

The University of Manchester

**BOARD OF GOVERNORS**

Wednesday, 15 May 2013

*Present:*

Mr Anil Ruia (in the Chair),

President and Vice-Chancellor, Mr Michael Crick, Mr Stephen Dauncey, Professor Colette Fagan, Mr Mark Glass, Professor Andrew Gibson, Dr Reinmar Hager, Mr Robert Hough, Dame Sue Ion, Dr Caroline Jay, Cllr Afzal Khan, Mr Paul Lee, Mr Nick Pringle, Mr Neville Richardson, Dr Brenda Smith, Mr Andrew Spinoza, Dr John Stageman, Professor Pamela Vallely, Dr Andrew Walsh, Mr Gerry Yeung (21)

*In attendance:* The Deputy President and Deputy Vice-Chancellor, the Registrar, Secretary and Chief Operating Officer, the Deputy Secretary, the Director of Finance, the General Counsel, the Director of Estates and Facilities and the Head of Compliance and Risk. David Bickerton of Clifford Chance, and Sarah Seed of Mills and Reeve, attended for the discussion of *agendum 7*.

*Apologies:* Professor Maggie Gale, Mrs Christine Lee-Jones, Professor Chris Taylor, and Dr Andrew Walsh.

**1. Declarations of Interest**

**Noted:** That the declaration of interest made by the Chair, Mr Anil Ruia, in relation to his role on the HEFCE Board and previously declared in the session, remained relevant to some items on the agenda.

**2. Minutes**

**Confirmed:** The minutes of the meeting held on 13 February 2013, and subject to minor amendment, the minutes of the meeting held at the Planning and Accountability Conference on 20 March 2013.

**3. Matters arising from the minutes**

**Received:** A report summarising actions consequent on decisions taken by the Board.

**4. Summary of business by the Deputy Secretary**

**Received:** A report prepared by the Deputy Secretary on the main items of business to be considered at the meeting.

## 5. Chairman's report

### (1) Nominations Committee

**Received:** A confidential report from the Nominations Committee.

**Reported:**

(1) That the membership of the Committee is:

The Pro-Chancellor (Mrs Gillian Easson) (*in the Chair*)

The following three members of the Board of Governors, appointed by the Board, from the categories of membership indicated:

Lay: Mr Andrew Spinoza

Senate: Professor Chris Taylor

Staff: Mr Mark Glass

The following four lay members (plus one vacant place, *vice* Ms Kathleen Tattersall) of the General Assembly, appointed by the Board on the nomination of the General Assembly:

Mrs Janet Pickering

Mrs Elizabeth France, CBE, FRSA

Mr James Hancock

Professor Sir Robert Boyd

(2) That the Committee's principal matters of business are:

- to recommend to the Board of Governors appointments and re-appointments to Category 2 of the Board (lay members);
- to recommend to the Board of Governors re-appointments to Category 3 of the General Assembly (lay or former members of the Board who are not otherwise members of the General Assembly);
- to recommend to the Board of Governors appointments to Category 9 of the General Assembly (lay members appointed by the Board);
- to recommend to the General Assembly co-optations to Category 10 of the General Assembly (members co-opted by the General Assembly);
- to recommend to the General Assembly the appointment to be made to the office of Pro-Chancellor;
- At regular intervals, to recommend to the Board on the representation afforded by the sponsoring organisations within Categories 5 through 8 of the General Assembly.

(3) That to assist it in these tasks, the Committee received:

- statements of appointments terminating on 31 August 2013 in Category 2 of the Board of Governors and in Categories 9 and 10 of the General Assembly;

- details of the full lay membership of the Board of Governors and the remaining membership of Categories 9 and 10 of the General Assembly, including data with respect to a broad balance within those memberships in terms of gender, ethnicity, and above all experience and expertise specifically as regards their benefit to the University;
  - details of the applications and testimonies from and concerning applicants following an appeal within the University and externally for suitably experienced individuals.
- (4) That in the course of its deliberations, the Committee has recognised the continuing need to appoint some new people with a record of achievement, within or outside their substantive careers, which can be applied in a variety of ways to the University's benefit to the Board of Governors and to the General Assembly. At the same time, the Committee has endeavoured to ensure that the overall range of expertise across the Board's lay membership continues to reflect the needs and aspirations of the University, as well as helping to fulfil the requisite responsibilities for proper institutional governance, and that the overall lay membership of the General Assembly is representative of the diversity of the University and of the communities served by it.
- (5) Following detailed discussions, the Committee agreed to make the following recommendations for appointment/re-appointment:
- (i) For appointments/re-appointments to the Board of Governors in Category 2
- (a) That the following current members of the Board of Governors be re-appointed, for a further period of three years from 1 September 2013:
- Mr Stephen Dauncey  
Mr Paul Lee  
Mrs Christine Lee-Jones  
Dr John Stageman
- (b) The exceptional re-appointment to the Board of Governors, on the basis of her work and promotion of the University in relation to Nuclear Sciences, of Dame Sue Ion for a fourth and final period of three years, from 1 September 2013.
- (c) The re-appointment of Councillor Afzal Khan for a third term of one year's duration, from 1 September 2013, given his wish to seek election to the European Parliament and to enable further consideration of a suitable replacement.
- Biographical information is provided in Appendix 1(a)
- (ii) For appointments/re-appointments to the General Assembly in Category 9
- (a) That the following current members of the General Assembly be re-appointed, for a further period of three years from 1 September 2013:
- Miss Mumtaz Bashir  
Mr Michael N G Evans  
Mr Peter Folkman

Mrs Elizabeth France  
Mr Mohammed (Wakkas) Khan  
His Honour Judge Tim Mort

Biographical information is provided in [Appendix 2\(a\)](#)

- (b) That the following be appointed to vacancies arising from departures, each for a three year period from 1 September 2013:

Mrs Catherine Barber-Brown  
Mr Vidar Hjardeng  
Mr Guy Hutchence

Biographical information is provided in [Appendix 2\(b\)](#)

- (6) A further report from the Nominations Committee will also make additional recommendations for membership of the Board of Governors in Category 2 and membership of the General Assembly in Category 3. This will be presented to the July meeting of the Board of Governors. The report will also provide information on the Committee's consideration of the Fletcher Review of Governing Body Effectiveness.

**Resolved:** The Board of Governors approved the recommendations concerning re-appointments to Category 2 of the Board of Governors and appointments and re-appointments to Category 9 of the General Assembly as outlined in the Nominations Committee report.

**(2) Re-appointment of the Chair of the Board of Governors**

**Received:** A proposal concerning the re-appointment of the Chair of the Board of Governors. *N.B.* The Chair left the meeting for this item and the Deputy Chair led the discussion.

**Reported:**

- (1) That the current Chair of the Board of Governors, Mr Anil Ruia, was appointed by the Board of Governors to his first three-year term on 1 September 2010 and this term will come to an end on 31 August 2013.
- (2) That Statute II of the University states that the Chair "shall be appointed from the Board from among the members of the Board who hold membership in Category 2". It further states that "They may be reappointed by the Board, but they shall not serve continually for a total of more than six years, unless, exceptionally, in the interests of the University, the Board approves a further appointment for an additional period of no more than three years." It may therefore be interpreted that the Statute is constructed in such a way as to provide for re-appointment up to the six-year total, without any requirement to assemble a search committee and with the expectation of re-appointment across those terms up to the limit prescribed, unless specific concerns are recorded by members.
- (3) That over spring 2012, the Board noted that the Deputy Chair at the time, Mrs Gillian Easson, had sought the views of members on the Chairmanship and leadership of the Board. During this exercise members had indicated they were broadly satisfied, and appreciated that the Chair was available and approachable and the meetings were conducted in an open way that allowed effective dialogue. Prior to this, the Fletcher

Review of Governing Body Effectiveness noted that, "Meetings were perceived to be well chaired and the atmosphere was good and welcoming."

- (4) That it was therefore proposed that the Chair should be re-appointed for a further three-year term, to 31 August 2016.

**Resolved:** That the Board of Governors approve the re-appointment of Mr Anil Ruia, as Chair of the Board of Governors for a second three-year term, to 31 August 2016.

### **(3) HEFCE Statement on Institutional Risk**

**Received:** The HEFCE Statement on Institutional Risk, produced annually by HEFCE and directed to the institution's governing body.

