 only)
Mr K Watkinson (Executive Director, Human Resources – items COU.10.57-59 and COU.10.65 only)
Mr M Rollinson (Head of Governance Services and Deputy Secretary)

COU.10.57 **MEMBERSHIP**

Council **resolved;**

on the recommendation of Nominations and Governance Committee, to appoint Mark Johnson for a period of office ending on 31 July 2013.

Mr Johnson briefly introduced himself to Council and was welcomed by members.

COU.10.58 MINUTES (COU/10/45)

The minutes of the meeting held on 5 October 2010 were agreed as a correct record.

COU.10.59 VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/10/46)

Council received a report from the Vice-Chancellor updating members on developments since the previous meeting of Council on 5 October 2010. The Vice-Chancellor reported further on the following matters:

- i) he had recently returned from the trip to India referred to in his report; it was clear that there were significant opportunities for the University in India, although the model of large numbers of students from India studying in the UK was likely to become increasingly unsustainable. The Pro-Vice-Chancellor (International) was developing proposals arising from the visit and a further report would be made to Council at its next meeting;
- ii) compact agreements had been concluded with Manchester and Salford Colleges; these agreements allowed for sharing of resources and would offer clear progression routes for students from further to higher education. Other similar partnerships were being considered demonstrating a shared commitment of FE and HE providers to meet the needs of the community and employers in the Greater Manchester city region and providing people from areas of socio-economic deprivation and little family history of participation in HE with easier transition to University;
- iii) since the previous Council meeting, the Browne Review had been published and details of the Comprehensive Spending Review released. Whilst it was clear that the government had accepted the principle that there should be major reform, notably a significant increase in contributions by graduates, the situation regarding fees was less clear with some matters of detail requiring clarification. The Browne recommendation of unlimited fees with a tapered levy on fees of more than £6,000 had not been accepted; instead, the government's proposal was a "hard" cap of £9,000 with institutions charging more than £6,000 being required to commit to access agreements to recruit students from poorer backgrounds and contribute to a national scholarships programme. The University's pricing proposition would be developed and considered over the forthcoming months;
- iv) the more equitable treatment of part-time students signalled in the Browne Review was welcomed; any student on a programme of at least 0.33 FTE would be eligible for the same student support package as full-time students (upfront fees would no longer be required)
- v) independent analysis of the funding implications of the government's proposals indicated that the long term impact on the public purse (measured by the Resource Accounting and Budgeting (RAB) charge) could be significantly greater than anticipated. This meant that it was almost certain that mechanisms to enable overall control on the number of students participating in HE would be retained and that the sector would remain highly regulated (in relation to overall size, pricing and quality) despite the intended movement towards a free market signalled in the Browne Review;
- vi) government assertions about the likely continued strong demand for places for students from lower income families were highly debatable; the University remained deeply concerned that the substitution of fee income to cover the significant reduction in teaching grant income (and the subsequent increase in graduate debt) would have a deleterious effect on participation from low income households;
- vii) the timetable for the parliamentary vote on the proposals had not been finalised; it was evident, however, that Universities would be in a very difficult position if the increase in

graduate contributions was not approved, given that the income was required to offset the proposed circa 80% decrease in teaching grant.

COU.10.60 **TRANSFORMATION PROGRAMME**

Council received a presentation from the Registrar and Secretary and the Director of Finance on the development of the Transformation Programme, the vehicle for taking forward required changes to support the model College and School recommendations which had emerged from the Lauwerys Review (Council had approved the academic model at its meeting on 8 July 2010). The presentation covered:

- work carried out on developing the transformation proposals since the July Council meeting and the changing national and public policy context (e.g. Browne Review and Comprehensive Spending Review);
- development of the model College and School (including target operating model and the development of “service catalogues” to define the scope and levels of service delivery of professional service departments);
- major change processes (including the full centralisation of key services, provision of College based specialists to support key functions, removal of general administrative responsibilities from academics and the implementation of standard processes and procedures across all Schools);
- savings and benefits (not just financial benefits, but improved service provision, improved student support and improved support for academic outcomes);
- cost of the programme (some of which was already funded through the HEFCE Modernisation Fund);
- investment return over three years;
- key challenges;
- “road map” and next steps.

