

**UNIVERSITY OF SALFORD
COUNCIL
MINUTES OF THE MEETING HELD ON
27 MAY 2010**

Present: Dr A Mawson (Chair)
Mr C Wells (Deputy Chair)
Mr I Austin
Mr T Britten
Dr M Burrows
Mr R Chotai
Mr N Collins
Mr J Corner
Ms L Doyle
Ms F Goodey
Prof M Hall
Cllr B Pennington
Ms C Shaw
Dr H Takruri-Rizk
Mr M Webber

Apologies: Prof M Bull
Mr P Crompton
Mr J Greenough
Mr N Renfrew

In attendance: Dr A A Graves (Deputy Vice-Chancellor and Registrar and Secretary)
Mr S Attwell (Director of Finance)
Mr F Benton (Executive Director of Estates and Property Services)
Prof S Donnelly (Executive Dean, Faculty of Science, Engineering and Environment)
Mr D Drury (Chief Information Officer)
Prof B Longhurst (Executive Dean, Faculty of Arts, Media and Social Sciences)
Mr M Rollinson (Head of Governance Services and Deputy Secretary)
Mr P Hopwood (Director, Planning and Performance, items COU.10.05-06)

COU.10.15 MINUTES (COU/10/11)

The minutes of the meeting held on 3 March 2010 were confirmed as a correct record.

COU.10.16 VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/10/12)

Council received and noted the Vice-Chancellor's Management Report. Council noted further the letter from HEFCE setting out the assessment of institutional risk based on submitted annual accountability returns. Council noted that, based on the accountability returns submitted for 2008-09, HEFCE's overall assessment at this stage was that the University was not at higher risk.

The Vice-Chancellor reported on two additional matters not covered in the report submitted to Council:

i) University League Tables

Further to the recent publication of the Independent newspaper league table and the imminent release of a similar league table by The Times, Council **resolved** that the Director of Planning and Performance be asked to provide an analysis of University performance in the various league tables at the next Council meeting. In response to questions and comments from independent members, it was noted:

- a) that there was a great deal of international interest in the league tables (particularly in those countries where state funding for student bursaries was restricted to top performing universities); however, the University's relatively poor recent league table performance did not appear to have affected international student applications or recruitment;
 - b) that the Vice-Chancellor and senior management were aware of the potential impact on staff morale following publication of the league table results and were working hard to ensure that this was addressed through effective and appropriate communication;
- ii) Public Finances

The following matters were noted:

- a) by the next Council meeting, the outcome of the emergency budget delivered by the Chancellor of the Exchequer would be known. UUK had commissioned a study from the Institute of Fiscal Studies (IFS) on the likely level of cuts to unprotected government departmental budgets. The IFS view was that reductions of approximately 25 per cent over a four year period would be required, equating to approximately 6 per cent per annum reduction;
- b) the outcome of the Browne review of the current student fee maxima would be known later in the year and it was now almost universally acknowledged that the maximum fee level would be increased. The effect of a) and b) above would be a redistribution of the cost of higher education from the public purse to private individuals;
- c) however, the full impact of the change to fee arrangements would not be seen for approximately seven years (given the need to introduce legislation for the change and time for the change to work its way through the system) meaning that there would be a "trough" in resources and a decline in the unit of resource;
- d) government funding amounted to approximately one third of University income, which meant that the overall reduction in income over four years would be in the order of 9-10 per cent. This equated, on current estimates, to approximately £2.8 million per annum;
- e) SLT was giving serious attention to measures to achieve the required level of savings whilst maintaining the quality of teaching, improving research and engagement and continuing to invest for the future. PA Consulting had been engaged by the University to provide additional capacity to drive down recurrent costs by carrying out a thoroughgoing review of all aspects of the University's activities.

COU.10.17 **FINANCE REPORT (COU/10/13)**

Council considered the latest finance report and detailed commentary on quarter 3 accounts prepared by the Director of Finance. The following matters were highlighted during consideration of the report arising from questions posed by members:

- i) quarter three accounts showed a trading surplus before exceptional items of £3.3 million which was £0.7 million better than the baseline budget of £2.6 million (agreed by Council in July 2009). The trading surplus had been caused by the fall in expenditure of £4.6 million, which more than offset the £3.9 million fall in income; the principal contributory factor to the fall in expenditure was the £3.4 million saving achieved in academic areas due to delays in recruiting to new posts (approved as part of the 2009-10 strategic investment) as well as a saving of 0.5 per cent on pay rises. Council noted the difficulties of sustaining such an approach and agreed that to address this, measures to protect (and where possible grow) income and drive down costs would be needed.