**Noted:**

- (1) That the purpose of the letter was to inform the University of HEFCE's assessment of the risk status of the University and any failure to comply with the accountability obligations as set out in the Financial Memorandum.
- (2) That HEFCE had concluded, based on the accountability returns submitted for 2011-12, that in their overall assessment at the time the University of Manchester was not at higher risk, and that the University had met the accountability obligations set out in the Financial Memorandum and other guidance.

### **(4) Developments within the sector**

**Received:** A short report from the Chair on developments within the sector.

**Reported:** That the Chair provided a brief report on the budget considerations within the Department for Business, Industry and Skills, and the likely impact upon the HEFCE budget. He also alerted members to the recent publication by HEFCE, "[Higher Education in England: The Impact of the 2012 reforms](#)", and the Deputy Secretary agreed to provide a link to the document following the meeting.

### **(5) Fellowships of the Royal Society and the Academy of Medical Sciences**

**Reported:** That the Chair offered his congratulations and appreciation on behalf of the Board to Professor Paul O'Brien, from the Schools of Materials and Chemistry, Professor Robert Young, from the School of Materials, and Professor Terry Wyatt, from the School of Physics and Astronomy, who had all been recognised by the prestigious scientific academy, the Royal Society. Also, the contribution of two University of Manchester professors to the advancement of medical science had been recognised with their election to the prestigious Fellowship of the Academy of Medical Sciences. Professor Garth Cooper is a Professor in Discovery and Experimental Medicine as well as the Director for the Centre for Advanced Discovery and Experimental Therapeutics. Professor Nancy Papalopulu is a Professor of Developmental Neuroscience, Section Head and Wellcome Trust Senior Research Fellow in the Faculty of Life Sciences.

## 6. Secretary's report

**Reported:** That on this occasion there were no substantive matters of report to the Board of Governors.

## 7. Financing the Campus Masterplan

**Received:** A confidential briefing paper on the proposals to finance the Campus Masterplan by way of the issue of a public bond, with a value of £300m and a forty year tenor. David Bickerton of Clifford Chance, and Sarah Seed of Mills and Reeve, attended the meeting for this item as representatives of the University's legal and financial advisers to present the paper and answer any questions.

### **Reported:**

- (1) That the memorandum had been produced by Clifford Chance LLP and Mills and Reeve LLP (as joint legal advisers to the University) and N. M. Rothschild & Co. Ltd (as financial adviser to the University) for the Board of Governors of The University of Manchester to provide some background to certain legal and technical issues which were discussed at a "teach-in" event, held at the University on 2 May 2013 attended by Clifford Chance, Mills and Reeve, Rothschild and members of the University.
- (2) That the briefing note addressed the following topics:
  - Liability for a prospectus
  - Insurance for Board members
  - Principal terms and conditions
  - Ongoing Obligations – Statutory and Contractual
- (3) That the Bonds, unlike any of the University's existing borrowings, are expected to be admitted to the Official List of the Financial Conduct Authority (FCA) and admitted to trading on the London Stock Exchange's Regulated Market. Admitting the Bonds to the LSE's Regulated Market requires a prospectus, which is an important legal document that contains: the Terms and Conditions of the Bonds (which dictate what the Issuer can and cannot do); financial information (extracted from the University's audited accounts) and a number of generic "boiler plate" terms. The University's lawyers will undertake the initial drafting of the document, requiring input from the University for key "university sections" (such as the Issuer description and risk factors). The University's external auditors will verify the content which is extracted from the financial statements. The content of the Prospectus is governed by an EU Directive and associated Regulation, as well as English Law, and will be submitted to the UK Listing Authority (the FCA acting as competent authority under the Financial Services and Markets Act) for approval before the Bond is announced. The Prospectus is the formal responsibility of the Issuer as a corporate body, Board Members and Finance Committee members would not in general be expected to have personal liability (this contrasts with the Prospectus for equity issues, where the responsibility is personal to the members of the Board of Directors).
- (4) That any claims in relation to the Bond Issue were likely to be brought against the University as a body corporate rather than against individual Board members. While Board Members themselves, as charity trustees, may be entitled to a common law right of indemnity from the University, it was reported that Board Members might also derive

comfort from a specific written indemnity from the University. The University was also considering insurance to cover the risks involved with the Bond Issue. In addition to its directors' and officers' liability insurance policy, the University was looking at putting in place Public Offering of Securities Insurance to cover liability specifically arising under the Prospectus and also considering whether the use of its statutory powers to purchase Trustee Indemnity Insurance for the personal benefit of Board Members would offer additional protection.

- (5) That the Bonds, in a similar manner to the University's existing borrowings, will contain various provisions designed to protect the interests of the investors. The very high credit quality of the University, combined with a currently strong bond market, means that these provisions are less onerous than are typically required in other forms of debt: for example the Bonds would not include any financial covenants. The principal event-of-default triggers within the Bonds therefore primarily relate to failure to pay interest and insolvency related matters. It should be noted, however, that the Bonds also include a 'cross-acceleration' clause: if the University has triggered an event of default under any other financial indebtedness, for example the Private Placement due 2046, and the lender requires early repayment (an "acceleration"), then the Bondholders will also be entitled to instruct the trustee to require repayment of the Bonds. The University's actions will therefore continue to be restricted (not just by the terms and conditions of the Bonds) to those permitted under the Private Placement facility, and to the extent not prepaid, the bank and EIB loans. The University will have the right to buy back debt in the secondary market and/or redeem some or all of the Bonds at any time. One of the corollaries of the University's high creditworthiness and attraction to investors is that the Bonds will, for many of the life insurance companies and pension funds which are expected to invest, be what is called a "buy-and-hold" investment, which they will not plan to trade in the secondary market, and indeed may never do so. Therefore, the University should work on the basis that, if it ever wanted to buy even small amounts (£5,000,000) at "market-price" for cancellation, it might have to wait a month or more before a market-maker could find that amount of freely-available Bonds. If the University wanted to buy a considerable amount of stock (say, 10-25 per cent.), it could conduct a "tender offer" to all Bondholders. Convention is to offer about 2 per cent above the prevailing market price of the Bonds, but given the lack of comparable assets for a tendering Bondholder to reinvest in the premium could be higher. To exercise its right to redeem some or all of the Bonds in accordance with the Terms and Conditions of the Bonds or to tender for over 25 per cent, the University would have to pay the so-called "Spens Price" which compensates long-term investors for loss of future income. At the point of early redemption the investor must receive its principal investment plus such amount as is sufficient to enable the investor to invest the proceeds in government securities with the same remaining maturity as the initial investment and must receive the same return.
- (6) That in terms of ongoing obligations, there were greater disclosure requirements associated with a public bond than the University currently complies with in relation to other borrowing. These obligations include the disclosure requirements for the prospectus at the time of the offer for the Bonds and also continuous obligations which apply thereafter to maturity of the Bonds. The latter includes: price sensitive information, dissemination of regulated information, filing of financial statements and maintenance of an Insider List.

**Noted:**

- (1) That at the outset of the discussion, the Chair of the Board of Governors, the Chair of the Finance Committee, and the President and Vice-Chancellor briefed the Board on the

timetable up to the roadshows scheduled in late June at which the University would present financial information and an outlook for the University and answering the questions of analysts, fund managers, and other potential investors. In order to provide the Board with an opportunity to review the prospectus documentation prepared by the University, in line with the guidance of its legal and financial advisers, and to authorise the University to formally proceed with the issue of the Bond, it had been agreed that an additional formal meeting of the Board would be held between 1pm and 2pm on 19<sup>th</sup> June 2013. The date had been selected as it coincides with a meeting of the General Assembly, and the opening event for the Alan Gilbert Learning Commons, at which many Board members would already be in attendance.