Both the Vice-Chancellor and Registrar and Secretary emphasised that it was important to remember that the driving force for the Lauwerys Review had been the need to improve efficiency and the quality of support available to students (given the significant weaknesses in student satisfaction highlighted in recent local and national surveys). The Review had revealed levels of duplication and ambiguity in existing structures and the Transformation Programme was addressing this through the establishment of a single administration with clear and consistent roles and processes. It was important that the inefficiencies highlighted were addressed if the University was to achieve its strategic objectives.

Comparison with national benchmarks (e.g. HESA and Tribal data) indicated that Salford had more professional and support staff per student than the national norm; this matter would be addressed through the implementation of the programme and the target operating model that had been developed by Directors of Professional and Administrative Services in consultation with Schools and Colleges.

Council noted that a later agenda item requested Council endorsement of changes to Human Resource policies required to support the implementation of the Transformation Programme. The Executive Director of Human Resources outlined the extent of consultation with the trade unions since the July Council meeting, including fortnightly partnership meetings. In response to questioning from members, the Executive Director of Human Resources emphasised that the

University's preference would always be to seek voluntary arrangements with staff displaced as a result of the changes. A vacancy control mechanism had been introduced, in part to ensure that displaced staff with the potential to fill other posts in the organisation were given every chance to be considered.

Council noted further that the organisational change required because of the Transformation Programme would present career opportunities for staff and that Human Resources would put in a supportive framework to ensure that staff were equipped to compete for any jobs arising from the implementation of the Transformation Programme.

Council members noted the need to regularly monitor and review the level of savings identified from the programme (both pay and non-pay) to ensure that these were being realised. It was noted that non-pay savings identified included the introduction of central management of temporary staff, along with such measures as improvements to procurement, restrictions on travel and other expenses and improved utilisation of teaching space.

In response to questioning the Head of Change Management reported that, whilst the implementation of the programme would see a greater concentration of generic activity at central and college level to achieve economies of scale, the continued need for a residual amount of specialist roles and activity at School level was recognised.

The Vice-Chancellor reiterated the University's commitment both to consultation with the trade unions and to clear and consistent communication with all staff on the Transformation Programme so that staff were aware as quickly as possible of the likely impact. Along with other organisations reliant on government funding, it was noted that the University was not in a position to give guarantees about job protection.

Both the Vice-Chancellor and Registrar and Secretary reiterated that improvement of the student experience was at the heart of the Transformation reforms; for example, removal of the general administrative burden from academic staff would allow greater concentration on qualitative work of academic value and enable greater engagement with the University's core functions of teaching, research and enterprise. In response to questions, Council was advised that the importance of ensuring academic staff engagement and active involvement with core academic quality and governance matters was recognised and welcomed; however, this would be in the context of a clear and unambiguous management structure with well defined lines of accountability for decisions and activities.

Council endorsed the approach outlined in the presentation and proposed next steps noting that a further report would be presented to the March meeting.

(Secretary's note – a copy of the presentation relating to this item is available on the Council members' resources part of the University website.)

COU.10.61 **FINANCE REPORTS (COU/10/47 – 10/51)**

Council received:

- a) a report from the Director of Finance regarding the situation relating to year end accounts and financial forecasts (the subject of separate reports), the latest Quarter 1 situation and the latest position on capital projects and bank facilities;
- b) financial statements for the year ended 31 July 2010;
- c) Letter of Representation to the External Auditors regarding the Financial Statements for the year ended 31 July 2010;
- d) Financial Forecasts for submission to HEFCE;
- e) necessary changes to banking covenant arrangements.

Council noted the report from the Director of Finance which, inter alia, provided further detail regarding the “professional and other fees” contained within the accounts; Council noted that the reference to “flying lessons” related to professional fees paid to external agencies for training offered to students on Aviation Studies programmes.

