

COUNCIL

MINUTES OF THE MEETING HELD ON 6 JULY 2018

Present: Lord Keith Bradley (Chair), Geoff Bean, Dr Mike Burrows, Dr Anthony Coombs, Phil Cusack, Garry Dowdle, Andrea Dunstan, Amina Helal, Professor Helen Marshall, Cllr John Merry, Ian Moston, Sean O'Hara, Professor Sheila Pankhurst, Professor Susan Price, Tom Russell, Helen Taylor.

Apologies: Ben Gallop, Dr Priscilla Nkwenti, Sam Plant, Joyce Redfearn, Margaret Rowe, Emily Voss-Bevan.

In attendance: Alison Blackburn (Registrar and Secretary), Julie Charge (Executive Director of Finance), Louise Edwards-Holland (Director of HR and Organisational Development), Dr Sam Grogan (PVC Student Experience) [COU.18.39 to 46], John McCarthy (Executive Director of Marketing and External Relations), Jackie Njoroge (Director of Strategy), Jo Purves (PVC International and Regional Partnerships), Professor Richard Stephenson (Deputy Vice-Chancellor).

Secretary: Elaine Pateman Salt

COU.18.39 MINUTES OF THE PREVIOUS MEETING

Confirmed: the minutes of the previous meeting held on the 27 April 2018 (COU/18/30).

COU.18.40 DECLARATIONS OF INTEREST

Noted: the Chair declared an interest, as member of Privy Council, in starred Item 20: University Statutes and Ordinances (COU/18/46).

RESOLVED: to authorise the Deputy Chair to certify the extract of the minutes from the meeting for submission to Privy Council

ACTION 1: DEPUTY CHAIR

COU.18.41 MATTERS ARISING FROM THE MINUTES

Noted: that the Council Pay and Pensions working group was to be subsumed into a Council Reward and Recognition working group [COU.18.013].

There were no further matters arising or actions due that were not already on the current or future agendas.

COU.18.42 MEMBERSHIP

Considered: nominees for appointment or re-appointment to membership, recommended by the Governance, Nominations and Ethics Committee (COU/18/31).
[Secretary's note: nominees for re-appointment exited the chamber during deliberations].

RESOLVED:

- i) Professor Dame Susan Bailey be appointed for a first term;
- ii) Merlyn Lowther be appointed for a first term;
- iii) Geoff Bean be appointed for a second term;
- iv) Phil Cusack be appointed for a second term;
- v) Ian Moston be appointed for second term;
- vi) Professor Susan Price be appointed for a second term.

Noted: that the Council extended congratulations to new and re-appointed members.

COU.18.43

DEPUTY CHAIR

Considered: nominee for Deputy Chair of Council, recommended by the Governance, Nominations and Ethics Committee (COU/18/32).
[Secretary's note: nominee exited the chamber during deliberation].

RESOLVED: to elect Sean O'Hara to Deputy Chair of Council with effect from 1 August 2018.

COU.18.44

CONFIRMATION OF STARRED ITEMS

Confirmed:

- i) that agenda item 20 – University Statutes and Ordinances – was resolved as approved without further discussion (COU/18/46);
- ii) that agenda item 21 – Use of the University Seal – was noted without discussion (COU/18/47).

COU.18.45

CHAIR'S ACTION

Received: a report from the Chair on action undertaken since the previous meeting (COU/18/33).

Reported:

- i) that the Chair's Action related to one item; the funding bid for Energy House 2;
- ii) that the bid submission deadline had fallen between scheduled meetings of Council;
- iii) that the Chair had received information from the Director of Strategy;
- iv) that the Chair had further consulted the Chair of Finance and Resources Committee, who had recommended the action.

COU.18.46

VICE-CHANCELLOR'S REPORT

Received: a report from the Vice-Chancellor on key strategic issues (COU/18/34).