- (2) That the roadshows involving senior staff and/or representatives of the University would take place over three days in Edinburgh (one day) and London (two days). There would be a number of presentations to groups and a series of one to one meetings. These events were tightly scripted in order to ensure that a consistent message was delivered to all potential investors and that additional liabilities were avoided.
- (3) That the University's legal advisers provided some context for the Board in terms of the differences between the issue of a public bond and other forms of borrowing. There were four principal areas of difference. The first concerned the long term nature of the borrowing. This has implications for the terms and conditions that are agreed over the period. In this instance, because the University was likely to receive a favourable credit rating, any restrictions agreed were expected to be consistent with similar issues and therefore would not be regarded as particularly onerous. The second difference concerned compliance with Disclosure and Transparency Rules, which in compliance terms were under the oversight of the Financial Conduct Authority and applicable throughout the lifetime of the bond as a consequence of the listing. This would require that a minimum level of disclosure would be maintained in relation to significant developments within the University that might have a material effect on its growth or performance. This would require a new level of awareness around significant announcements and in relation to the timing and method of communication. The third primary difference concerned the physical aspect of the bonds and the mechanics of their issue. Historically, this was significant and this element dictated some of the timetable and processes in issue. In terms of the payment of interest on the University Bond, this will be processed via a listing agency that will thereafter manage the dispersion of payments to investors. The fourth issue concerning the dynamics of the market in which the Bond would trade. This would be characterised by long-term stable investors including Pension Funds, Life Assurance and other similar investors. Marketing the bond was a vital activity and would begin following the award of the University's credit rating. Underpinning this was the disclosure of information in relation to the University's affairs, which is principally governed by the EU Prospectus Directive. This regulates that the Prospectus must contain all reasonable information pertinent to an investor and is a key document in the listing, and the key marketing tool. The risks inherent in this are less concerned with inaccuracy (as legal and financial oversight addresses this risk) but were more concerned with omission. This was a corporate responsibility, and only in exceptional and rare circumstances would an individual take any personal liability perhaps, for example, through misstatement or the significant downplaying of risk by a representative at a roadshow event.
- (4) That though the anticipated circumstances were rare in which the bond could result in a personal liability, (any injured party being more likely to pursue the body corporate for recompense against loss) the University and Board members might wish to consider current insurance provision and the issue of an indemnification in relation to the bond, as a protection against any future spurious action. It was also noted that the risk of such



action is further reduced through the internal verification taking place in relation to the preparation of the prospectus, and via the external guidance and review that was being offered by legal and financial advisers. The Board noted that the University was currently reviewing its cover, alongside the protection currently offered through existing directors and Officers Insurance arrangements, and whether additional specific protection or indemnity for members in their capacity as trustees was required. As part of this it would also consider an additional policy covering Public Offering of Securities Insurance.

- (5) That the liability inherent within the prospectus could be limited at the corporate level, by ensuring that the information is verifiable, or where it cannot be omitted. In terms of the liability it would require that a link was made between a specific statement and the value of the Bond, and for that liability to extend to Board members it would require proof that the Board was aware that the statement was false. Additional comfort to the Board might be gained in recognising that the review process was designed in such a way as to ensure that all statements were tested for their accuracy and veracity. It followed that any legal challenge would need to demonstrate the materiality of the original statement, the investor's reliance upon it, and whether it had been checked and verified by the Issuer. In this exercise, the University would also rely upon the external verification of financial information from the external auditors, who would provide verification of the financial data used in the prospectus.
- (6) That the Board noted the additional reporting requirements that would be incumbent on the University in relation to Disclosure and Transparency Rules. In providing additional guidance the advisers highlighted that the test would be whether the information could materially affect value, and in circumstances where this was judged to be the case the University should make an announcement to the market. In most circumstances there were already triggers, in the form of reporting obligations or the publication of financial statements, however, there may be newer circumstances in which announcements and their timing would need consideration e.g. major amendments to University statutes.
- (7) That the Board also discussed issues in relation to operation of the secondary market, and the obligations upon Board members in their role as trustees elsewhere, especially with respect to pensions. Clifford Chance agreed to provide additional guidance in this area and also in respect of the communication protocols in the lead up to the issue of the Bond.

**Resolved:**

- (1) That the University would continue to review insurance cover arrangements, alongside the protection currently offered through existing Directors and Officers Insurance arrangements, and whether additional specific protection or indemnity for members in their capacity as trustees was required. As part of this it would also consider an additional policy covering Public Offering of Securities Insurance. An update on the position would then be provided for the meeting of the Finance Committee on 17<sup>th</sup> June 2013, and for the extraordinary meeting of the Board on 19<sup>th</sup> June 2013.
- (2) That the Board, on the basis of the information presented and the proposed arrangements for the management of liability and risk associated with the bond issue, provided authority for the executive to proceed with the preparation of the prospectus and the arrangements for the bond's launch, guided and supported by its legal and financial advisers. Formal recommendations providing final authority to proceed with the launch would be presented to the Finance Committee scheduled for 17<sup>th</sup> June 2013, and for the extraordinary meeting of the Board scheduled for 19<sup>th</sup> June 2013.

## 8. President and Vice-Chancellor's report

### (a) The Report of the President and Vice-Chancellor to the Board of Governors

**Received:** The Report of the President and Vice-Chancellor to the Board of Governors.

**Reported:**

- (1) That the President and Vice-Chancellor provided a report on the UK 2013 Budget and Spending Review. The 2013 Budget statement by the Chancellor of the Exchequer on 20 March identified the Government's reforms to schools and universities as being "probably the single most important long-term economic policy we're pursuing". The most significant announcement from the higher education sector's point of view is that the Spending Review will have to achieve a reduction in non-protected expenditure of £11.5 billion, rather than the £10 billion planned. Also potentially significant is the announcement of an additional £3 billion a year from 2015-16 for infrastructure projects. The Chancellor spoke of "investing in the economic arteries of this country" and the communications and stakeholder engagement plan referred to below will argue that some of this capital funding could be well spent in the university sector. In a separate announcement the Chancellor had confirmed that non-protected departmental budgets will be reduced by 1 per cent for each of the two years 2013/14 and 2014/15, on top of cuts from previous budgets and autumn statements. UniversitiesUK (UUK) was seeking urgent discussions with officials from the Department of Business, Innovation and Skills (BIS) about the implications of these cuts. The current understanding was that following the 2013 budget announcement the period from April to June 2013 will be used to work out the detailed plans for the Spending Review for 2015/16. It had been announced that this will be published on Wednesday 26 June 2013. Spending decisions for the period from 2016 onwards are almost certain to be delayed until after the General Election in May 2015. To exert any influence over the spending decisions this means that the immediate focus is on the period up to June 2013. For example UUK has established a Task and Finish Group, chaired by Professor Julia Goodfellow, and has a well-advanced programme of engagement with Ministers and officials in relevant government departments, including the Treasury, alongside a programme of evidence-gathering which will culminate in the publication of a submission in May 2013. The communications and stakeholder engagement plan involving targeted meetings, briefings and a programme of meetings with senior officials focuses on influencing a small group of key figures in Government in advance of decisions relating to 2015/16. However, UUK would also seek to ensure that the broader political and public debate reflects the importance of investing in universities, and to influence thinking in all three political parties about post-election spending priorities. Similarly the University was developing its own messaging strategy.
- (2) That in March 2012 the Prime Minister had commissioned Lord Heseltine to provide a comprehensive plan of action for how economic growth can be more effectively encouraged in the UK and his personal report "No Stone Unturned in the Pursuit of Growth: One Man's Vision" was published later the same year. The central message of this report is that the drivers of the economy - business, central government and local leaders - need to be more organised and structured for success and he identified "enhanced roles" for both Local Enterprise Partnerships (LEPs) and Chambers of Commerce. The government

had accepted the majority of Lord Heseltine's recommendations and announcements include:

- The creation of a Single Local Growth Fund, allocated through a process of negotiation and using competitive tension to strengthen incentives on LEPs and their partners to generate growth.
- LEPs to develop new strategic multi-year plans for local growth, which will be the basis on which the Government negotiates deals with each LEP for levers, resources and the flexibility over them.
- Recognising the importance of universities to growth, the Government has asked Sir Andrew Witty (CEO of GSK and Chancellor of Nottingham University) to lead a review into the role universities can play in supporting their local areas to grow and identify where we have world leading capabilities in our research base that can underpin the sectors and technologies of the industrial strategy. The review will take into account recent developments including the Government's response to Lord Heseltine's report and will build on Sir Tim Wilson's review of business and university collaboration which was published in February 2012. The review will report to the BIS Secretary and the Economic Affairs Cabinet committee which is chaired by the Chancellor of the Exchequer.
- The Government's response confirms that the Single Local Growth Fund will contain elements of the key economic funding levers of skills, housing and transport. As part of the Spending Round, the Government will also review all the other funding streams that Lord Heseltine identified and will seek further alignment between skills and employment programmes. The Government will also ensure that the EU Structural and Investment Funds are aligned with the Single Local Growth Fund.