- ii) the decline in research income was being thoroughly investigated so that the position at local level was fully understood;
- iii) the budget was being thoroughly scrutinised so that all opportunities for saving were identified (as mentioned above, PA Consulting were advising on this process); Council would receive a transparent analysis of the situation as part of the budget presentation to the July meeting;
- iv) the potential for collaboration (and potential growth in income) through partnerships with FE Colleges (via creation of compact agreements) and suitable, targeted research partnerships was noted;
- v) the IT transformation programme would result in efficiency gains and savings and more effective use of existing enterprise systems; the Chief Information Officer referred to the "Art of the Possible" sessions organised recently which had allowed key staff to be apprised of potential IT developments and enhancements;
- vi) at its next meeting, Council would be apprised of proposals for restructuring of support for Faculties and Schools and potential improvements arising from business process re-engineering recommended following the Lauwerys review;
- vii) the reasons for the improved full year trading surplus forecast and the investigation of the underperformance of the Centre for Construction and Innovation (CCI) as set out in the report were noted;
- viii) the difficulties arising from the variability of the HEFCE funding model and movements in the HEFCE contract range were noted and the Director of Finance advised that there was ongoing correspondence with HEFCE on this matter;
- ix) the ongoing issues around provision for share of GMPF pension fund deficit were noted and the Director of Finance reported that the actuarial assumptions behind this calculation were being challenged. Cllr Pennington, who is a member of the GMPF Committee, undertook to raise the University concerns at a future meeting.

Council **resolved** to authorise expenditure of up to £1 million in aggregate on design work to Stage C for two projects (refurbishment of the Chapman Building and construction of new Arts, Media and Social Sciences buildings).

COU.10.18 KEY PERFORMANCE INDICATORS UPDATE (COU/10/14)

Council considered the report from the Director of Planning and Performance setting out the Key Performance Indicators for the quarter to May 2010 together with a forward projection of performance for the remaining quarter of this year and the first two quarters of 2010-11 as a Balanced Scorecard summary. The report set out areas where significant progress in defining indicators had been made over the past quarter (e.g. Staff and HE Development, Financial Health, Estates and Teaching and Learning, together with indicators monitoring the operationalising of the Strategic Plan). Council noted the areas of significant deviation from requirements (Research, Knowledge Transfers and Relationships) and areas which showed moderate weaknesses (MediaCity).

Council noted the continued poor performance against the Student Progression Business Performance Indicator and asked when improvements against this indicator could be expected. In response, Council was advised:

- i) that admissions processes were being strengthened to enable consistent, robust selection decisions which ensured that students recruited had demonstrable ability to succeed on their chosen programme;

- ii) partnerships with FE Colleges and the creation of compact arrangements should also lead to further improvements, although these changes would take 3-5 years to fully work through;
- iii) changes to Academic Regulations would be put to Senate for approval at its next meeting as part of a programme to encourage more appropriate academic behaviour; the number of permitted attempts at assessment would be reduced from four to three, which would bring the University into line with practice in other institutions;
- iv) there had been significant investment to improve the quality of student support; this included a major focus on orientation and improvements in facilities and the public realm;
- v) discussions about effective and systematic methods of tracking non-attendance, which was often a precursor to drop out, were under way;
- vi) the newly recruited Pro-Vice-Chancellor (Academic), Prof Huw Morris, had the necessary skillset to address the issues outlined above.

Council commented on the clarity of the report and presentation and was pleased to note the progress made in defining indicators.

COU.10.19 **RISK REGISTER – UPDATE REPORT (COU/10/15)**

Council noted the report from the Director of Planning and Performance setting out the Risk Register for the quarter ending in April 2010 and the risk forecast for the following three quarters. The report highlighted changes since the previous report to Council, including significant new risks and reductions in risk exposure.

COU.10.20 **MASTERPLAN STEERING GROUP REPORT (COU/10/16)**

Council received a report on the activities of the MasterPlan Steering Group and Phase 1 Project Boards since the inception of the Group in February 2010. Council noted that the report was relatively brief but further detail would be provided in due course.