Reported:

- i) that the review of post-18 education and funding was due to report at the end of November 2018 and that the recommendations to Government would plausibly coincide with Brexit deadlines in March 2019;
- ii) that the potential employer and employee increased pension contributions were expected to be introduced on a phased basis;
- iii) that the two per cent national pay increase offer had been rejected by the Universities and Colleges Employers Association (UCEA);
- iv) that the University had maintained its bronze award status in the Teaching Excellence and Student Outcomes Framework (TEF);
- v) that negotiations were taking place regarding the inclusion of an historical cohort of nursing graduates in the Destination of Leavers from Higher Education (DLHE) data. It was expected this inclusion would be favourable for the University's data position;
- vi) that the historic DLHE data would continue to hinder data returns until the more recent improved graduate outcomes created an impact;
- vii) that the University continued to improve its position on national league tables;
- viii) that the role of Director of Postgraduate Research had been filled by the appointment of Dr Ursula Hurley.

Noted:

- i) that the external environment remained challenging and that this was particularly relevant to the ensuing 18-24 month period;
- ii) that the National Student Survey (NSS) results were due during the summer and that the survey had been taken during, or immediately after, strike action by staff;
- iii) that the improved positions on league tables were marketed to prospective applicants by subject;

- iv) that the data metrics did not have a material impact on the strategy of the University;
- v) that the University had not reached its strategic position on league tables and despite an upward trajectory was not yet in the strong position it aspired to;
- vi) that the report had not included the figures for 2018/19 student recruitment that was surpassing both the sector and the region, as received by the Finances and Resources Committee;
- vii) that the league table position was important for international student recruitment;
- viii) that the league table position could be restrictive for individual schools that were out-performing the University position;
- ix) that the University had provided feedback to the call for consultation for the 2018/19 review of TEF and that it had also provided collective feedback as part of its membership of the University Alliance;
- x) that the Student Union was represented at the TEF Path to Silver working group;
- xi) that the University had been visible in the recent BBC coverage of the NHS 70th anniversary.

COU.18.47

UNIFICATION OF SCHOOLS: HEALTH SCHOOLS

Considered: a proposal to unify the health schools, recommended by the Vice-Chancellor's Executive Team (COU/18/35).

Reported:

- i) that the recommendation to unify had been made after the conclusion of a listening exercise with staff, upon receipt of advisory comments on the academic merits for unification from the Senate and debate at the Vice-Chancellor's Executive Team Meeting;
- ii) that the unification was proposed with immediate effect, followed by a period of transition of one academic year (August 2018 to July 2019).

Noted:

- i) that, without prejudice, the executive structure had been scoped;
- ii) that the transitional period was an opportunity to shape the composition of the unified school and that assurances would be provided to affected staff that it was not the intention for the timescale to introduce uncertainty regarding job roles;
- iii) that the objective of unification was not to reduce administrative costs;
- iv) that the impact of a unified school on the establishment of a future medical school could not be fully measured at this stage;
- v) that the construction of the 'health village' was expected to promote the interdisciplinary approach;
- vi) that the intention of the transition year was protect academic activity and student experience;
- vii) that the listening exercise had not included the student body but that this did not preclude the student body informing discussions during the transitional period;
- viii) that the opportunity to accelerate the Industry Collaboration Zones Strategy and Fit for the Future planning was evident in the proposal but had not been made explicit.

RESOLVED: to approve the unification of the health schools;

COU.18.48

UNIFICATION OF SCHOOLS: SCIENCE SCHOOLS

Considered: a proposal *in principle* to unify the science schools, recommended by the Vice-Chancellor's Executive Team (COU/18/36).

[Secretary's note: Professor Sheila Pankhurst exited the chamber during deliberation].

Reported:

- i) that the scrutiny given to the unification of the health schools had led to broader examination of the architecture of the University;

- ii) that the proposed unification of the science schools would result in four strategic business units of similar size and scale;
- iii) that the potential for this to be considered had been raised by a member during the meeting of the Senate;
- iv) that the Vice-Chancellor's Executive Team had endorsed a listening exercise to commence;
- v) that the proposal as presented was not conclusive and sought a resolution *in principle* to proceed.