- (3) That the University remained focussed on the recruitment for the 2013 intake, especially given the further changes to the Student Number Controls (SNC) that the President and Vice-Chancellor had previously reported on at the November Board meeting. These changes mean the admissions process remained challenging especially as the HEFCE did not confirm the University's SNC until well into the admission cycle. The priority in the 2013 admissions cycle continued to be to maximise the quality and number of the student intake; while also being mindful of the importance of the student experience. In 2012 the University fell short on its overall recruitment target for home/EU UGs, albeit this shortfall was offset by higher retention and by exceeding the target for overseas undergraduate students. There was also a shortfall of full-time PGT (home and overseas) and overseas PGR, though home/EU PGR exceeded target. In contrast the total number of part-time students was above target, mostly those recruited onto postgraduate programmes. A planned reduction in full-time student numbers was agreed in order to improve student experience and staff work-load. As a result, the 2012 reduction in student numbers was manageable at University level and meant that the institutional target for a reduction would be achieved earlier than expected. However, the University had been looking closely at how shortfalls occurred across programmes and the reasons for this as part of the review of programme portfolio which had been taking place.

- (4) That as reported most recently at the Board conference, under this review the University had been examining all taught programmes (undergraduate and postgraduate) to inform strategic planning on the University's student profile and range of programmes. To this end commissioned market demand analysis had been commissioned to examine applications, acceptances and enrolments across undergraduate and postgraduate taught subject areas. This analysis reported on our comparative market share from 2008 to 2012 against national, Russell Group and overseas recruitment trends. This was augmented with a range of internal data including recruitment, entry profile of students, tuition fee income and average costs. The review had taken place in two phases. Phase 1 was conducted by Faculties using a subset of the data to identify programmes for more detailed analysis. The more detailed analysis in phase 2 included schools and students, the outcomes of which would inform decisions for September 2014 recruitment. Around a half of undergraduate programmes and a third of taught postgraduate programmes had been identified for phase 2 review including those for investment consideration. It should be noted that the numbers of undergraduate programmes for review was inflated by the large number of joint degrees notably in Humanities. Within the context of the changing national picture and increased competition for students, the Intake Management Group, Chaired by the Vice President for Teaching, Learning and Students, was monitoring the situation closely and the President and Vice-Chancellor would keep the Board informed of any concerns. It was recognised that the 2013 recruitment process needed careful attention and would be demanding for staff. In preparation, Schools had been encouraged to review their published offer UCAS grades and to ensure best practice in handling of applicants to maximise the chances of those to whom an offer is made accepting it. In depth discussion of application data by the Senior Leadership Team was taking place regularly so the pattern of recruitment could be closely monitored, allowing interventions to be agreed at an early stage if necessary.
- (4) That realising the 2020 ambitions would demand significant investment and hence some areas of disinvestment, and a major change in performance to differentiate the University from many other excellent universities in the UK and overseas. As a sign of the on-going commitment to maintaining strategic momentum the University had launched a number of major initiatives to meet the ambitions for Manchester 2020 at the end of 2011, enabling strategic investments- particularly to support students and staff. These were possible as the University had made significant savings and generated further income. Recognising that the University's greatest asset was its staff and that future success depended upon the selection and retention of the right people while investing in their potential and development, the University launched the 'World Leading Minds' recruitment campaign for at least 100 new academic positions ( "Project Diamond") across the University at lecturer, senior lecturer and professorial levels. This resulted in a very large number of approaches being made to the University, many of very high quality. The President and Vice-Chancellor provided a breakdown of anticipated recruitment, across the four faculties. The initiative to support existing staff, "Investing in Success - Developing Staff Potential", was intended to identify and support individual members of staff from across the University, irrespective of grade or length of service, who could benefit from a modest amount of extra resource to help them engage in a particular project or activity which would accelerate their personal development and benefit the University. The scheme was open to all staff and was designed to support them in becoming better teachers,

researchers, managers and professionals and support staff, thus benefiting their personal development and the University. A total of 315 applications were received by the closing date and the funds available for the programme had been set at £1,000,000. The maximum support available was £15,000 per person. The final number of applications was adjusted to 292 with duplicate applications and those removed because individuals had already left the University. The programme is coming to an end and projects have been completed to differing timescales. A few individuals have requested extensions beyond the end of May in order to complete their project. Consequently not all evaluation reports have yet been received but for those who have the statements from both the individual and line managers are positive. The University had also launched the President's Doctoral Scholarship Awards to support over 100 new PhD scholarships a year in any discipline. Possibly as a direct consequence of this the University had seen a considerable growth in applications for postgraduate research, currently up on the same period last year 20% for Home/EU and 12% for Overseas. A high profile advertising campaign served both to attract high quality applicants and more generally to promote our reputation as an excellent place to do research. Award holders have outstanding qualifications and the prestige of the award has persuaded some of them to drop other applications in favour of Manchester. Profiles of award holders can be found at <http://www.presidentsaward.manchester.ac.uk/>

- (5) That a review of social responsibility at the University was undertaken by Dr David North (Executive Director of the Sustainable Consumption Institute who until recently was the UK Corporate Affairs Director for Tesco, a role that embraced corporate and community responsibility). As a result of this, a major consultation was undertaken during January-April with staff, students and external stakeholders. This will enable the University to arrive at a more focused goal and a more ambitious and emblematic set of activities which show what we mean by social responsibility and where we are making a difference. Members of the Board were able to input into the consultation through a specific Strategic Briefing meeting that was held on 17 April. The responses to the consultation would be considered throughout May and June by the University's Social Responsibility Governance Group and the Senior Leadership Team. The consultation would allow the University to develop a sharper focus on a number of high priority areas, culminating in a major launch of the strategy in the autumn.
- (7) That the Staff Survey had been undertaken and an analysis of the results would be undertaken shortly and shared with the Board of Governors. The response rate had exceeded the target originally set and reached 71% across the institution.
- (8) That PRC had considered a review of the Manchester University Press, which reports into the Board of Governors through the Subsidiary Undertakings Subcommittee and Finance Committee. The review proposed a number of organisational and governance changes in respect of the Press with a view towards aligning it more closely with academic activity and to modernise elements of its activity as publishing moves increasingly towards the digital sphere. Gillian Easson, the University's Pro-Chancellor had previously agreed to chair the Board until a suitable successor could be identified, and it was now proposed that Professor Alistair Ulph should take up this role, after the final meeting of the Press Board in this session.

- (9) That upon its transfer to the University, the Paterson Institute had not been properly acknowledged by the Board as a research institute. Although it had been governed in common with all other such recognised institutes since transfer and had been operating accordingly, in preparation for some anticipated changes in respect of research governance, it was agreed by PRC that its status should be formally confirmed by the Board.

**Resolved:**

- (1) That Professor Alistair Ulph be appointed as the Chair of the Press Board, *vice* Mrs Gillian Easson, with effect from 13<sup>th</sup> June 2013.
- (2) That the Paterson Institute should be recognised as a University Research Institute, as defined in Ordinance XIII.

**(b) Report to the Board of Governors on exercise of delegations**

**Reported:**

- (1) Sir Horace Lamb Chair

Acting on behalf of Senate and the Board of Governors, and on the recommendation of the Head of the School of Mathematics and the Dean of the Faculty of Engineering and Physical Sciences, the President and Vice-Chancellor established a “named” chair, in honour of Sir Horace Lamb, and approved its inaugural award to:

Professor Oliver Jensen in the School of Mathematics, with effect from 1 March 2013.

- (2) Emeritus Professor

Acting on behalf of Senate and the Board of Governors, and on the recommendation of the relevant Head of School and Dean of the Faculty, the President and Vice-Chancellor awarded the title of emeritus/emera professor to:

Professor Alan Hamlin, School of Social Sciences, with effect from 1 November 2013.

Professor Jean Shaoul, Manchester Business School, with effect from 1 January 2013.

- (3) Professorial appointments

*Ad Personam* Chair in Ecology

Richard Bardgett, BSc (Newcastle), PhD (Lancaster), formerly Professor of Ecology at Lancaster University (2002 – 2013), Senior Lecturer in Ecology at Lancaster University (1999 – 2002) and Lecturer in Environmental Biology at the University of Manchester (1995 – 1999). Professor of Ecology in the Faculty of Life Sciences from 1 February 2013.

*Ad Personam* Chair in Immunology

Andrew MacDonald, BSc (Glasgow), PhD (Edinburgh), formerly Reader at the University of Edinburgh (2012), MRC Senior Fellow at the University of Edinburgh (2008 – 2012). Professor of Immunology in the Faculty of Life Sciences from 1 January 2013.

