

**UNIVERSITY OF SALFORD  
COUNCIL  
MINUTES OF THE MEETING HELD ON  
5 OCTOBER 2010**

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

Apologies: Mr T Britten  
Prof M Bull  
Mr P Crompton

In attendance: Dr A A Graves (Deputy Vice-Chancellor and Registrar and Secretary)  
Mr S Attwell (Director of Finance)  
Mr D Drury (Chief Information Officer, items COU.10.43 – COU.10.46)  
Mr P Hopwood (Director of Planning and Performance, items COU.10.49 – COU.10.50)  
Mr K Watkinson (Executive Director, Human Resources, items COU.10.43 – COU.10.50)  
Mr M Rollinson (Head of Governance Services and Deputy Secretary)

**COU.10.43 MEMBERSHIP (COU/10/35)**

On the recommendation of Nominations and Governance Committee, Council **resolved** to appoint Councillor Derek Antrobus to Council for a period of office ending on 31 July 2013.

Council noted the full list of Council members for 2010/11.

**COU.10.44 MINUTES (COU/10/23)**

The minutes of the meeting held on 8 July 2010 were confirmed as a correct record.

**COU.10.45 MATTERS ARISING**

1. Recruitment/Admissions

Further to minute COU.10.31 ii), the Vice-Chancellor reported that registration of students was still taking place and the final position would be clearer in the next few weeks; however, there did not appear to be any cause for significant concern. The report from the Director of Finance indicated a possible shortfall in numbers, partly as a result of a significant number of non-completing students following a change in academic regulations; however appropriate provision had been made for this eventuality. The biggest threat to achieving international postgraduate numbers was the stringent UK Borders Agency visa requirements.

COU.10.46 **VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/10/37)**

Council received and noted the Vice-Chancellor's Report, which provided an overview of the period from August 2009 to July 2010. The Vice-Chancellor reported further on the following matters;

- i) there was intense speculation about the outcomes of the Comprehensive Spending Review (CSR) and the Browne report on financing student education. The latest intelligence suggested a reduction in the allocation for research of about 20% (with a continued movement towards research concentration in elite Universities and support of Science, Technology, Engineering and Mathematics (STEM) subjects). The estimated reduction in teaching grant had now risen to approximately 73%; again, there was likely to be protection for STEM subjects with the likelihood of no public funding for Band D subjects (eg humanities, arts and some social sciences);
- ii) it was important to distinguish between funding cuts and "intended substitution"; it was anticipated that the reduction outlined in i) above would be compensated by an increase in student fees (the cap on student fee levels was now expected to be between £7,000 and £10,000). Essentially therefore, the Browne report would articulate the movement from the notion of higher education as a public good to the acceptance of payment for a private benefit;
- iii) that the approval and implementation of the above changes (or variant once the outcomes of the CSR and Browne Report were known) was by no means certain given the public stance of one of the coalition partners, the Liberal Democrats, on student fees;
- iv) in addition, to the substitution of private money for public money as set out above, the government was taking measures to de-regulate higher education, with private companies being given degree awarding powers. This would increase the likelihood of genuinely variable student fees (with prospective students being able to choose between similar qualifications ranging from £3,000 to £10,000+ per year). This meant that Salford, and other HEIs, would need to give attention to the pricing of qualifications, for example considering variability of fees between subjects, the principles behind a pricing structure and required margins and the complex relationship between quality and price;
- v) the University was about to conclude strategic framework partnership agreements with both Manchester College and Salford City College, the agreements were flexible and allowed mutually beneficial developments (eg the potential for a suite of qualifications from the age of 16 onwards). Mr N Collins declared an interest in this item as a governor of Manchester College;
- vi) the induction programme for new members had taken place on 28 September and had been well received; it was intended that further development days would be offered to all Council members over the next few months with the opportunity to visit (for example) University research facilities and meet staff and students. The Head of Governance Services and Deputy Secretary would contact members about this in due course;
- vii) the commercial agreement with Unisys, the main contractor to the ICT Transformation Programme, had now been concluded and a brief paper from the Chief Information Officer was tabled at the meeting. The Chief Information Officer took members through the benefits of the programme as outlined in the report noting the capacity for two years estimated growth in both compute power and storage built into the contract. Council noted that the equipment to be installed at Media City would place the University at the forefront of technological development and this would represent a significant public relations opportunity ;