Noted:

- i) that the unification appeared to give practical structure to the conceptual framework of the industry collaboration zones but that the business units would not be coterminous with the zones;
- ii) that the business case was not fully developed, with the advice from the Senate not yet available;
- iii) that the raw data from the listening exercise indicated concerns regarding the preservation of identity, research integrity in the approach to the next Research Excellence Framework (REF) exercise and the impact on job roles;
- iv) that the three Deans currently in post would enter a competitive internal appointment process;
- v) that the Deans had been fully appraised of the process and had indicated their understanding and had supported proceeding with the listening exercise;
- vi) the view that the capacity and reputational risks were potentially higher than for the unification of the health schools due to the proposed decision-making timescale;
- vii) the view that the vacant position of Chief Operating Officer exposed the executive to greater capacity risk during a second unification;
- viii) the view that the rationale was not clear what the interdisciplinary benefits of unification were;
- ix) that the amount of interdisciplinary research between the three science schools was the highest in the University;
- x) that the consideration of alternative approaches was not evident in the proposal;
- xi) that the concerns raised by members were cautionary and did not prohibit a strategic opinion being formed.

RESOLVED:

- 1) to approve *in principle* the unification of the science schools;
- 2) to receive a final recommendation from the Vice-Chancellor's Executive Team via circulation of a paper before the next meeting, and that the paper include advice from the special meeting of the Senate.

ACTION 2: DEPUTY VICE-CHANCELLOR

COU.18.49

CODE OF CONDUCT FOR MEMBERS OF COUNCIL AND SENIOR OFFICERS

Considered: the revised Code of Conduct for Members of Council and Senior Officers, recommended by the Governance, Nomination and Ethics Committee (COU/18/37).

Reported:

- i) that the changes were administrative and also related to terminology;
- ii) that the Code had been further aligned to the Seven Principles of Public Life (the 'Nolan Principles').

Noted: that the role of Deputy Chair of Council was not included.

RESOLVED:

- 1) to approve the Code of Conduct for Members of Council and Senior Officers;
- 2) to approve the inclusion of the role of Deputy Chair and appropriate cross-references to the Ordinances in the Code of Conduct without further consideration.

ACTION 3: REGISTRAR AND SECRETARY

COU.18.50

INCLUSION & DIVERSITY ANNUAL REPORT – CLOSED

Considered: the proposed Inclusion & Diversity Annual report 2017/18, recommended by the Student Experience Committee (COU/18/38).

Reported:

- i) that the report was presented in an infographic style which was markedly different from previous reports;
- ii) that the report had indicated a black and minority ethnic (BAME) student attainment gap compared to the sector (6% compared to 21% respectively);
- iii) that the University had signed up to the Race Equality Charter to support an attainment mapping exercise.

Noted:

- i) that the Student Experience Committee had commended the report, including the method of data presentation and the progress achieved during the year;
- ii) that the 'where are they from?' data for undergraduate students represented the home address of origin rather than term-time address;
- iii) that the University of Salford Students' Union (USSU) had enacted a BAME operational plan and fully supported the University in its activities;
- iv) that the attainment gap for BAME students was being further addressed through analysis of entry qualifications, curriculum design and good practice toolkits;
- v) that the professorial gender gap for women was evident and that activities to address this included intervention at the point of application;
- vi) that the publication of the report to the public domain could result in additional comments for consideration by Council.

RESOLVED: to approve the Inclusivity & Diversity Annual Report 2017/18.

COU.18.51

CRIMINAL FINANCES ACT POLICY

Considered: the proposed Criminal Finances Act Policy, recommended by the Audit and Risk Committee (COU/18/39).

Reported:

- i) that the Criminal Finances Act Part Three included under the responsibility of the University failure to prevent the facilitation of tax avoidance or evasion;
- ii) that the risk groups included overseas agents working on behalf of the University;
- iii) that the existing Counter Fraud Policy and Response Plan outlined the process for investigation for allegations of breaches.

Noted: that policies relating to human resources had been reviewed for cognisance.

RESOLVED: to approve the Criminal Finances Act Policy.

COU.18.52

COMMITTEES OF COUNCIL: TERMS OF REFERENCE

Considered: the revised terms of reference for Audit and Risk Committee, Finance and Resources Committee, Honorary Degrees Committee and Remuneration Committee, recommended by the Governance, Nominations and Ethics Committee (COU/18/40).

Reported:

- i) that the terms of reference had been made consistent and aligned to each other;
- ii) that the joint meeting of Finance and Resources Committee and Audit and Risk Committee had been removed;
- iii) that the Honorary Degrees Committee had been given the authority to rescind honorary awards;
- iv) that the Remuneration Committee revision to terms had anticipated the recommendations of the Higher Education Senior Staff Remuneration Code.