*Ad Personam* Chair in the Faculty of Life Sciences

Keith Brennan, BSc (Cambridge), PhD (Cambridge), at present Senior Lecturer at the University of Manchester (2007 - present). Professor (title to be confirmed) in the Faculty of Life Sciences from 1 May 2013.

(4) Lecturer appointments

Dr Frances Shaw                                      Lecturer in Anatomy (Teaching & Scholarship)  
6 February 2013  
(From The University of Manchester)

Dr John Fitzpatrick                                Lecturer in Animal Evolution  
22 January 2013  
(From University of Western Australia)

(5) UPC Appointments

On 6 February 2013, the UPC approved a retention promotion case for Dr Louise Connell, in the School of Psychological Sciences in the Faculty of Medical and Human Sciences, from Lecturer to Senior Lecturer.

On 18 February 2013, the UPC approved a retention case for Dr Konstantinos Stathopoulos, in MBS in the Faculty of Humanities, from Lecturer to Senior Lecturer.

On 14 March 2013, the UPC approved a retention case for Dr Liam Harte, School of Arts, Languages and Cultures in the Faculty of Humanities, from Lecturer to Senior Lecturer.

On 25 March, 2013, the UPC approved a retention case for Dr Keith Brennan, Faculty of Life Sciences, from Senior Research Fellow to Reader.

On 23 April 2013, the UPC approved a retention promotion case for Dr Jane Green, School of Social Sciences, Faculty of Humanities, from Senior Research Fellow to Reader.

(6) Seal Orders

Pursuant to General Regulation VII.4, the Common Seal of the University has been affixed to instruments recorded in entries no 1271 - 1293 (Seal Register 3).

**(c) Compliance and Risk Update**

**Received:** A presentation from Dr David Barker on the Compliance and Risk matters including the presentation of Accident Statistics from Quarter 4 2012, and the minutes from the meeting of the Safety, Environment and Health Committee meeting held on 28 March 2013.

**9. Board committee reports**

**(a) Finance Committee, 23 April 2013**

**Received:** An executive summary and the minutes of the Finance Committee meeting held on 23 April 2013.

**Reported:**

- (1) That in respect of the funding for the Capital Programme
- (i) A detailed schedule had been agreed to support the issue of the bond by the agreed deadline of 31 July 2013. The formal meeting with Moody's to establish the University's credit rating was due to take place on 14 May 2013. Book runners and legal advisors had also been appointed.
  - (ii) That a proposal regarding the governance structure to ensure oversight of the Campus Masterplan was considered and approved as follows:
    - Matters in relation to the Campus Masterplan will form a Standing Item on the agenda at every meeting of Finance Committee, with sufficient time allowed if there are multiple or complex matters to consider. If required, additional meetings of Finance Committee will be arranged to facilitate substantive reviews of the Masterplan.
    - Specifically, the Finance Committee will consider:
      - i. The monitoring of the external environment and future funding profiles, cashflow predictions and consideration of any scenario planning required;
      - ii. The provision of "gateway" approval at each major contract stage of the Masterplan and six monthly review of the plan progress and approval to proceed (subject of the de minimus level (currently £10m) as set out in the University's Capital Approval Policy;
      - iii. Receive reports and assurances from the Director of Estates informed by any third party consultants reports presented to the University on the status of the Masterplan and active projects;
      - iv. Framing planning assumptions and developing contingency plans associated with the implementation of the Masterplan;
      - v. Oversight of the University's compliance with any reporting obligations in relation to any public bond or borrowing used to finance the Masterplan;
      - vi. Reporting on all of these matters to the Board of Governors.
- The Finance Committee will receive the updated Masterplan at its next meeting.
- (2) That the Finance Committee noted that PRC Finance Sub Committee had approved the restructure of its endowments, and this had subsequently been approved by the Charities Commission. The details are as follows:
- Endowments set up post 2004 will remain in their current state;
  - Simon and Hallsworth Funds will remain in their current states;
  - The MBS NatWest Chair will remain in its current state;
  - John Rylands Research Institute endowment will remain in its current state



- Library endowments will be merged into one special collections and learning resources fund and one general/capital fund;
- Whitworth Art Gallery and Manchester Museum endowments will be merged into one exhibition/works of art purchase fund and one general/capital fund per institution;
- Five Halls of Residences endowments will be merged into one fund per Hall (Ashburne, Dalton, Hulme, Woolton and Oak House) pending further investigation into the legal status of these funds
- Remaining University endowments will be merged into the following categories: general/capital (to include currently unrestricted permanent endowments, those used for equipment and other purpose and potentially those where restrictions remain unclear after research, eg. Tabley endowment and the Superannuation Fund); research (to include those funds restricted for research and fellowships); teaching (to include those restricted for study, education, lectures and lectureships); research and teaching (to include those restricted for Chairs, professorships, research and teaching); student support (to include those restricted for bursaries, prizes, scholarships, studentships and other eg. travel costs)

It was also noted that a comprehensive communications strategy had been approved, including a briefing for members of the Board of Governors from the Charities Commission.

- (3) That the Finance Committee received and considered the annual benchmarking analysis. This was based on the published financial results of the Russell Group of Universities.
- (4) That the Finance Committee noted the management accounts for February 2013 at the meeting. However, the March management accounts are attached, having been received and reviewed by Planning and Resources Committee on 7 May 2013.

**Resolved:** That the Board of Governors approved the governance structure to ensure that the Finance Committee, on behalf of the Board of Governors maintained appropriate oversight of the Campus Masterplan.

**(b) Audit Committee, 2 May 2013**

**Received:** An executive summary and the minutes of the Audit Committee meeting held on 2 May 2013.

**Reported:**

- (1) That in order to ensure that appropriate measures were in place to support the University's financial procedures, the Head of Compliance and Risk had brought forward an Anti-Corruption and Bribery policy for adoption by the University.
- (2) That within the University risk registers, the classification indicated that the risks were presented after mitigation by management actions. However, in relation to the People Strategy there was a time-lag between the mitigation agreed before the long-term effect of the application of those controls and strategies had taken effect. The Committee sought confirmation that such risks would not

remain classified as red, post mitigation, and the Head of Compliance and Risk agreed to review the presentation recognising that:

- sector-wide risks with high impact and likelihood levels would be classified as red
- that for internal risks rated in the same way, the Committee would expect to see management action reducing the status of the risk (reducing impact and/or likelihood)

The Committee received an update on the People Strategy from the Director of Human Resources and noted the progress that was being made.

- (3) The Committee received audit reports from UNIAC on the following areas:

UUK Accommodation Code of Practice (University and private halls)  
Clinical Trials  
Student recruitment controls  
Manchester Business School  
Careers and Employability

The Committee noted the findings of the MBS Review in particular, and the attention that was receiving at a senior level within the University.

- (4) That the Committee considered a report from Deloitte LLP, the external auditors, on the planning undertaken for the audit of the financial statements for the year end 31 July 2013, noting that Deloitte would further extend their controls based approach in this year, extending the use of a controls-based approach within research grants to their existing approach in other areas of the audit.
- (5) That a questionnaire based review of audit committee effectiveness will be conducted, reporting to the Committee in September 2013.

**Resolved:** That the Board of Governors approved the Anti-Corruption and Bribery policy for adoption by the University (attached as Appendix 3 to these minutes).

**(c) Remuneration Committee, 29 November 2012, 15 May 2013**

**Received:** The Chair of the Board of Governors provided an oral report on the matters considered at recent meetings of the Remuneration Committee. The President and Vice-Chancellor and the Registrar, Secretary and Chief Operating Officer were not present for this item.

**Reported:** That under the delegated authority of the Board of Governors, the Remuneration Committee had met to review the salaries of members of the University's senior leadership team, which comprised the President and Vice-Chancellor, the Vice-Presidents and Deans, the Vice Presidents and the Registrar, Secretary and Chief Operating Officer. The Committee had also undertaken a comprehensive review of senior salaries within the organisation, noting that competitiveness and retention were important issues and recognising that the contribution made by the team as a whole was excellent. A revised methodology for the review process for senior salaries had been agreed and was being implemented within the University. A short report on the remuneration levels agreed for senior staff within the leadership team was duly provided to the Board. In respect of the salary of the President and Vice Chancellor, it

was also reported that the level of remuneration would be formally disclosed in the financial statements in November 2013.

