

**UNIVERSITY OF SALFORD  
COUNCIL  
MINUTES OF THE MEETING HELD ON  
8 JULY 2010**

Present: Dr A Mawson (Chair)  
Mr C Wells (Deputy Chair)  
Mr M Appleton  
Mr K Brady (items COU.10.28 – COU.10.33)  
Mr T Britten  
Mr N Collins  
Mr J Corner  
Mr P Crompton  
Ms L Doyle  
Ms F Goodey (items COU.10.28 – COU.10.33)  
Mr J Greenough  
Prof M Hall  
Cllr B Pennington  
Mr N Renfrew  
Ms C Shaw  
Dr H Takruri-Rizk  
Ms R Turner (items COU.10.28 – COU.10.35)

Apologies: Mr I Austin  
Prof M Bull  
Dr M Burrows  
Mr R Chotai  
Ms J Fawcett  
Mr M Webber

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.10.28 – COU.10.31)  
Mr K Watkinson (Executive Director, Human Resources – items COU.10.28 – COU.10.39)  
Mr M Rollinson (Head of Governance Services and Deputy Secretary)  
Mr A Meachin (Associate Director of Health, Safety and Wellbeing – item COU.10.39 only)

**COU.10.28 MEMBERSHIP**

Council welcomed the three new independent members of Council (Mike Appleton, Kevin Brady and Ruth Turner) who were attending their first meeting. Council noted that this was the final meeting attended by Councillor Bernard Pennington who was retiring from Council at the end of the current academic year. Councillor Pennington had been a member of the Council since the tripartite merger in 1996 and a governor of one of the merger partners, Salford College of Technology, since 1974. Council thanked Councillor Pennington for his invaluable service to the University over this time. Councillor Pennington extended his best wishes to the University for the future, commenting favourably on the strength and commitment of the current management team and their achievements in transforming the University

**COU.10.29 MINUTES (COU/10/23)**

The minutes of the meeting held on 27 May 2010 were confirmed as a correct record.

### COU.10.30 **MATTERS ARISING**

#### 1. Presentation on University League Tables

Further to minute COU.10.16 i), Council noted that because of the volume of other business, the presentation on University performance in the various University league tables had been deferred to a future meeting.

#### 2. CUC/Leadership Foundation Pilot Project on Governing Body Effectiveness

Further to minute COU.10.24 ix), the Chair advised that, together with the Deputy Vice-Chancellor and Registrar and Secretary and the Head of Governance Services, he had met with the co-ordinator of the CUC/Leadership Foundation project on governing body effectiveness. A way forward had been identified which would include, at an early stage, a questionnaire to be issued to Council (and SLT) members. The questionnaire would be issued by the Head of Governance Services shortly with an explanatory e-mail; key issues identified from analysis of the questionnaires would be explored in greater detail with individual members, a process likely to be facilitated by an external advisor. It was anticipated that initial findings from the review could be shared with Council members by the end of the year.

### COU.10.31 **VICE-CHANCELLOR'S MANAGEMENT REPORT (COU/10/24)**

Council received and noted the Vice-Chancellor's Management Report. The Vice-Chancellor expanded on the following matters covered in his report:

#### i) Teaching and Learning

Reform of academic regulations continued, with the recent approval by Senate of a reduction in the number of permitted assessment attempts from four to three. Changes would be introduced in 2010-11, for implementation in 2011-12, to allow earlier de-registration of students for whom there was a persistent record of failure to engage with their programme of study.

#### ii) Recruitment

The trend in applications continued to be 4-5% above the sector average and it was vitally important that this increase was converted into actual admissions.

#### iii) MediaCity

The Vice-Chancellor confirmed that John Holland, the former Director of MediaCity, had left the organisation to pursue a consultancy opportunity in London. An announcement about a new appointment in this area was imminent and would be conveyed to Council members as soon as it was available.

In response to a question about the University's involvement with Channel M, the Vice-Chancellor advised that discussions with Guardian Media Group were centred on the possible use of University studio facilities at MediaCity and the development of a local public service broadcast facility. The past involvement with Channel M had provided the opportunity for undergraduate media students to have their output broadcast, a unique selling point in the sector. Council was assured that the relationship with Channel M did not involve the University making a financial commitment and other potential partners would be explored if the discussions with Channel M did not come to fruition.