Noted:

- i) that the consideration of Vice-Chancellor pay and reward would be at a discrete closed meeting of Remuneration Committee;
- ii) that the conclusion of business for Item 5: Membership permitted vacancies on committees of Council to be considered by the Governance, Nominations and Ethics Committee.

RESOLVED: to approve the terms of reference for Audit and Risk Committee, Finances and Resources Committee, Honorary Degrees Committee and Remuneration Committee, recommended by the Governance, Nominations and Ethics Committee.

COU.18.53

QUARTERLY FINANCE REPORT

Received: the Quarterly Finance Report: Q3 2017/18, recommended by the Finance and Resources Committee (COU/18/41).

Reported:

- i) that the surplus showed an uplift in comparison to the quarter two forecast;
- ii) that the outcome of holiday pay adjustment, valuation of loan hedges and the the Universities Superannuation Scheme actuarial valuation would not be received until 31 July 2018, and that this had been reflected in the outturn.

Noted:

- i) the assurances of the Finance and Resources Committee Chair that the Committee had thoroughly examined the report;
- ii) that the Office for Students had extended the deadline and terms for the annual submission of the University's financial forecast. A five-year forecast was to be submitted by 17 September 2018, in comparison with a three-year forecast submitted annually in July;
- iii) that the guidance had not yet been received as to whether the September submission would include the annual forecast for 2017/18 or the unaudited accounts for 2017/18.

COU.18.54

QUARTERLY PERFORMANCE REPORT

Received: a detailed report on research including the University's performance against lead indicators during quarter three 2017/18, recommended by the Vice-Chancellor's Executive Team (COU/18/42).

Reported:

- i) that the data was reported to June 2018 and that the position had improved during July 2018;
- ii) that the improvements highlighted did not represent attainment against the overall University research performance objectives;
- iii) that the appended University risk profile (Top 10 Risks) was reflective of the high degree of sector uncertainty and not reflective of preparedness.

Noted:

- i) that the academic career pathway framework was to be addressed before workload allocation;
- ii) that the national guidance had not been issued and consequently the work undertaken was a modelling exercise.

COU.18.55

SENATE REPORT

Received: the minutes of the meetings of the Senate held on 14 March 2018 (confirmed) and 13 June 2018 (unconfirmed) (COU/18/43).

Reported:

- i) that the Senate was heavily involved in the website project and that this included how the academic offer was presented externally;
- ii) that the Research and Knowledge Exchange Strategy 2017-2027 had been approved;

- iii) that the unification of the health schools proposal had led to a robust discussion.

Noted: that the refined agenda had successfully created the time for considered debate to take place.

COU.18.56 **COMMITTEE CHAIRS' REPORTS**

Received: the Committee Chairs' reports (COU/18/44).

Reported:

- i) that the Finance and Resources Committee had debated two business proposals that had been referred back to the proposing teams for sizeable clarification;
- ii) that the Remuneration Committee had held a special meeting on 6 July 2018 to consider the Total Reward Framework and had approved the creation of a working group [COU.18.41];
- iii) that the Audit and Risk Committee provided assurance of action against all items indicated on the report.

Noted:

- i) that the reports of the Governance, Nominations and Ethics Committee and the Student Experience Committee contained substantive items on the agenda and therefore had not required further examination;
- ii) that the report of the Honorary Degrees Committee included the names of the successful candidates proposed to receive an honorary award.

COU.18.57 **COUNCIL MEMBERS INDUCTION AND DEVELOPMENT FRAMEWORK AND EVALUATION OF COUNCIL PERFORMANCE**

Received: a report on the management activities in support of the Induction and Development Framework and the evaluation of Council performance (COU/18/45).

Reported:

- i) that the mentor partnership planning was due to complete at the close of the initial one-to-one meetings between the Chair and members of Council;
- ii) that the individual annual appraisal was not practicable this year in its approved format due to mid-session appointments (including the Chair);
- iii) that the annual survey for Council meeting evaluation was to be issued shortly.