## 10. Report from Senate

**Received:** A report on the business initiated at the meeting of Senate held on 1 May 2013.

**Reported:**

- (1) That Senate received reports on student recruitment numbers to date for 2013, programme portfolio review, a review of 'Project Diamond' and related investment initiatives, and an oral progress report on the creation of the new School of Environment, Education and Development.
- (2) That members discussed a draft framework for Faculty Peer Review of Teaching and a draft Policy on the Recording of Lectures and Other Learning Activities. Senate also noted the decision of the Teaching and Learning Group to continue in Russell Group discussions on the use of a Grade Point Average (GPA) instead of degree classification but to not develop a University of Manchester GPA translation tool at this stage.
- (3) That the Vice-President (Research and Innovation) reported on the implementation of open access publishing and preparations for the REF2014, and updated Senate on the N8 Equipment Sharing Portal. Members discussed a draft Policy on the Use of Animals in Research and Teaching and agreed amendments to the degree regulations for the MSc by Research.
- (4) That further to the ongoing discussion of the review of Senate effectiveness, Senate agreed a schedule of delegations in relation to a number of its accountabilities (i.e. responsibilities relating to recruitment, admissions and assessment; appointment of internal and external examiners; approval of new programmes; and approval and oversight of collaborative provision).
- (6) That Senate endorsed the proposal to change the name of the School of Pharmacy and Pharmaceutical Sciences to the Manchester Pharmacy School. Members noted that the proposal had been the subject of consultation with staff and students.

**Resolved:** That the Board of Governors approved the change of name of the School of Pharmacy and Pharmaceutical Sciences and the necessary amendment to Regulation X ("The Schools").

## 11. Planning and Resources Committee

**Received:** A summary of matters discussed at the meeting of the Committee held on.

**Reported:**

- (1) Financial Issues
  - (i) That during the period of this report, the Committee considered the draft management accounts for the periods ended 30 November 2012, 31 December 2012, 31 January 2013, 28 February 2013 and 31 March 2013.

- (ii) That during the period of this report, the Committee received the Minutes of the Finance Sub-Committee meetings held on 15 January 2013, 5 February, 5 March 2013 and 26 March 2013. In considering the Finance Sub-Committee Minutes, the Committee noted that on 15 January 2013, the Finance Sub-Committee had considered and approved tuition fees for 2014-15 for the following: Home taught postgraduate students, minimum International tuition fees, study abroad fee, and the increase for all non-standard tuition fees. The Committee's attention was drawn to Finance Sub-Committee's consideration, at its meeting on 5 March 2013, of the implications of withdrawing the VAT exemption for business supplies of research between eligible bodies. The Committee also noted that on 26 March 2013, Finance Sub-Committee had agreed internal distributions and reporting responsibilities relating to HEFCE recurrent grant allocations for 2013-14.
- (iii) That at its meeting on 5 February, 2013, the Committee received the University's 2011-12 TRAC return, which had been submitted to HEFCE on 31 January 2013. The Committee noted its concern about the deterioration in research cost recovery and the need for improvement in both publicly-funded and non-publicly funded research recovery rates.
- (iv) That at its meeting on 5 February 2013, the Committee endorsed the process to consider options for financing the Estates Masterplan. At its meeting on 5 March 2013, the Committee was informed of the discussions at Finance Committee on 11 February and the Board of Governors on 13 February 2013. The Committee considered the options and, following discussion, agreed to recommend that a public bond be put forward as the preferred option to the Board of Governors for approval, mindful that further analysis and review was taking place. The Committee also noted that a bond would bring additional reporting obligations on the University. At its meeting on 9 April 2013, the Committee was informed of discussions at the Planning and Accountability Conference on 19-20 March 2013 and the outcome of the formal meeting of the Board of Governors on 20 March 2013.
- (v) That at its meeting on 5 February, the Committee received a copy of the higher education funding letter from the Secretary of State for Business, Innovation and Skills and the Minister for Universities and Science to the Chair of HEFCE's Board, published on 11 January 2013. At its meeting on 9 April 2013, the Committee considered the University's HEFCE recurrent grant for the academic year 2013-14. It noted that the University's provisional HEFCE recurrent grant for 2013-14 would be £144m, a decrease in cash terms of £17m or -11% when compared with the 2012-13 adjusted allocation. This was a smaller reduction than the 19% for the sector as a whole.
- (vi) That at its meeting on 5 March, the Committee received an update on the Endowments Project.

(2) Planning and Accountability Issues

- (i) That at its meeting on 5 February 2013, the Committee considered the draft Stock Take Report. It also received a summary document of key issues arising during the Annual Performance Reviews (APRs) 2012, together with reports for the following: the Faculties of Engineering and Physical Sciences, Humanities, Life Sciences, Medical and Human Sciences; the Professional Support Services; The University of Manchester Library; the Manchester Museum and Whitworth

Art Gallery; environmental sustainability (as reported at Capital Planning Sub-Committee); human resources (as reported at HR Sub-Committee). These documents were subsequently included in the papers for the Board of Governors' Conference on 19-20 March 2013. The dates and timing of the 2013 APRs were also confirmed. The Committee also considered guidance and templates for the Operational Priorities process for 2013-14. At its meeting on 5 March 2013, the Committee received interim reports on actions identified at the 2012 APRs for the Faculties, PSS and The University of Manchester Library, and updates on progress against the Operational Priorities 2012-13 identified by the four Faculties and the PSS.

- (ii) That at its meeting on 5 February 2013, the Committee was updated on the number of applications for recruitment in 2013-14. It noted that students were making later applications and an increasing number were receiving five offers, and that the uncertainty in the sector emphasized the importance of continued enhanced conversion activities.
- (iii) That at its meeting on 5 February 2013, the Committee considered the provisional Student Number Control (SNC) allocations for 2013-14. HEFCE had introduced flexibility margins and the University's provisional SNC figure was 1,724 with the top of the flexibility range 1,865 and bottom of the range 1,638. The Committee noted that the small number of SNCs would intensify the competitive ABB+ process and that it would also bring additional challenges to the confirmation and clearing process to ensure that accurate data were available on the number of SNCs used as it would not be acceptable if, at the end of the process, there were some unused SNCs which could have been released to other areas of the University, specifically Humanities. At the meeting on 5 March 2013, the Committee was informed that these provisional SNC numbers had been confirmed and that the appeal against proposed grant adjustments relating to "over-recruitment" of Medical and Dental students submitted to HEFCE had been successful. At its meeting on 7 May 2013, the Committee considered the Government's Student Number Controls Policy for 2014-15 and noted the continuation of the ABB threshold.
- (iv) That at its meeting on 5 March 2013, the Committee considered data updates on the 2012-13 undergraduate intake profile and noted that the Directorate for the Student Experience was looking at recruitment of Home students across the Faculties with a view to identifying a proactive strategy to increase quality. The Committee also considered research grant and contract income performance by Faculty and School for the six month period ended 31 January 2013 compared to the six month period ended 31 January 2012, noting that total research income for the six months ended 31 January 2013 at £93.8m was £6.5m below budget but £1.1m higher than the six months ended 31 January 2012. The Committee also considered research applications and awards data for each Faculty for the six month period August 2012 to January 2013 compared to the six month period August 2011 to January 2012 and noted that the revenue value of applications had increased by 45% and the revenue value of awards had increased by 53%.
- (v) That at the meeting on 9 April 2013, the President highlighted the issues raised and discussed at the Planning and Accountability Conference on 19-20 March 2013.
- (vi) That at its meeting on 7 May 2013, the Committee considered a report on the Annual HESA Performance Indicators on Recruitment and Retention of Students. It noted that the University remained above its standard benchmark for the low participation neighbourhood indicator but remained 2.0% below the benchmark for the proportion of students from lower socio-economic groups.

(3) Access Agreement

That at its meeting on 9 April 2013, the Committee considered and approved the University's Access Agreement and National Scholarship Programme for 2014-15 and the interim Widening Participation Strategic Statement (WPSS) for 2013-14, to be submitted to OFFA (Access Agreement) and HEFCE (WPSS).

(4) HR Issues

That during the period of the report, the Committee received the notes of the HR Sub-Committee meetings held on 11 December 2012, 12 February 2013 and 7 May 2013. At its meeting on 5 March 2013, the Committee approved an additional measure to the Goal 3 KPI for equality and diversity of "an annual increase in the proportion of BME staff who are senior lecturers, readers and Professors across all Faculties until they are representative of the pool of BME staff at lecturer level". The Committee received updates on 2013-14 pay negotiations at the meetings on 5 March 2013 and 9 April 2013.