The Executive Director of Human Resources provided a brief oral report on the University's current Voluntary Severance Scheme. He advised that the current Scheme, which had existed for several years, was no longer sustainable. The average payment at the University in 2008/9 was £38,000 or 90% of salary which contrasted with a recent, national CBI survey which found average payments of £12,000 or 50% of salary; the University's scheme was

amongst the most generous of those provided by other north-west universities. Council noted that annual voluntary severance payments (including early release of pension) amounted to £9.7 million in 2008/9.

Council noted the potential for discontinuation of the current scheme to have an adverse impact on industrial relations, given that other national sector-wide issues in relation to pay, pensions and job security were likely to result in a ballot for industrial action. Council was advised that SLT kept contingency arrangements in the event of industrial action under regular review.

Council **resolved** that the current Voluntary Severance Scheme be discontinued and agreed that University management should enter into a period of consultation with the trade unions about an alternative, affordable severance scheme.

The Chief Information Officer introduced a progress and finance report on the IT Transformation Programme, which was attached as an appendix to the Vice-Chancellor's Management Report. The report requested a further £2.5 million to complete the Transformation Programme; this request had been approved by the ICT Project Board and Strategic Leadership Team and had been built into the Annual Budget to be presented to Council later in the meeting. The estimated third party hardware cost of the programme was still subject to negotiation, although a prudent estimate was £6.5 million; this would bring the overall cost of the project to £9.3 million, an overspend of £2.7 million on the original estimated cost of £6.6 million. £2 million of this sum was a result of items not originally specified by KPMG in their cost calculations. After a tendering process, Unisys had been selected as the partner to work with the University to deliver the required solution.

Members questioned the extent to which the overspend against the original cost estimate could have been predicted and whether best value had been obtained from the use of KPMG as consultants. The Lead Member for IT reminded members that, when Council had approved the implementation of the IT Transformation Programme, the potential requirement for some additional expenditure had been appreciated. Both the Chief Information Officer and the Lead Member for IT confirmed that it would have been difficult for KPMG to factor in the required additional expenditure into the original estimate; this was largely a result of an underestimate of the extent of institutional maturity and capability (both in terms of human and physical resources). As an example, the KPMG solution of outsourcing data centres had not been feasible given the current state of development and would have resulted in significantly increased revenue costs.

University management expressed confidence that, barring anything currently unforeseen, the additional £2.5 million would be sufficient to see the project through to a conclusion. The reduction in operation and maintenance costs after the completion of the project was emphasised; the hardware was provided on a 3-5 year renewal basis and had 5 years storage growth built in.

The Deputy Vice-Chancellor and Registrar and Secretary advised that, as Chair of the Project Board, he would be commissioning a post project review and this would include a review of the use of consultants.

The Vice-Chancellor informed Council that the completion of the programme would provide a stable platform for flexible future delivery (taking into account the particular needs of Salford, given that the majority of students commuted to the University and were not residential) and any further requests for strategic IT spend would be included in annual budget submissions for Council approval.

Council **resolved** to approve the additional £2.5 million capital expenditure recommended in the report.

## COU.10.32 LAUWERYS REVIEW (COU/10/25)

Council received a PowerPoint presentation on the review of professional services in the academic and central units carried out by John Lauwerys (former Registrar at the University of Southampton) and facilitated by the University's Change Management Unit. The Deputy Vice-Chancellor and Registrar and Secretary spoke to the presentation, focusing particularly on:

- the analysis and findings of the review (particularly the need to remove duplication and improve connections between academic units and central professional services);
- options that had been considered and the recommended three college option;
- proposals for college and school organisation and the development of standard structures (with Schools concentrating on transactional activity largely focused on the student experience and Colleges having a more strategic role and driving excellence in delivery of professional services by central units);
- the development of a model scheme of academic governance;
- revisions to management group arrangements (including the movement to a smaller Executive Committee);
- a timetable for consultation and approval.