Council **resolved** to:

- i) approve the Financial Statements for the year ended 31 July 2010 for submission to HEFCE;
- ii) approve the letter of representation to the external auditors regarding the Financial Statements for the year ended 31 July 2010.

In relation to the Financial Forecasts, Council noted that it was required to submit these in the format prescribed by HEFCE by 1 December 2010. However, HEFCE had advised in a recent circular letter (27/2010) that (in view of the recent publication of the Comprehensive Spending Review and the Browne Review) institutions could delay providing the forecast for the years 2011-12 to 2013-14 until 15 April 2011, provided that the forecast for 2010-11 and actual results for 2009-10 and other required information was submitted. Institutions which submit full forecasts by 1 December 2010 had been offered the opportunity to resubmit them by 15 April 2010 if they felt that forecasts needed to be updated.

Council **resolved** to;

- iii) submit the Financial Forecasts and commentary on past performance and future prospects as submitted to Council, noting that the commentary set out current thinking and assumptions in relation to the substitution of fee income for teaching grant income.

Council noted that it could decide whether to resubmit the forecasts at its March meeting (this would be in time to meet the 15 April 2011 deadline). In response to questions, the Vice-Chancellor commented that the extent of demand for places at the revised fee level of £6,000 or more could not be accurately predicted; it was clear from the most recent UCAS data that there was significant unmet demand in the most recent admissions round (circa 200,000 students) but the elasticity of the demand was difficult to forecast. The Vice-Chancellor reiterated that key strategic discussions on costing and pricing needed to take place early in the New Year to enable Council to give consideration to these matters at its March meeting. The potential for differential pricing of programmes was noted as was the clear legal advice to institutions that, in order to meet the requirements of legislation on competition, there could be no discussion with other institutions about pricing.

Council **resolved** to;

- iv) approve the amendments to existing banking covenant arrangements as contained in the report from the Director of Finance and as set out in more detail (in the format required by Barclays Bank plc) in Appendix A to the minutes.

COU.10.62 **QUARTER 1 2010-11 PERFORMANCE REPORT (COU/10/52)**

Council received the Quarter 1 Performance Report from the Director of Planning and Performance, the first report submitted in the revised format exposed to Council at its meeting on 5 October 2010. Council noted that, for some Key Performance Indicators (most notably those relating to Goal 3 – Engagement), mature indicators and targets were still to be set, whilst in others targets had been set but data was not available for the current quarter.

Council welcomed the format of the report; there were a number of comments and questions on specific areas of detail within the report (e.g. space utilisation, staff attendance and international student recruitment).

Council **resolved** that;

in order not to become too embroiled in matters of operational detail, future reports be accompanied by a covering paper from management, setting out current areas of major concern (and areas where success and achievement should be recognised).

It was agreed that the context and format of this report could be discussed at a forthcoming meeting between the Registrar and Secretary and the Lead Member for Performance.

COU.10.63 **RISK REGISTER UPDATE REPORT (COU/10/53)**

Council received the latest update on the key risks facing the University; the covering report from the Director of Planning and Performance highlighted major changes since the previous report, including the closure of three risks now being monitored through the Performance Framework.

Council noted that the risk relating to industrial action (and the impact on business continuity) had been downgraded as a result of a reduction in the likelihood of national industrial action regarding pay. Council noted further that the consequences of the Comprehensive Spending Review and the Browne Review and the current local situation arising from the implementation of the Transformation Programme suggested that this remained an area of vulnerability.

Council therefore **resolved**;

that this matter be referred back for further consideration by Executive Committee.

Council considered the merits of removing risks from the Register in areas where the revised Performance Framework now allowed more effective and accurate measurement. Council was assured that there would continue to be effective integration and congruence between the Performance Framework and the Risk Register; for example, where performance measurement indicated consistent underperformance against a business critical measure, this would be flagged

as a key risk on the Risk Register. The revised approach was designed to ensure that the Risk Register apprised Council of the current key strategic risks.