Council noted the synergetic relationship between the University's development plan and the plans for the regeneration of the wider area, led and co-ordinated by the Central Salford Urban Regeneration Committee. Council agreed that a presentation to a future meeting which placed the University's development in the wider context of urban regeneration and renewal, would be valuable. The Deputy Vice-Chancellor, Registrar and Secretary commented on the potential to change the title of the Group so that it more fully reflected the impact of the University's plans on the regional economy and community.

Council was encouraged to hear that the MediaCity programme was making good progress. The KPI report had noted that 10 of the 17 workstreams had "green" status, with only one (business and commercial developments) currently at "red" status; Council was advised that the Vice-Chancellor and Deputy Vice-Chancellor, Registrar and Secretary were taking personal responsibility for driving improvements in this area. Officers commented on the willingness of staff to engage actively in consideration of new methods of working to ensure optimal use of the new facility. Council noted that involvement of the wider community in use of the building was an integral part of the development and this would form part of the Media, Digital Technology and Creative Economy theme presentation which would take place shortly.

COU.10.21 **REVISION TO STUDENTS' UNION CONSTITUTION (COU/10/17)**

Council **resolved** to approve the revised Students' Union Constitution and the consequent change to the relevant University Ordinance as set out in the report from the Chief Executive of the Students' Union.

COU.10.22 **REPORT FROM COUNCIL ADVISORY GROUP (COU/10/18)**

Council received the report of the Council Advisory Group meeting held on 13 May 2010 which included the reports of Lead Member meetings which were appended to the report.

Council considered the proposal for a Council Conference on Teaching and Learning as recommended by Council Advisory Group. After lengthy discussions about the potential value of such an event from independent Council members, the possible structure of the event and the potential to widen the scope of the event to encompass research and enterprise activities, Council **resolved** to approve the establishment of a Teaching and Learning Conference in 2010/11 with further details to be developed and a date suggested, in conjunction with the incoming Pro-Vice-Chancellor (Academic). Council recognised the importance of ensuring that it discharged effectively its ultimate responsibility for academic standards and agreed that the Conference had a valuable contribution to make in this context, enabling Council to engage with academic colleagues actively involved in programme design and delivery.

Further to discussion about the presence of SLT members at Council meetings, Council considered this matter at some length and **resolved** that, from the July 2010 meeting, SLT members would be invited to attend for specific, relevant items rather than to attend for the duration of the meeting. The exception to this would be the Vice-Chancellor (present as a member of Council), the Deputy Vice-Chancellor and Registrar and Secretary (present as Secretary to Council), the Director of Finance and the Head of Governance Services (present as Deputy Secretary and minute secretary to Council).

COU.10.23 **AUDIT COMMITTEE (COU/10/19)**

Council noted the report of the Audit Committee meeting held on 16 March 2010.

COU.10.24 **NOMINATIONS AND GOVERNANCE COMMITTEE (COU/10/20 AND COU/10/21)**

Council received the reports of the meetings of Nominations and Governance Committee held on 12 April and 13 May 2010. The report included a recommendation to seek Privy Council approval to changes to University Charter and Statutes. The proposal was supplemented by tracked changes to the existing Charter and Statutes and would:

- a) update an existing power to give guarantees;
- b) add a specific power to borrow;
- c) add authority to enter into financial instruments ancillary or incidental to the power to borrow;
- d) add the authority to remunerate Council members (subject expressly to Council approval in accordance with an additional draft University Ordinance);
- e) amend membership of Council to allow greater flexibility between members of independent and internal members.

Council **resolved**:

- i) to approve the appointment of the following as members of Council with effect from the 8 July Council meeting for a period of three years ending on 31 July 2013:

Mike Appleton
Kevin Brady
Julia Fawcett
Ruth Turner

- ii) to approve the appointment of Eric Healey as a co-opted member of Audit Committee (Council noted that Mr Healey had previously worked for Grant Thornton, the University's external auditors, although not in the audit team and never with the University. Mr Healey now worked on a freelance basis and had undertaken not to accept any work commissioned by Grant Thornton if he was appointed to Audit Committee. In this context, Council had no objections to the appointment);
- iii) to approve the re-appointment of Tony Britten as a member of Council for a further three year term ending on 31 July 2013;
- iv) to amend the Charter of the University in accordance with paragraph 16 of the Charter as set out below, subject to such amendments as the Privy Council may require, and to authorise its submission to the Privy Council for formal approval

