

**UNIVERSITY OF SALFORD
COUNCIL
MINUTES OF THE MEETING HELD ON
3 MARCH 2010**

Present: Dr A Mawson (Chair)
Mr C Wells (Deputy Chair)
Mr I Austin
Mr T Britten
Dr M Burrows
Mr N Collins
Mr P Crompton
Ms L Doyle
Mr J Greenough
Prof M Hall
Cllr B Pennington
Mr M Webber

Apologies: Prof M Bull
Mr R Chotai
Mr J Corner
Ms F Goodey
Ms C Shaw
Dr H Takruri-Rizk

In attendance: Dr A A Graves (Deputy Vice-Chancellor and Registrar and Secretary)
Prof G Aouad (Pro-Vice-Chancellor, Research and Innovation)
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 K Kobbacy (Executive Dean, Faculty of Business, Law and the Built Environment)
Prof B Longhurst (Executive Dean, Faculty of Arts, Media and Social Sciences)
Mr K Watkinson (Executive Director, Human Resources)
Mr M Rollinson (Head of Governance Services and Deputy Secretary)
Mr J Holland (Director, MediaCity, items COU.10.07-08)
Mr P Hopwood (Director, Planning and Performance, items COU.10.05-06)
Ms A Rhodes (Assistant Secretary, Governance Services Unit)

COU.10.01 PRESENTATION BY PRO-VICE-CHANCELLOR, RESEARCH AND INNOVATION

Before the formal business begins, Council received a presentation from Prof G Aouad (Pro-Vice-Chancellor) on research strategy and preparation for the next Research Excellence Framework exercise. Members were invited to e-mail questions arising from the presentation to Prof Aouad (Secretary's note: copies of the slides used during the presentation have been made available on the Council members' resources part of the Governance website).

COU.10.02 MINUTES (COU/10/01)

The minutes of the meeting held on 27 November 2009 were confirmed as a correct record.

VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/10/02)

Council considered the Vice-Chancellor's Management Report and he and other members of the Strategic Leadership Team spoke in more detail to the following matters raised in the report;

i) Strategic Plan

Following endorsement by Council at its previous meeting, awareness of the Strategic Plan was being rolled out through a series of consultations/workshops led by the Vice-Chancellor;

ii) Public Funding/Economic Climate

The Vice-Chancellor and the Director of Finance referred to the increasingly uncertain public funding climate; Council noted that it was unlikely that any further reductions (beyond those already announced) would affect the 2010/11 settlement (the HEFCE funding letter was expected later in March and it was anticipated that this would broadly confirm this year's budgetary assumptions);

iii) Information Technology

The Chief Information Officer (CIO) highlighted progress in relation to the IT Transformation Programme as set out in the appendix to the Vice-Chancellor's report to Council. Given the extent of the problems identified in the CIO's report, concern was again expressed at the length of time it had taken for Council to be apprised of the situation. Members were assured that the measures now being taken to strengthen infrastructure and governance (including the contribution of the IT Lead Member), enhancements in the approach to management of risk and the development of a new IT strategy should ensure that there was no recurrence of the circumstances as outlined in the KPMG report and the CIO's update. The CIO emphasised the importance of developing and enhancing staff capability and ensuring that the development and implementation of new initiatives (like LaSU, the reading lists project) were student centred and responsive (and suited to the Salford student profile, with the majority of students commuting on a daily basis to the University). In response to a question from an independent member, Council was advised that Salford Software Limited (SSL) had been involved in discussions about necessary improvements, although care had been taken to avoid any conflicts of interest (given SSL's status as a wholly owned subsidiary of the University);

iv) Human Resources

Council was advised that the employers' organisation (UCEA) and the trades unions had recognised that negotiations related to 2009-10 had been concluded with a 0.5% pay rise award made with effect from 1 August 2009; this award had been fully provided for in the 2009-10 accounts. The employers and unions had also agreed on a number of related matters, including the publication of a Digest on Job Security. National Joint Negotiating Committee for Higher Education Staff (JNCHES) working groups had been established on financial sustainability, equality of pay arrangements and future pay frameworks – Salford was represented on the latter group. The Executive Director of Human Resources advised that negotiations for the 2010-11 pay award were now underway and a very modest settlement was anticipated;

v) Admissions

The Deputy Vice-Chancellor and Registrar and Secretary advised members of enhancements to the organisation of the admissions function over the past 18 months; teams had been reorganised around a matrix structure to enable a cross-functional and flexible approach. Online applications were being trialled and it was anticipated that the approach would improve conversion rates; Council noted that the increased demand nationally and the inability to increase the number of home, undergraduate places meant that the University would be increasingly discriminating and selective in its approach to admissions. Council noted further other developments as set below.