viii) Over 400 staff would be attending the Vice Chancellor's open briefing session on "The Future for Higher Education" on Friday 8 October. In response to a question about the impact on the sector of the deregulation of higher education and variable fees, the Vice-Chancellor reported that the impact of similar changes in South Africa had been to create "clusters" of institutions around the same/very similar fee levels rather than a natural free market. However given the absence of any serious discussion about this matter in the sector it was difficult to predict outcomes with any degree of certainty. The Vice-Chancellor reiterated the centrality of access, widening participation and engagement (for those with potential to benefit from higher education) to the University's mission and core activities and the need to ensure that this was not undermined by the changes referred to above; Council noted the development of access agreements with three key local feeder colleges which would support this. On a related matter, the Vice-Chancellor commented that there had been little consideration so far of the unintended consequences of the shift in the funding burden to the individual (eg the impact of graduates with significant levels of debt on the housing market).

Council noted that it was important that discussion and decisions about variable pricing was not entirely framed by league table positions, and that it would be important for the University to establish its key "value added" criteria and unique selling points. In this context, the University's position as the institution with the greatest number of "commuter students" in the region gave it a potential strategic advantage (ie the University had a diverse student market not wholly or mainly in the school leaver age group and carried less fixed cost in relation to accommodation etc). Members also commented on other factors such as the MediaCity UK development and areas of particular academic expertise (such as the Built Environment).

In response to a question about the costing of programmes (to inform discussions about pricing) the Vice-Chancellor agreed that this was important and that further work to develop a robust model was required; it was anticipated that this work would be completed in sufficient time to inform pricing decisions.

Council noted that a fuller, more detailed analysis of pricing options would be presented to the March meeting, once the full details of the Comprehensive Spending Review and the Browne Report were known and had been properly considered.

#### **COU.10.47 FINANCE REPORT (COU/10/38)**

Council received the report from the Director of Finance; this contained draft results from the financial year to 31 July 2010 which were now subject to external audit. Council noted the healthy (and above forecast) trading surplus, the underlying strength of quality of earnings and the strong balance sheet and cash position. The Lead Member advised that issues contained in the report had been discussed at the recent Lead Member meeting – the only unexpected item that had emerged was the (positive) variance that had arisen as a result of the exceptional pension credit.

Council noted (further to COU.10.45.1 above) that the position in relation to student fees was still being finalised but adequate provision had been made for any shortfall, through reductions and improvements in cost and income lines respectively. Council noted further that achievement of cost reduction targets was a pre-requisite for investments as identified in the Strategic Plan and that revisions to the medium term financial plan would almost certainly be considered in light of the outcomes of the CSR/Browne Report.

In response to a question, the Director of Finance noted that the income under the "other income" heading exceeded budget forecast largely as a result of one off factors (eg licensing deal for Salford Software, delays in sale of Crescent Publishing and unbudgeted income; it was noted that the overall performance of Salford Software was in line with the most recent forecast consolidated at the end of Q3).

#### COU.10.48 **KEY PERFORMANCE INDICATORS (COU/10/39)**

Council received a report from the Director of Planning and Performance describing how, when and with what frequency performance against agreed Key Performance Indicators would be presented.

Council welcomed the presentation as indicated in the report noting that full performance data for 2009/10 and for the first quarter of 2010-11 would be included in the next report to Council. The Lead Member for Performance reported that he had been consulted on developments and that from his professional experience the presentation of the data as set out in the report was amongst the best in the sector. It was noted further that;

- i) work was being carried out on benchmarking data to sit alongside the KPI data;
- ii) the KPIs continued to make reference to the CUC KPI framework, although this had been tailored to ensure that it best met the needs of the University.