Council **resolved**;

in response to the issues raised by members, that Executive Committee re-examine the current Risk Register alongside the Performance Framework to ensure that there was appropriate integration and cross-referencing.

In relation to the MediaCity risk, the Registrar and Secretary reported that, as Chair of the MediaCity Programme Board, the “headline” risk covered 17 different workstreams. The vast majority of these were on track and on schedule and minor concerns with other workstreams were being addressed.

COU.10.64 **PHASE ONE OF THE ESTATES MASTER PLAN – FUNDING (COU/10/54)**

Council received a report from the Registrar and Secretary and members of the Master Plan Steering Group which updated Council on the current situation regarding Phase One of the Master Plan and sought approval for additional work to enable the development and submission of planning permission for various projects included in the Master Plan. The report included details of proposals for the new building for the Schools of Media, Music and Performance and Art and Design, the refurbishment of Chapman Building, the development of new student accommodation and works to improve the public realm; a model of the proposed new building and detailed plans relating to the implementation of the Master Plan were on display in the Council Chamber.

Council noted that, at its meeting on 8 July 2010, as part of its approval of capital funding, it had approved approximately £55.5 million specifically allocated for Phase One of the Master Plan; this sum related to the refurbishment of Chapman, the new Arts and Social Sciences building, public realm and enabling works. Since the July meeting, the external consultants to the project, Davis Langdon, had produced revised costs based on internal consultations and had recommended the inclusion of library alterations, transport provision and additional enabling work on the Frederick Road Campus; a policy contingency and revision to VAT assumptions had also been recommended. Details of these variations were included in the report; the revised costings put the aggregate total at £77.1 million, an increase of £21.6 million from the originally budgeted amount but still substantially below the original Phase 1 development cost (of £110.6 million) included in the original Master Plan approved by Council on 12 February 2009.

Council noted that, based on current professional advice, the only income assumptions contained in the report related to sale of a lease to the preferred developer of new student accommodation. The report contained a detailed analysis of the costs of and funding for the Master Plan and the impact on the Income and Expenditure account; this included savings assumptions and an increase in borrowings (albeit at a level comfortably below the HEFCE permitted maximum).

The Lead Member for Estates reported that the report and recommendations had his support and that of the Lead Member for Finance; delivery of improved facilities was integral to the achievement of an improved student experience, one of the goals in the University’s Strategic Plan. The Lead Member emphasised that, at this stage, approval was being sought to enable the development and submission of planning applications and that further details of individual projects would be brought back to Council for approval.

The Vice-Chancellor stated that it was important to bear in mind the historical context to the current situation. The University had previously underinvested in its estate at a time when funding was more widely available and the economic climate was more favourable. Students were increasingly discerning and expected excellent, modern facilities and expectations would increase further with the introduction of the new fees regime. A failure to invest now (albeit at a time when the economic climate was far from propitious) was likely to result in a failure to recruit to target and a downward spiral for the institution. The President of the Students' Union echoed the Vice-Chancellor's comments noting that discussions about campus improvements and the Master Plan had been ongoing for several years and student expectations had risen as a result. In response to questions from members, it was noted that:

- the MediaCity development meant that there was confidence that demand for arts and media programmes at Salford would remain buoyant, notwithstanding the potential impact of the new fees regime;
- the level of contingency was felt to be prudent and would be kept under review by the Master Plan Steering Group;
- the need to ensure that the University's development was integrated and consistent with the City Council's development plans and was subject to wide consultation with the local community was fully understood and appreciated by the Master Plan Steering Group and Executive Committee;
- the accounting treatment of the new student accommodation would be kept under review to ensure compliance with required reporting standards (further clarification of the matter was being sought).

Council **resolved**;

following detailed consideration of this matter, to approve the additional funding (as outlined above) to enable the programme of work to proceed to the next stage, i.e. the development of planning applications for the various projects.

Council noted that it would be able to review the approval of individual projects prior to the letting of construction tenders and recognised the need to ensure completion of the refurbishment of the Chapman Building by September 2012.