- the planned development of an integrated Admissions and Progression Policy (consistent with the principles of fair admissions as set out in the Schwarz report);
- the planned development of model compact agreements;
- active consideration of the establishment of further "in-country" offices in selected countries.

In response to questions, Council was advised that candidates who chose not to take up the offer of a place at the University were followed up via a questionnaire to establish reasons for their decision; the complexity and volatility of the national admissions context was reiterated (the increase in applications at the University (approx 28%) exceeded the national average (approx 22%));

vi) Estates

Council noted Appendix E to the Vice-Chancellor's report which set out the terms of reference of the Masterplan Programme Steering Group; Council noted that the role of the Group was to provide high level direction to the project and consider and ratify recommendations arising from the Project Board.

The Board contained key roles in relation to project assurance and management and Council was satisfied that the structure and arrangements as outlined in the report were sufficiently rigorous; the Deputy Vice-Chancellor and Registrar and Secretary advised that, if the need arose, additional project assurance measures could be put in place.

COU.10.04 **FINANCE REPORT (COU/10/03)**

Council considered the latest finance report and detailed commentary on quarter 2 accounts prepared by the Director of Finance. Council noted that the balance sheet performance was strong; the accounts contained a number of adjustments (both positive and negative). The historical cost surplus stood at £4.1 million, significantly ahead of the half year budgeted position. Council noted further the risks to the latest financial position as outlined in the report, including the potential impact of 2007-8 and 2008-9 non-completion rates on 2009-10 Teaching grant funding and the impact of the HEFCE fine (approximately £800,000) for over-recruitment. HEFCE's final position on these matters was still awaited, although sufficient provision had been made into the accounts to cover these items; it was possible that funding letters due later in the month would presage the resolution of these matters. Council also noted the difficult trading conditions endured by Salford Software Limited and was pleased to hear that, despite this, a positive contribution to the accounts was still anticipated.

The Director of Finance emphasised the work of the Efficiency Savings Group and its contribution to achievement of significant reductions in the non-pay cost base as outlined in the report. Council noted the Transparent Approach to Costing (TRAC) returns to HEFCE had demonstrated a loss of £14.8 million on research, when HEFCE rules on sustainable investment were followed. The Director of Finance and the Pro-Vice-Chancellor (Research and Innovation) were now leading a complete review of the financing of research in order to achieve a better understanding of the current position – this included a reconsideration of actual infrastructure costs against the TRAC principles that represent best practice.

The Vice-Chancellor emphasised that the TRAC did not mean that fee income was subsidising research income to the tune of £14.8 million – in addition to discrepancies which may not be revealed as a result of implementation of the TRAC rules, the multi-faceted impact of research on teaching should not be ignored. Council also noted that, historically, the UK HE sector had not been good at measuring the impact of innovation led activities and this issue also had an impact on the TRAC returns. It was **resolved** that Council would return to this matter once the results of the review led by the Director of Finance and the Pro-Vice-Chancellor (Research and Innovation) were known.

In response to questions about the viability of the Estates Masterplan, the Vice-Chancellor, Deputy Vice-Chancellor and Registrar and Secretary and the Executive Director of Estates and Property Services emphasised the volatility of the current situation, noting:

- i) the likely need to extend the period for completion of the Masterplan beyond that originally envisaged;
- ii) the current economic climate and potential further political change following the General Election;
- iii) the increasing importance of the strategy for carbon management/reduction;
- iv) the demographic profile (reduction in 18-21 year olds) likely to be offset (or more than offset) by increased demand across the board (arising from the poor economic climate);
- v) impact of value for money measures and the recommendations arising from the Lauwerys review;
- vi) overseas recruitment and how this might be affected by external factors (e.g. UKBA requirements, economic climate).

The Vice-Chancellor emphasised the importance of continuing to invest in times of economic recession, to ensure that the University was able to take advantage of opportunities for growth and to remain competitive and Council indicated its support for this position, subject to the availability of finance and the development of a robust business case. Council noted that the Masterplan would actually see a net reduction in the number of University buildings, with an emphasis on improved quality of provision (the significant under-investment in the University estate over previous decades was noted in this context). Strategies for vacation and disposal of buildings were in progress and senior management would need to be flexible and agile in response to a dynamic and evolving situation – appropriate scrutiny of this approach would be assured through the Lead Member system. Council noted the recent good track record of management in effective management of the cost base (through Project Headroom) and driving up revenue (the importance of MediaCity in acting as a catalyst to drive revenue through improved University status and reputation was noted in this context) and that this practice would apply to the oversight of investment in the Masterplan.

Council was satisfied with the financial position as set out in the half yearly report and (subject to there being no significant reduction in sector funding in the current financial year) was also satisfied that the University would achieve a surplus at financial year end. Further to minute 10.03 ii) above, Council noted the significant challenges of budgeting in a time of much greater financial uncertainty and noted further that this matter was and would continue to be under active consideration by SLT.