Provision	Proposed amendment
Paragraph 4(f)	To delete: "To give guarantees to building societies, whether in pursuance of continuing arrangements or not" and substitute: "In furtherance of the objects, and so far as permitted by charity law, to give guarantees;"
New paragraph 4(g)	To insert a new paragraph 4(g) which states: "In furtherance of the objects, and so far as permitted by charity law, to borrow and raise money and give security for loans; and for those purposes the University shall have the authority to enter into any financial instrument which is ancillary or incidental to the exercise of such powers;"
Paragraphs 4 (g) to (j)	To re-number paragraphs 4 (g) to (j) as paragraphs 4(h) to (k) to allow for the inclusion of the new paragraph 4 (g)
New paragraph 5 inserted.	To insert a new paragraph 5 which states: "The University may, and may only, confer benefits on members of the Council if the benefit has been authorised by the Council in accordance with the Ordinances. In this clause "benefit" includes: a) Buying any goods or services from the University; b) Selling goods, services or any interest in land to the University; c) Being employed by, or receiving any remuneration from the University; d) Receiving any other financial benefit from the University"
Paragraphs 5 to 18	To renumber paragraphs 5 to 18 to become paragraphs 6 to 19 allow for the inclusion of the new paragraph 5

- v) to amend the Statutes of the University in accordance with paragraph 14 (b) of the Charter as set out below, subject to such amendments as the Privy Council may require, and to authorise its submission to the Privy Council for formal approval

Provision	Proposed amendment
Statute 4.1	<p>To delete:</p> <p>"The Council shall be comprised of a maximum of twenty four Council members, including up to fifteen Independent Members and up to nine Internal Members, ensuring always that the ratio of Independent Members to Internal Members on the Council is no lower than five Independent Members to three Internal Members."</p> <p>and substitute:</p> <p>"The Council shall be comprised of a maximum of twenty four Council members. The ratio of Independent Members to Internal Members on the Council shall be no lower than five Independent Members to three Internal Members."</p>
Statute 4.3.2	<p>To delete:</p> <p>"three Staff Members:</p> <p>a) one appointed by the Senate;</p> <p>b) one elected by the Academic Staff of the University from among the Academic Staff; and</p> <p>c) one elected by all other Staff of the University from among such Staff; "</p> <p>and substitute:</p> <p>"a minimum of three Staff Members, of whom:</p> <p>a) one shall be appointed by the Senate;</p> <p>b) one shall be elected by the Academic Staff of the University from among the Academic Staff; and</p> <p>c) one shall be elected by all other Staff of the University from among such Staff."</p>
New Statute 4.3.4	<p>To insert a new Statute 4.3.4 which states:</p> <p>"Any additional Internal Members shall be appointed by the Council."</p>
	<p>vi) to adopt the Ordinance required under resolution iv) above as set out in the report;</p> <p>vii) to approve the updated version of the Code of Conduct for Members and Senior Officers;</p> <p>viii) to approve the change of rules governing the election of staff members to Council and Senate;</p> <p>ix) to approve the approach recommended in relation to the CUC/Leadership Foundation pilot project on governing body effectiveness; this involved focus on the first two elements of the Project Framework (enablers of an effective governing body and working relationships and boardroom behaviour) with evaluation of the third element (outcomes of an effective governing body) in a post pilot project phase.</p>

Council noted the Committee's resolution that the Council Attendance Register should be a standing item for consideration at each ordinary meeting of the Committee and then a standing item for consideration at each subsequent Council meeting.

COU.10.25 SENATE (COU/10/22)

Council noted the report of the Senate meeting held on 12 May 2010.

COU.10.26 ANY OTHER BUSINESS

Council noted that all members were invited to attend the Art and Design end of year show that would be held in the following week.

The Chair advised that this would be the final meeting attended by Matt Webber, whose term of office as President of the Students' Union would end shortly. Council unanimously **resolved** a vote of thanks to Mr Webber for his contribution to the work of the Council and his effectiveness as President of the Union.

COU.10.27 DATE OF NEXT MEETING

Thursday 8 July 2010 at 2pm (NB - it was anticipated that the meeting would be preceded by a visit to the MediaCity site).