(5) Estates Issues

That during the period of the report, the Committee received the Minutes of the Capital Planning Sub-Committee meetings held on 4 December 2012, 19 February 2013 and 12 March 2013. The Committee's attention was drawn to the Residences Strategy feasibility study and MBS redevelopment (considered on 19 February 2013) and actions relating to Project Costs and the Master Plan Report (considered on 12 March 2013).

(6) Information Systems Issues

That during the period of this report, the Committee received the Minutes of the Information Systems Sub-Committee meetings held on 29 January 2013 and 23 April 2013. At its meeting on 9 April 2013, the Committee received a progress report on the Manchester Working Environment (MWE).

(7) Risk Issues

That at its meeting on 5 February 2013, the Committee received the unconfirmed Minutes of the Risk and Emergency Management Group meeting held on 17 January 2013, including the University Risk Map and University Risk Register as at January 2013. At its meeting on 9 April 2013, the Committee considered and approved the Anti-Corruption and Bribery Policy and recommended it to Audit Committee and the Board of Governors for formal approval. It also received the terms of reference of the Research Compliance Committee and the Minutes of the meeting held on 12 March 2013.

(8) Sustainability Issues

That at its meeting on 9 April 2013, the Committee considered and approved the Environmental Sustainability Plan.

(9) International Student Drivers

That at its meeting on 5 February 2013, the Committee considered and approved funding in 2013-14 for:

- (i) educational advisers' commission – a sum of £3,714,826

- (ii) international scholarships - a budget of £435,895 for the Equity and Merit, HESPAL and Fulbright programmes in 2013-14, which included expansion of the Equity and Merit programme and associated budget. PRC also approved in principle the indicative budget for all three programmes of £458,020 (2014-15), £466,075 (2015-16) and £492,669 (2016-17)
- (iii) provision of support services for international students other than pre-sessional courses and bespoke courses – a sum of £369,260.

(10) University of Manchester Students' Union (UMSU)

That at its meeting on 5 February, 2013, the Committee considered the Students' Union Strategic Plan. The Committee noted the importance of partnership in order to avoid duplication of activity and to ensure clarification of the roles of the Students' Union and the University, e.g. in student volunteering. At its meeting on 7 May 2013, the Committee considered the UMSU block grant review submission, noting that funding for UMSU was part of General University Overheads (GUO) and would be finalised as part of the wider budgeting process.

(11) Jodrell Bank Discovery Centre

That at its meeting on 5 February 2013, the Committee received an initial annual report for the Jodrell Bank Discovery Centre. The Centre had two strategic roles which made it an important asset:

- i) to ensure, both strategically and practically, that Jodrell Bank contributes strongly to The University of Manchester brand, and
- ii) to contribute significantly to widening participation and the intervention of the University in bringing science into the aspiration of young people and enhancing contacts with schools

The Committee agreed that subsequent reports should be made to PRC on an annual basis as part of the annual performance review process.

(12) Manchester University Press

That at its meeting on 7 May 2013, the Committee considered a Review of Manchester University Press. The Committee agreed that The University of Manchester should continue to support Manchester University Press, but look to improve the reputational benefits of the Press (as assessed by regular surveys of authors or analyses of REF returns) and establish a clearer governance and management structure, including greater focus on financial targets. The Committee approved the Review's recommendations mindful that further work was ongoing.

**12. University Union Relations Committee**

**Received:** A summary of matters discussed at the meeting of the University - Students' Union Relations Committee held on 24 April 2013.

**Reported:**

- (1) That the Committee noted a number of matters arising, including:

- (i) The Code of Practice (attached as an appendix) had been revised since the last meeting. The changes concerned the status of the Union and related to its reporting obligations for financial matters. The Code was approved by the Committee and would be published on the University and Union websites.
  - (ii) Work on the Union's byelaws had been ongoing. A meeting had recently held between Iram Kiani of the Office of the General Counsel to review the byelaws and a number of changes were being progressed. The byelaws would be represented to the Committee in September.
  - (iii) Work on Estates issues was ongoing. In respect of the lease of the Steve Biko, the Union had experienced some delays in progressing this legally. However, dialogue between the University and the Union was open and constructive.
  - (iv) The Committee had previously noted that the Financial Statements of the Union, and its trading company, Materialise, had not been presented to the University via SUSC. SUSC had recently met and reviewed the statements and some minor amendments had been proposed. In respect of Materialise, the Committee had suggested that the Union would benefit from an external trustee with commercial experience. SUSC also noted that the Union had engaged new external auditors.
- (2) That the Union presented a report on activity to the Committee, including:
- (i) 8,410 voters took part in elections in March 2013 selecting the new Officer Trustees and Exec Team. During the elections period, there were a number of complaints received from candidates and from students not connected with the elections. The complaints were considered by the Returning Officer and action was taken on a number of complaints. Specifically, on the basis of the evidence presented by the complaints, the Returning Officer disqualified five candidates between polling closing and the count taking place. Following the disqualification, all five candidates submitted appeals in an attempt to overturn the Returning Officer's decision to disqualify. Each candidate submitted a written appeal which was considered by an Appeals Panel. The Appeals Panel upheld the decision of the Returning Officer on two appeals and overturned the decision of the Returning Officer on three appeals. As a result of this decision, the reinstated candidates were put back into the race and the count was re-run. This changed the outcome of one of the results. As a consequence of this, the SU has received a number of complaints relating to the process by which this happened. All of these complaints are being dealt with and in addition, the Trustee Board have asked that an independent review of the elections regulations take place.
  - (ii) The Union presented information on the Assembly ideas recently nominated and the Committee provided feedback on how these might be progressed within the University.
  - (iii) In relation to the Union budget, discussions between the Registrar, Secretary and COO and Vice-President (Teaching, Learning & Students), the Director for Student Experience and the Students' Union has been ongoing. By the end of April, PRC will receive the documents that will support the discussion on the case for considering uplift in the SU's recurring block grant. In addition to this, there has been some discussion with the Student Experience Directorate regarding the funding for the projects that will lead to the delivery of the



strategic plan. At this stage, it is too early to inform UURC on the financial position save that to note that dependent on funding, the Union may have to revisit whether the strategic plan goals are achievable and any changes to this will be presented at a future meeting.

- (iv) The Trustee Board Appointments Panel within the Union was arranging to meet with nine individuals in order to fill the remaining two external trustee positions. The full trustee Board would therefore be in place by July 2013.
  - (v) The Committee noted that UURC that since the last meeting, there was a report of alleged homophobic activity by one of the student societies. There has been an investigation into this event and the Trustee Board have considered a series of recommendations. Some of these recommendations are still in discussion at the Trustee Board and the action to be taken will be finally agreed at the next meeting. The views expressed at this event were not captured under the existing visiting speaker processes given that the event was solely for the members of the SU.
- (3) That the UURC considered the annual report of the Union, which had been presented at an early draft stage. The Committee made some minor recommendations in relation to tone and content, and noted that the Report would be presented to the July meeting of the Board of Governors.
- (4) That the UURC noted that work was underway in terms of the University's Acceptable Use policy and that some changes concerning the appropriate use of social media, would be discussed with the Union in due course. This promoted a wider discussion on election behaviours, noting that some official facebook sites, passed off to look as official sites, had endorsed certain candidates in the recent elections. If such sites appear to be passing off as official, the Communications and Marketing team of the University should be notified.

### **13. Dates of future meetings**

#### **Noted:**

The following meetings of the Board of Governors:

|                                |                                |
|--------------------------------|--------------------------------|
| Strategic Briefing             | 4pm, Wednesday 12 June 2013    |
| Formal meeting (extraordinary) | 1pm, Wednesday 19 June 2013    |
| Governor Development Event     | 11am, Tuesday 25 June 2013     |
| Formal meeting                 | 3.30pm, Wednesday 10 July 2013 |

**Close.**

**(a) Re-appointments to the Board of Governors in Category 2****Mr Stephen DAUNCEY, FCCA**

A certified accountant with a wide range of operational experience, Stephen is Director Finance Services of the Highways Agency. He graduated in chemistry and is a Fellow of the Institute of the Association of Certified Accountants (FCCA). Prior to joining the Highways Agency in 2009, he undertook a number of roles in British Nuclear Fuels plc, including head of Internal Audit and four years at Sellafield in Cumbria working for THORP business group as a financial controller. Stephen has held a number of Board roles including Magnox electric and AWE Management Ltd. He joined the Board of Governors in 2010 and chairs the Audit Committee.