COU.10.05 **KEY PERFORMANCE INDICATORS (COU/10/04)**

Council considered the report from the Director of Planning and Performance setting out the Key Performance Indicators for the quarter to February 2010 together with a forward projection of performance across the remaining quarters of the current year as a Balanced Scorecard summary. The report contained Business Performance Indicators (BPIs) and Council noted the different levels of maturity and sophistication of these and the continuing process of refinement and improvement over time.

The report set out the main areas of deviation from requirements, the most significant of which was in the area of research income and bidding success. Council noted that the report had only recently been considered by the Strategic Leadership Team and did not therefore come with a considered management response to the issues raised; the Pro-Vice-Chancellor (Research and Innovation) was preparing a report to enable better understanding of the current position, which was partly explained by the complexities of the external research funding environment. The phasing of consideration of the KPI report by SLT and Council would be addressed so that future reports had the benefit of consideration by, and comment from, SLT.

In response to questions from members, it was noted:

- i) that the KPI descriptors were based on the CUC model, hence the aggregation of the student experience and teaching and learning under KPI 3. It was noted further that the BPIs enabled appropriate differentiation of issues;
- ii) no targets had yet been set for the BPIs relating to staff age, skills and diversity profile and this was a matter under consideration; the use of benchmarking data from other, comparable institutions would be considered in this context.

COU.10.06 RISK REGISTER (COU/10/05)

Council received the report from the Director of Planning and Performance setting out the Risk Register for the quarter to January 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 reduction in risk exposure. Council noted that the Strategic Leadership Team had recently considered the Register and recommended some adjustments to the Register (e.g. change of status of Risk 44 – changes in central government funding – from “red” to “amber”). Council noted the report and was advised that Audit Committee would receive the full Register at its meeting later that month.

COU.10.07 PRESENTATION ON FIT OUT OF MEDIA CITY

Council received a presentation from Mr F Benton (Executive Director, Estates and Property Services) on the fit out of MediaCity following successful conclusion and sign off of Stage E of the development. Council noted that the design facilitated and promoted modern and innovative ways of working through use of shared social and circulation space (Secretary’s note; copies of the slides used during the presentation have been made available on the Council members resources part of the Governance website).

COU.10.08 MEDIA CITY – UPDATED BUSINESS PLAN (COU/10/06)

The Committee received an updated business plan from the Director of Media City and the Director of Finance. The report contained an evaluation of the ongoing viability of the project (based on current budget and student number assumptions) based on analysis of the expenditure and income directly related to the project; an upward revision to capital costs (from £27.4 million to £32 million); and a slight increase in the notional deficit (considering the project as a stand alone enterprise) was noted.

Council noted the following:

- i) all four Faculties would have a presence at MediaCity but the primary users would be the Schools of Art and Design, Media, Music and Performance and Computing, Science and Engineering (“immersive programmes” offering exposure to industry practice and the theory, technology and practice of media);
- ii) the need for strategies to effectively manage the logistical arrangements arising from a split site operation;

- iii) the plan included substitution income and numbers (i.e. activities moved from existing campuses to MediaCity) and, in order to achieve the growth planned in the revised Academic Plan, expansion would be required in other areas;
- iv) the need to develop a vehicle to deliver Continuing Professional Development effectively (the Registrar and Secretary and the Director of Finance were working on this);
- v) the operational aspects of the project were now fully integrated into the mainstream operation of the University; the Programme Director, Mr A Kemp now reported directly to the Registrar and Secretary.

Council endorsed the report and **resolved** to receive a further update in due course when the matters above had been progressed.

COU.10.09 **COUNCIL ADVISORY GROUP (COU/10/07)**

Council noted the report of the Council Advisory Group meeting held on 10 February 2010, including the reports of Lead Members meetings appended to the report.

COU.10.10 **NOMINATIONS AND GOVERNANCE COMMITTEE (COU/10/08)**

Council noted the report of the Nominations and Governance Committee meeting held on 22 January 2010.

COU.10.11 **SENATE (COU/10/09)**

Council noted the report of the Senate meeting held on 24 February 2010, noting in particular that there would be reports of appointments made by the Professional Appointments and Promotions Advisory Group to Council for information.

COU.10.12 **SCHEDULE OF COUNCIL AND COMMITTEE MEETINGS (COU/10/10)**

Council **resolved** that the schedule of dates for Council and Committee meetings for 2010-11 be approved.

COU.10.13 **ANY OTHER BUSINESS**

Council **resolved** that a vote of thanks be given to staff who had been involved in the successful delivery and implementation of the online reading lists project (LaSU).

COU.10.14 **DATE OF NEXT MEETING**

Thursday 27 May 2010 at 2pm.