The Deputy Vice-Chancellor and Registrar and Secretary outlined the benefits of the three college model, noting that other options (including the complete removal of the Faculty layer with Heads of School reporting direct to the Vice-Chancellor) had been considered. Benefits included:

- support for the reconfiguration of Schools in cognate disciplines with critical mass (the presentation included an outline of potential School reconfiguration opportunities);
- facilitating the de-layering and simplification of leadership roles;
- enabling a closer connection between Heads of School and the Vice-Chancellor;
- putting in place a structure that can support the delivery of the Strategic Vision (including underpinning the six strategic themes);
- acting as a driver for professional service excellence and developing the culture of one professional service supporting the academic enterprise.

The Deputy Vice-Chancellor and Registrar and Secretary emphasised the substantial amount of supporting work and evidence for the recommendations, including business process analysis and benchmarking against other relevant HEIs; the Lauwerys Review should be seen as the second and concluding element of reform of the University's administrative and professional services, building on the Realising Our Vision changes. Council noted that the underlying driver of the proposed reforms was the delivery of value for money, coherent and high-performing professional services across the University. The Vice-Chancellor advised that the Lauwerys Review recommendations presented the opportunity to remedy the historic dysfunctions that had their origins in the unfunded and largely unplanned tripartite merger that had taken place in 1996; the post-merger structure had developed largely organically and the resulting inherent inefficiency and disorganisation was hindering the University's efforts to improve performance and its position in league tables.

The Vice-Chancellor advised that there had been an extensive period of consultation on the findings of the Lauwerys Review since their exposure at Strategic Leadership Team on 1 June 2010, including consideration by Senate at its meeting on 23 June 2010; most discussion and comment had focused on the three college model proposal and the proposal to reorganise and reconfigure professional services at academic unit level had received broad support.

Council noted that the Review had not been undertaken primarily as a cost-cutting exercise but implementation of the Review, alongside other initiatives such as the Academic Portfolio Review was likely to reveal the potential for further cost savings and some initial modelling along these lines was discussed. In this context, Council noted the award of £2 million by HEFCE following a competitive bid process to support the costs of restructuring.

Members comments and questions on the outcome of the Lauwerys Review focused on the following:

- i) the need to ensure effective communication about the Review and its impact at all levels. In this context, Council noted that the Director of Communications was leading in this area and a frequently asked questions section of the website had recently been launched. Council noted that the early exposure of the plans, including consultation with the Trades Unions was commendable, but there would inevitably be a degree of uncertainty for staff whilst plans were developed further and fleshed out;
- ii) the importance of ensuring that the talent and abilities of existing staff was not overlooked in the restructuring and that processes used to implement the review were sensitive and respected the dignity of staff;
- iii) the need to ensure that focus on the student experience was not diminished during the restructuring arising from the Review. Both the Vice-Chancellor and Deputy Vice-Chancellor and Registrar and Secretary focused on the need to improve current inefficiencies and dysfunctions which had a direct impact on the student experience (e.g. in relation to provision of feedback and organisation of timetabling); the Lauwerys Review had reforms of such dysfunctions at its heart;
- iv) whether the recommendations of the Review were sufficiently radical and whether there was enough emphasis on reduction of the cost base (in this context, Council noted that three of the five Schools with the highest deficit, as outlined in the budget paper, would be concentrated in the proposed new College of Arts and Social Sciences). Council was advised that the Review did not preclude further refinement and revision at School level and that the fuller report, which would be brought to Council in the autumn as the next stage of the Review, would provide fuller details of benefits realisation.

Council **resolved** to approve the academic model and the next steps as outlined in the presentation, including the consideration of a final report and recommendations by Council at its meeting on 24 November 2010.

#### COU.10.33 **BUDGET 2010-11 TO 2014-15 (COU/10/26)**

Council received the budget for 2010-11 to 2014-15 together with a budget commentary. The Vice-Chancellor and Director of Finance both made presentations on the budget (NB Secretary's note – the Power Point slides used in the presentations are available on the members resource section of the governance website).