#### COU.10.49 **RISK REGISTER UPDATE REPORT (COU/10/40)**

Council received the latest version of the Risk Register indicating the top ten risks and main changes to the Register since it was last presented to Council.

The Director of Finance reported that Executive Committee had given consideration to whether the format of the Register continued to best serve the needs of Executive Committee and Council and further discussions on this matter would take place with the Director of Planning and Performance with subsequent consideration by Executive Committee.

Council members were broadly supportive of the current format of the Register, noting that it had been previously agreed that the full Risk Register would be submitted to Council on an annual basis. Members were generally content that the Register provided detail at the appropriate level, enabling a strategic overview of risks and level of risk in key areas. Council **resolved** that it would be beneficial to understand in more detail how the process of risk management was embedded at different levels of the institution and that consequently there was an effective process of risk escalation from local level to the Corporate Risk Register; further information on this was requested for consideration at a future meeting.

In order to ensure that risk was being properly scrutinised by Council members, Council **resolved** that future Lead Member meetings should include review of risk in their respective areas so that this could be reported on a regular basis to Council.

Council noted further that Audit Committee had recently considered a risk management process review and that a statement reflecting the Committee's opinion that the University had an effective and mature risk management process would be included in the Annual Report from the Audit Committee which would be submitted to the November meeting of the Committee and Council.

#### COU.10.50 **UNIVERSITY LEAGUE TABLES**

The Committee received a presentation from the Director of Planning and Performance on improving the University's position in the University League Table (NB Secretary's note; a copy of the presentation has been placed on the members resources part of the website). The presentation concluded that;

- i) improvement to the league tables was required as part of delivering the Strategic Plan (and included a need for targeted actions and a need to understand what information should be monitored);

- ii) improvement required joint effort by academic and administrative and professional services staff;
- iii) there was a time lag between actions and consequent improvement in the league tables and therefore persistence and resolve was required;
- iv) the larger Schools needed to perform best (as they had a proportionally bigger impact on the league tables);
- v) there was a need to optimise data that was returned on a regular, consistent level;
- vi) that there had been some improvement already at subject level (as was evidenced by the National Student Survey and the internal Student Experience Survey).

Council noted that improvements to National Student Survey results reflected improvements in the process of information gathering (eg measures to facilitate student returns assisted by the Students' Union) and other process improvements (eg organisation of timetabling and quicker turnaround times for student feedback) and that these impacted on league table performance. Further to questions from members, Council noted the need to ensure that the University regularly sought and acted upon student opinion (the introduction of the Student Experience Survey alongside the National Student Survey was mentioned in this regard) whilst avoiding over-surveying students.

Council noted with pleasure the very positive response to one of the additional questions in the Student Experience Survey, where 80% of respondents had indicated that they would recommend the University to a friend. This compared to a sector average of 63% and placed the University in the top five institutions in the country; Council agreed that this should be widely publicised in future promotional materials.

#### **COU.10.51 REPORT FROM ESTATES MASTER PLAN STEERING GROUP**

The Registrar and Secretary and Deputy Vice-Chancellor provided an oral update from the Estates Master Plan Steering Group. Council noted the next meeting of Council would receive a full report on the implementation of Phase One of the project including;

- the construction of several new buildings;
- refurbishment of two other buildings (including major refurbishment of the Chapman Building);
- significant works around the public realm;
- the tendering process for the construction of residences and associated facilities.

Council noted that good progress was being made in relation to the core workstreams as reported to previous meetings. Discussions were ongoing with Salford City Council about the acquisition of properties which were integral to the delivery of the Master Plan.

The Registrar and Secretary and Deputy Vice-Chancellor emphasised the importance of the Master Plan to the University's strategic aspirations; the ability to attract and retain high calibre staff and students was predicated on the ability to develop a high quality, welcoming environment. Given that MediaCity UK would place the University at the leading edge of media programme delivery, it was imperative that excellent buildings were designed and constructed elsewhere on the University campus.