COU.10.65 **HUMAN RESOURCES POLICIES (COU/10/55)**

Council received a report from the Executive Director of Human Resources which summarised changes to a range of Human Resources policies, noting that these changes were required to ensure implementation of the Transformation Programme. Council also noted that, before entering the meeting, members had been handed a copy of a letter from branch officials of UCU and UNISON setting out the Union's concerns about the decision of Council (at its meeting on 8 July 2010) to discontinue the current Voluntary Severance Scheme. Council was advised that, at a meeting on 16 November 2010, the trade unions had been advised of the likely number of people to be affected by implementation of the first phase of the Transformation Programme, with clarification of the likely scale of phase two to follow shortly.

The Executive Director of Human Resources advised that, as outlined in the report and subject to Council approval, it was proposed to extend the period of consultation with the trade unions in

relation to two policies (Voluntary Severance and Salary Protection Policy) until 17 December 2010; this recommendation would ensure a meaningful and genuine consultation period, in light of the recent disclosure of the number of people likely to be affected by implementation of the Transformation Programme.

In response to the letter circulated by the unions, Council agreed that the issues raised were best addressed as part of the ongoing dialogue between management and the trade unions in the Partnership Working Group. The Vice-Chancellor and Executive Director of Human Resources confirmed that the management view, based on advice and intelligence both within and outside the HE sector, remained that the revised policies were fair and reasonable and in line with (or better than) practice in other comparable organisations. This view was confirmed by the experience of members with knowledge of comparable schemes and policies in both the private and public sectors.

The Vice-Chancellor recognised the concerns raised by staff members about the scope and extent of the reforms; whilst he regretted their necessity, the Vice-Chancellor reiterated that the changes were fair and reasonable and essential to ensure the continual financial health of the University in the currently extremely challenging economic circumstances.

The Vice-Chancellor reminded members that the impact of the Comprehensive Spending Review was now beginning to be realised across organisations funded by the government as witnessed by the winding up of the North West Development Agency and the Central Salford Urban Regeneration Company and a major redundancy programme at Greater Manchester Police.

The Executive Director of Human Resources advised that, in relation to Voluntary Severance and Salary Protection, there was scope for changes to the current proposals as the trade unions had been invited to come back with alternative proposals before the end of the consultation on 17 December 2010.

In response to a question regarding the Redeployment Policy and Procedure and the Restructuring Principles Policy and Procedure, the Executive Director of Human Resources emphasised that, where new posts were created, staff would potentially be able to compete for posts above their current grade.

Council **resolved**:

- i) in respect of the Restructuring Policy and Procedure and the Redeployment Policy, to approve the proposals contained within the report and note that, subject to finalising terminology in a few respects with the trade unions, consultation be regarded as effectively concluded and the policies ready for implementation in January 2011;
- ii) in respect of the policies on Severance Payments and Salary Protection, to endorse the proposals contained within the report and agree that consultation with the trade unions continue until 17 December 2010;
- iii) to give delegated authority to the Chair of Council, the Deputy Chair of Council and the Lead Member for Human Resources to authorise these policies on behalf of Council following conclusion of consultation.

(The following internal members abstained from the above resolutions: Mr R Chotai, Ms C Dangerfield, Ms L Doyle and Ms H Takruri-Rizk. All independent members present indicated their support for the resolutions).

COU.10.66 **COUNCIL ADVISORY GROUP (COU/10/56)**

Council received the report of the meeting of Council Advisory Group on 5 November 2010 including the report from the various Lead Member meetings.

COU.10.67 **AUDIT COMMITTEE (COU/10/57)**

Council considered the report of the meeting of Audit Committee on 2 November 2010.

Council **resolved**;

to approve the Annual Assurance Return for signature by the Vice-Chancellor and submission to HEFCE.

Council noted:

- i) the Key Issues Memorandum issued by the external auditors, Grant Thornton;
- ii) the recommendation of the Committee that the Financial Statements be approved (approved under item COU.10.61);
- iii) the Audit Committee Annual Report;
- iv) other items reported by the Committee as set out in the report.