The Vice-Chancellor's presentation set out the principles which had been used in compiling the budget; ie;

- a balanced budget within current resources and anticipated significant reductions in public funding (at least 6% per annum) over four successive national budgets (focusing on the "target year" of 2011-12 in which it was anticipated that target improvement plans in particular areas would begin to deliver improvements);
- achievement of significant efficiencies in administration, procurement and cost management;
- realignment of QR (Quality Research) income with distribution of funds reviewed against argued proposals in late 2010;

- rethinking of principles and approach to enterprise and innovation (involving a University wide realignment of strategy and performance in enterprise and innovation, based on a review to be completed in October 2010);
- building a significant strength in public policy work, through the launch of an Institute for Public Policy;
- implementation of the Estates Plan as proposed and the implementation of a Capital Asset Management Plan (on the basis of costed and prioritised maintenance across the estate, with precedence given to teaching and student facilities);
- maintaining reasonable levels of investment via the Strategic Investment Fund (SIF) (ie £3 million allocation in 2011/12 with subsequent increases by the rate of inflation; target annual operating surplus to remain at 5% overall, with appropriate contributions from each School).

The Director of Finance's presentation provided background to the compilation of the budget and included the following;

- student numbers assumptions and the growth targets in the budget were supported by the Academic Plan; SLT received regular progress reports on admissions; the costs of non-completion were now charged to Schools;
- HEFCE grants; the budget assumed a 25% reduction over four years (including capital grants); HEFCE announcements were monitored closely and the University was well represented on relevant sector-wide groups;
- the main element of the "Other Teaching Contracts" line was NHS income; the University has a strong relationship with the Strategic Health Authority, was represented on the Council of Deans of Health and worked closely with Primary Care and Hospital Trusts;
- Research, Enterprise and Consultancy income was monitored closely and the growth targets reflected the professoriate review and review of Workload Balancing and the Research Excellence Framework;
- non-pay costs were being reviewed by PA Consulting and the Tribal benchmarking analysis indicated areas where spending was significantly above sector/peer group norms. The business process analysis of activities in the Lauwerys Review (and also in the IT Transformation Programme) was also likely to generate economies, as was the review of space management/utilisation. A zero based budget developed through activity analysis was proposed for future years.

Questions from members focused on the following;

- i) the student growth assumptions on which the increase in fee income was predicated; Council was advised that these assumptions were based on the academic plan which had been through a rigorous, iterative process of review. As an example, the predicted level of overseas students in 2010-11 would take the University back to its 2008-09 position and was not seen as overly ambitious or unrealistic. Prudent assumptions had been made in relation to the actual outcome from the Additional Student Number funds recently granted by HEFCE and a cautious approach adopted in the assumptions about reduction in teaching grant. It was agreed that Council should be regularly updated on progress in this area;
- ii) whether there was greater scope for cost reduction; in this context Council noted that prudent assumptions had been made about the level of saving achieved as a result of the work of PA Consultancy, the Tribal Review and Lauwerys implementation. Savings from these sources had not been factored into budget planning at this stage and savings realised from these activities would therefore further improve the situation and mitigate to some degree any failure to achieve income targets;

- iii) Media City; Council noted that prudent assumptions had been made about the level of income over the first five years of the project;

The Deputy Vice-Chancellor and Registrar and Secretary noted that for the first time in over fifteen years, governing bodies had to become accustomed to governing in a period of downturn; the outcome of the Comprehensive Spending Review would be known in October and would inform the preparation of the financial accounts for approval at the November meeting.

Council **resolved** to approve the budget for 2010-11 to 2014-15 as outlined in the reports.

#### **COU.10.34 KEY PERFORMANCE INDICATORS – UPDATE ON DEVELOPMENT (COU/10/27)**

Council considered a report on the further development of Key Performance Indicators (KPIs) previously presented to Council. The report updated Council members on the level of adaptation of the KPIs and the supporting performance indicators that had been agreed with their internal owners and the proposed next steps including the agreement of targets.

The Lead Member for Performance advised that he had been consulted on the further development and was encouraged by the approach and work to date. Council noted the potential for indicators around sustainability to be developed further and the importance of such indicators given their direct impact on future funding; the offer of Mr Appleton to advise and assist with this was noted.

Council **resolved** to approve the adaptations to the high level KPIs as set out in the report.

#### **COU.10.35 REPORT FROM MASTER PLAN STEERING GROUP (COU/10/28)**

Council received the latest update from the Master Plan Steering Group which set out progress against the ten different work streams, noting that a fuller report would be presented to the October 2010 meeting.