Council was assured that the report to the November meeting would enable members to understand the financial model and the extent of future commitments.

#### COU.10.52 **COUNCIL ADVISORY GROUP (COU/10/41)**

Council considered the report from the Council Advisory Group meeting held on 21 September 2010. Council **resolved** to;

- i) approve the minor changes to the terms of reference and membership of the Group to accommodate the replacement of the Strategic Leadership Team by the Executive Committee and to allow the flexibility of membership (to reflect the nature of the business) that had been a feature of the Group until now;
- ii) accept the outline schedule of Council business for 2010-11 and approve the change in the date of the retreat so that it coincided with the March Council meeting.

Council noted the reports of the various Lead Member meetings, noting in particular the alignment of the agenda for the Lead Member Estates meeting with the University's strategic goals.

#### COU.10.53 **AUDIT COMMITTEE (COU/10/42)**

Council considered the report from the Audit Committee meeting held on 16 September 2010. Council **resolved**;

- i) to approve the Internal Annual Audit Report for 2009-10;
- ii) that no change of external auditors should be considered until their current seven year period was completed (five years of the current contract having elapsed);<sup>+</sup>
- iii) that internal audit services be market tested and a tender process undertaken in early 2011 in view of the volume of internal audit work commissioned by the University.

(<sup>+</sup> In response to a query, the Director of Finance noted that the Audit Committee had not given explicit consideration to whether there were advantages to making the periods of office of the external and internal auditors co-terminous; Council resolved not to amend the recommendation of the Committee as set out in the above resolution.)

Council noted that the internal audit annual report contained reference to one report rated as "unacceptable" and a fuller report of this audit (relating to a European Regional Development Fund contract) was contained elsewhere in the report to Council. The audit had found that the system of internal control, risk management and governance for the project was unacceptable and the findings had been discussed in detail with the Vice-Chancellor, Registrar and Secretary and Director of Finance. On the authority of the Vice-Chancellor, the Registrar and Secretary had implemented a series of management actions to address the findings of the audit and these had been reported in detail to the Committee. The Internal Auditors had advised that they were satisfied that the actions identified were appropriate to address immediate concerns and follow up review of management responses was about to take place with details of the findings to be circulated to members before the next Committee meeting on 2 November. Council advised by the Director of Finance, noted that this matter would not affect the external auditors' opinion.

Council noted further;

- the work in progress to address the three high risk issues identified in the KPMG internal audit report on quality of teaching;
- recruitment, induction, probation and approval of academic staff;
- that following consideration of the risk management process review, the Annual Report from the Committee would reflect the Committee's opinion that the University had an effective and mature risk management process in place for 2009-10.

**COU.10.54 NOMINATIONS AND GOVERNANCE COMMITTEE (COU/10/43)**

Council considered the report from the Nominations and Governance Committee meetings held on 19 July and 21 September 2010.

Council **resolved** to;

- i) confirm the decisions of Nominations and Governance Committee that Mr J Corner's membership of Council be held in abeyance for the duration of his engagement with the Media City UK project in an employment capacity and that the matter be kept under regular review;
- ii) confirm a minor amendment to the Ordinance for the Vice-Chancellor to confirm the University's practice of normally awarding the title of "Professor" when an appointment was made to the role of Vice-Chancellor.

Council noted;

- the schedule of review of appointments to Committee and Lead Member positions;
- the progress report on the Leadership Foundation project on effective governance, noting in particular that the next stage would be a series of one to one interviews with an external facilitator, Mr J Lauwerys, formerly Registrar of the University of Southampton.

**COU.10.55 SENATE (COU/10/44)**

Council considered the report from the meeting of Senate on 22 September 2010 and **resolved** to approve the interim governance arrangements for the academic year 2010/11 (ie the three College Boards, Councils and Committee operating in place of the current four Faculties in a way which mapped against the three College academic structure).

**COU.10.56 DATE OF NEXT MEETING**

Wednesday 24 November 2010 at 2.00 pm.