COU.18.58 **ANY OTHER BUSINESS**

BARCLAYS LOAN COVENANT

Considered: a proposed amendment to the Barclays loan covenant (COU/18/48).

Reported:

- i) that the amendment requested was to gain consent from Barclays Bank PLC for the University to invest monies over a twelve month period;
- ii) that the consent was omitted previously due to the definition of 'net cash' that had been used;
- iii) that the request for amendment had been submitted following approval from the Finance and Resources Committee of a revised Treasury Management Policy in April 2017.

Noted: that the investment interest rates remained low but that the financial implication to the University could be meaningful.

RESOLVED: to approve the amendment, *specifically*:

- 1) that the amendments set out in the Letter of Variation are in the interests of and for the benefit of the Company and are most likely to promote the success of the

- Company for the benefit of the members as a whole and that such terms and conditions of the Letter of Variation be and are approved and accepted;
- 2) that the Vice-Chancellor and the Executive Director of Finance are authorised to sign the Letter of Variation on behalf of the Company and the Borrowers to indicate acceptance of the terms and conditions;
 - 3) that the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the Company, in its capacity as Borrowers of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the Company held with the Bank current from time to time.

ACTION 4: VICE-CHANCELLOR AND EXECUTIVE DIRECTOR OF FINANCE

Further business noted:

- i) that the University was to present an Alumni Achievement Award posthumously to Councillor Paul Longshaw at the 18 July 2018 graduation ceremony, followed by a reception with the family. Members had received invitation;
- ii) special thanks to Joyce Redfearn *in absentia* for her service as a member of Council and Chair of Remuneration Committee;
- iii) special thanks to Dr Mike Burrows for his long service as member of Council, Deputy Chair of Council and for his time as Acting Chair of Council.

COU.18.59 The Council forward-look session would be held on Thursday 27 September 2018.

The next Council meeting would be held on Friday 12 October 2018.

| Reference | Meeting Date | Item | Decision/Action to be taken | Owner | Comments |
|--------------------------|--------------|---|---|-------------------------------|--|
| Action 1 [COU 18.013] | 23-Mar-18 | Council Pay and Pensions Sub-group membership | That an independent member of council with HR background join the group | Registrar and Secretary | This group now forms part of the Total Reward Framework Group, including an independent member with HR experience – action completed |
| Action 4 [COU 18.015] | 23-Mar-18 | Council Effectiveness Review | That consideration be given to extend the risk appetite statement presented in the Financial Integrated Report to include a wider scope | Executive Director of Finance | Item due on the agenda for 23 Nov 2018 – action in progress. |
| Action 5 [COU 18.016] | 23-Mar-18 | Statutes and Standing Orders | That further examination of committee membership be considered to ensure that independent members are in the majority at committee meetings | Registrar and Secretary | This will have an impact on the constitution of the committees and remains under consideration – action in progress. |
| Action 1 [COU 18.30] | 27-Apr-18 | Lead Indicator Report | That further reflection was required at the Council development session on 27 September 2018 | Registrar and Secretary | Undertaken at the Meet&Eat session 12 October 2018 – action completed |
| Action 1 [COU 18.40] | 6-Jul-18 | Declaration of Interest | to authorise the Deputy Chair to certify the extract of the minutes from the meeting for submission to Privy Council | Deputy Chair | Action completed |
| Action 2 [COU 18.48] | 6-Jul-18 | Unification of Schools: Science Schools | to receive a final recommendation from the Vice-Chancellor's Executive Team via circulation of a paper before the next meeting, and that the paper include advice from the special meeting of the Senate. | Deputy Vice-Chancellor | Action completed |
| Action 3 [COU 18.49] | 6-Jul-18 | Code of Conduct | to approve the inclusion of the role of Deputy Chair and appropriate cross-references to the Ordinances in the Code of Conduct without further consideration. | Registrar and Secretary | Action completed |

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| Action 4 [COU 18.58] | 6-Jul-18 | Barclays Loan Covenant | that the Vice-Chancellor and the Executive Director of Finance are authorised to sign the Letter of Variation on behalf of the Company and the Borrowers to indicate acceptance of the terms and conditions; | Vice-Chancellor and Executive Director of Finance | Action completed |
|-------------------------|----------|---------------------------|--|--|------------------|