The Deputy Vice-Chancellor and Registrar and Secretary focused on the proposals in relation to the new Arts, Media and Social Sciences building and the proposed refurbishment of the Chapman Building. Strategic Leadership Team had approved the recommendation of the Master Plan Steering Group that the Schools of Media, Music and Performance and Art and Design be brought together in a building alongside the Chapman Building, and the refurbishment of the Chapman Building be deferred. Extensive consultation with staff had taken place before coming to this conclusion; Council noted that a detailed proposal would be submitted to a meeting of Executive Committee in September 2010, prior to submission to Council in October 2010. Initial proposals considered indicated an estimated net overspend of £21 million, but there were significant opportunities for value engineering, which would reduce the estimated overspend (£9 million worth of reductions had already been identified).

Council **resolved** to endorse the above approach subject to consideration of more detailed proposals.

#### **COU.10.36 EQUALITY AND DIVERSITY STRATEGY 2010-13; LISTEN! (COU/10/29)**

Council received an Equality and Diversity Strategy brought forward following a period of consultation and review and which set out a programme for recognising, respecting and enabling the opportunities brought to the University by the diversity of its staff and students.

Council **resolved** to approve the Strategy.

**COU.10.37 ANNUAL REPORT ON EQUALITY AND DIVERSITY (COU/10/30)**

Council **resolved** to approve the Annual Report on Equality and Diversity covering the period February 2009 to July 2010, noting the next report would be aligned to the Equality and Diversity Strategy which had just been approved.

**COU.10.38 ANNUAL STATEMENT OF HEALTH, SAFETY AND WELLBEING (COU/10/31)**

Council received the Annual Statement of Health, Safety and Wellbeing. The Lead Member for Human Resources advised that the Statement had been considered at a recent Lead Member meeting attended by both the Executive Director of Human Resources and Associate Director of Health, Safety and Wellbeing and he was satisfied with it. Council noted with pleasure the decline in notifiable accidents for the third consecutive year.

Council **resolved** to approve the Annual Statement and the publication on the Human Resources website on the basis set out in the report which accompanied the Statement.

**COU.10.39 COUNCIL ADVISORY GROUP (COU/10/32)**

Council received the report of the Council Advisory Group held on 16 June 2010 which included the reports of Lead Member meetings (appended to the report from the Group).

The Deputy Vice-Chancellor and Registrar and Secretary updated members on the situation regarding the Universities Superannuation Scheme (USS). In spite of indications to the contrary in the Council Advisory Group report, the independent Chair of the Joint Negotiating Committee (JNC) had used his casting vote to vote in favour of reforms to the current USS. These reforms, which would mean (amongst other matters) that new entrants would not be eligible for a final salary pension scheme and would increase employee contributions from 6.5% to 7.5% would now be put to the USS Board on 22 July. Council welcomed this decision, whilst noting that it increased the likelihood of a ballot for industrial action by UCU.

**COU.10.40 AUDIT COMMITTEE (COU/10/33)**

Council noted the report of the Audit Committee meeting held on 15 June 2010.

**COU.10.41 SENATE (COU/10/34)**

Council received the report of the Senate meeting held on 23 June 2010 noting that Senate had endorsed the Equality and Diversity Strategy approved by Council earlier in the meeting (the version of the Strategy approved by Council incorporated the minor change recommended by Senate).

Council **resolved** to approve the following appointments to Professor Emeritus;

Professor D Armour  
Professor C Bryant  
Professor A Easson  
Professor D King  
Professor J Powell  
Professor D Storey  
Professor S Whiteley

Council noted the award of an OBE to Emeritus Professor Peter Brandon in the recent Queen's Birthday Honours List and extended its congratulations to Prof Brandon.

COU.10.42 **DATES OF MEETING IN 2010-11**

Council noted the dates of previously arranged meetings in 2010/2011;

Tuesday 5 October 2010 at 2.00 pm

Wednesday 24 November 2010 at 2.00 pm

Thursday 24 March 2011 at 2.00 pm

Thursday 30 June 2011 at 2.00 pm

(Residential Retreat scheduled to take place on Friday 13/Saturday 14 May 2011)