COU.10.68 **NOMINATIONS AND GOVERNANCE COMMITTEE (COU/10/58)**

Council considered the report of the Nominations and Governance Committee held on 5 November 2010 noting that the recommendation that Mark Johnson be appointed as an independent member of Council had been approved under item COU.10.57 above.

Council noted that Mike Appleton had agreed to take on the role of Lead Member for the College of Science and Technology.

COU.10.69 **NOMINATIONS AND GOVERNANCE COMMITTEE (HONORARY DEGREES) (COU/10/59)**

Council considered the report of the meeting of Nominations and Governance Committee held on 15 November 2010 for the purpose of consideration of candidates for Honorary Degrees including a tabled addendum.

Council **resolved** that:

- i) contact be made with the following candidates, previously recommended for Honorary Degrees, to confirm arrangements for conferment of awards at the 2011 graduation ceremonies:

Paul Abbott	DLitt
Sir Harold Evans	DLitt
Deborah Haynes	DSc
Graham Nash	DArt
Susan Arundhati Roy	DLitt

ii) the following candidates be awarded Honorary Degrees:

<u>Name</u>	<u>Award</u>
Celia Birtwell	DArt
Bill Campbell	MA
Alan Garner	DLitt
Magnus Mowat	DLitt
Peggy Seeger	DArt
Chris Sheffield	DLitt
Warren Smith	To be determined

iii) an amendment to the regulations be sought, so that those submitting nominations were asked to identify any personal or professional relationship/knowledge of the person nominated;

iv) with effect from 2011, there should be two scheduled Committee meetings considering candidates for Honorary Degrees, i.e.:

- a meeting in June to consider the list of candidates arising from the general call for nominations (which would need to be issued earlier in the year); this meeting could request additional information (either from the proposer or other sources if required);
- a meeting in November to confirm the list of candidates to be recommended to Council for approval.

COU.10.70 **REMUNERATION COMMITTEE (COU/10/60)**

Council considered the report of the Remuneration Committee held on 16 November to consider the performance and remuneration of senior officers and professors of the University.

Council **resolved**;

to approve the recommendations of the Committee as summarised in the report.

COU.10.71 **IT STRATEGY (COU/10/61)**

Council noted the IT Strategy recently approved by the Executive Committee.

COU.10.72 **ANY OTHER BUSINESS**

1. Simon Attwell

Council noted that this was the final meeting of Council to be attended by Simon Attwell, Director of Finance, before his retirement on 31 December 2010. Council offered its sincere thanks to Mr Attwell for his contribution to the work of the University during his appointment and extended their best wishes for his retirement.

2. Feedback

The Chair of Council invited members to give their feedback on the conduct of the meeting and transaction of the business either to him or the Head of Governance Services and Deputy Secretary.

APPENDIX A

Meeting of Council of the University of Salford (the University) held on 24 November 2010

There was produced to the meeting letters of variation (the Letters of Variation) from Barclays Bank PLC (the Bank) to the University setting out amendments to three facility agreements dated 5 July 2004, 22 March 2007 and 21 November 2008 pursuant to which the Bank has offered the Borrower (as defined in the Letters of Variation), the Facilities (as defined in the Letters of Variation).

IT WAS RESOLVED

1. That the amendments set out in the Letters of Variation are in the interests of and for the benefit of the University and are most likely to promote the success of the University for the benefit of the members as a whole and that such terms and conditions of the Letters of Variation be and are approved and accepted.
2. That Dr Adrian Graves and Simon Attwell are authorised to sign the Letters of Variation on behalf of the University to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facilities as amended by the Letters of Variation upon instruction from the University, in its capacity as Borrower of the Facilities, signed in accordance with the Banks' mandate for any of the accounts of the University held with the Bank current from time to time.

Certified to be a true extract from the minutes of a duly convened meeting of Council validly held on the date shown above.

Secretary Dr Adrian Graves

Chairman Dr Alan Mawson