**Dame Dr Sue ION, FR.Eng, FIMMM, FINucE, OBE**

Educated at Penwortham Girls' Grammar School, Preston, Sue went on to study Materials Science, gaining a PhD in Metallurgy from Imperial College London. She held various positions at British Nuclear Fuels Ltd and was appointed Group Director of Technology and Operations in 1996. Since leaving her position as technology director in 2006, she has remained at the forefront of government decisions, helping to advise on long-term strategic policies.

Sue is internationally recognised as an expert in nuclear fuels. She is a non-executive director on the board of the UK Health and Safety Laboratory, and chairs the UK's Fusion Advisory for the Research Council. She is Vice-president and member of Council of the Royal Academy of Engineering; Council member of the Engineering and Physical Sciences Research Council, member of UK Council for Science and Technology, and member of the Scientific Advisory Board of the Department of Energy and Climate Change.

Sue is the UK's senior representative on international committees in the nuclear field, sitting on the International Atomic Energy Agency since 2001. In 2010, she was appointed Chair of the Science and Technology Committee of the European Atomic Energy Community (Euratom).

In 1993, Sue received the Hinton Medal for Outstanding Contribution to Nuclear Energy. Receiving an OBE in 2002 for services to nuclear industry, Sue was awarded the title of Dame in 2010 for her services to science and engineering. In 2006, she was appointed visiting professor at Imperial College.

She joined the University of Manchester's Board of Governors in 2004 and is a member of the Audit Committee.

**Councillor Afzal KHAN, CBE**

Afzal moved to Lancashire from Pakistan at the age of twelve. After leaving school, he took on a number of jobs, including as a Greater Manchester Police constable, before studying law and qualifying as a solicitor. He is a partner in Mellor Jackson Khan solicitors in Oldham. He has been a Councillor for Manchester Cheetham ward since 2000 and is currently Manchester City Council's Executive Member for Children's Services and serves on the Council's Executive Standing Consultative Panel and Schools Funding Forum. Previously, he has been Assistant Executive Member for Finance and Personnel, and for Children's Services, lead member for Race Equality, and has served on the Social Strategy, and the Finance and General Purpose committees. In 2005, he became the youngest and first Asian and Muslim Lord Mayor of

Manchester. In 2006, he was named Mayor of the Year by the Co-operative Bank. From 2000 to 2004, Afzal was a member of the Department of Trade and Industry's Ethnic Minority Business Forum.

Afzal has been engaged in community and interfaith work for over 20 years. As well as being founder member and co-chair of the Muslim Jewish Forum of Greater Manchester, he has been involved in setting up and serving on a number of national community organisations, such as Young Muslim UK, the Islamic Society of Britain, Ansar Finance Ltd, and the Muslim Council of Britain. He is a Director of the British Muslim Heritage Centre and the Ansari Trust GP. Afzal is a member of the Greater Manchester Faith Leaders Group and helped to set up the Christian Muslim Forum for Greater Manchester.

Afzal is also extensively involved with number of charities, including Board Member for BBC Children in Need and Manchester Christie Hospital, trustee of the British Red Cross, non-executive Director for Manchester Primary Health Care Trust, school governor at Temple Primary School and Cheetham Community School, trustee for Manchester City FC's City in the Community scheme, and founding trustee of Human Appeal international.

In recognition of his long and distinguished services to community and interfaith relations and to local government, Afzal was awarded Commander of the Order of the British Empire in 2008.

He joined the University of Manchester's Board of Governors in 2007.

#### **Mr Paul LEE, DL MA LLB**

Paul was educated at Manchester Central Grammar School and read Law at Clare College Cambridge. He is a Senior Partner of Addleshaw Goddard, specialising in Corporate Finance, and holds company directorships in public and private companies. He was Chairman of the CBI North West and is now a board member of the CBI and its Audit Committee. In 2009, Paul was appointed by the Secretary of State for the Department of Culture, Media and Sport as Chairman of the Horserace Betting Levy Board.

In addition to promoting the business interests of the North West through his Chairmanship of the North West Business Leadership Team, Paul has for many years been closely involved with a variety of cultural and educational organisations. He is Chairman of the Board of the Royal Exchange Theatre, Manchester, and has served on the boards of Opera North, the Northern Ballet Theatre, the Hallé Concerts Society and the Royal Northern College of Music. He is Chairman of the Feoffees of Chetham's School of Music, Manchester, where for fifteen years he was Chairman of the School Governors. He has been Joint-Chairman of the Prince's Trust Development Committee in the North West and is a Fellow of the Duke of Edinburgh's Award World Fellowship. He is also a Deputy Lieutenant of Greater Manchester.

He joined the University of Manchester's Board of Governors in 2010 and is a member of the Finance Committee.

#### **Mrs Christine LEE-JONES, DL MA MIMgt. FRSA**

Christine is a non-Executive Director of Walton Centre NHS Foundation Trust, a Deputy Lieutenant of Greater Manchester and a magistrate. She has extensive experience of corporate governance in both the maintained and independent sectors of education at local and national level. Until December 2009, Christine was the Head Mistress of Manchester High School for Girls, and prior to that appointment was the Principal of Eccles College, Salford. She has been a member of the Governing Body of Altrincham Girls' Grammar School, a member of the Further Education Funding Council Quality Assessment Committee, a member of the council of the Girls' Schools Association and chairperson of its Professional Development Committee, and a Registered Inspector with the Independent Schools Inspectorate.

Christine has seventeen years of voluntary public service to higher education having served previously on the Council and Court of the University of Salford, the Court of the Victoria University of Manchester and the General Assembly of the University of Manchester. She also

served as a member of the Audit Committee at Salford University, and its Strategic Policy and Resources Committee.

She joined the University of Manchester's Board of Governors in 2010 and is a member of the Audit Committee.

**Dr John STAGEMAN, OBE**

John holds a doctorate in physical chemistry from the University of Bristol and has over 30 years of experience in R&D management. Initially trained as a Physical and Colloid Chemist, he has worked across a number of disciplines during his career with AstraZeneca. Most notably he contributed to the development of the well known mycoprotein product Quorn and the biodegradable polyester Biopol. During his time at AstraZeneca John has led global drug development teams and areas such as drug formulation, delivery and pharmacogenetics. He led the biopharmaceutical strategy team resulting in the acquisition of Cambridge Antibody Technology and MedImmune. After a period in a transitional role as General Manager of MedImmune, Cambridge, John returned to the North West as Vice President of UK Science Affairs at AstraZeneca.

John has been a member of the North West Science Council since its inception in 2002. He is the Chair of the Board of CELS Ltd (formerly Bionow) and sits on its Strategic Advisory Board. John advises the UMIP Premier Fund as well as the Daresbury Executive Steering Group, and chairs the MIMIT Advisory Board, the Management Committee of the Wellcome Trust Manchester Clinical Research Facility, and the Healthcare & Medicine Knowledge Transfer Network (Technology Strategy Board). He is an Honorary Professor in Life Sciences at the University of Manchester.

Previously a member of the Royal Society Working Party on Pharmacogenetics, in 2008 he was appointed to the Biotechnology and Biological Sciences Research Council. Over the last ten years John has served on several UK Research Council committees including the Biotechnology Directorate of SERC, the Chemicals and Pharmaceuticals Directorate of EPSRC and the UK Bioprocess Engineering Strategic Review Panel. He was awarded an OBE in 2012 for services to the UK biotechnology industry.

He joined the University of Manchester's Board of Governors in 2010 and is a member of the Finance Committee.

**(a) Re-appointments to the General Assembly in Category 9****Miss Mumtaz Bashir**

Mumtaz is an engineer by training, graduating from MMU with a BSc in Polymer Science and a MBA. She has a wealth of experience within the private, public and voluntary sectors. She was an independent management consultant for the London Organizing Committee for the Olympic and Paralympic Games and is advising the Brazilian Olympic Committee. She specialises in the volunteering role at major events. She is also a strategic adviser to Manchester City Council, reviewing the role of volunteering and the added value that can be brought, city wise, to the Big Society agenda.

**Mr Michael R Evans**

Michael was educated at King's School Macclesfield and the University of Bristol; he is a qualified chartered accountant and was the Senior Partner in charge of the North West with Pricewaterhouse Coopers until his retirement in 1999. He is chairman of MMC Learning Ltd, a business enterprise originally established by MMU, a Trustee of Wood Street Mission, chair of the JT Blair Charitable Trust and Honorary Treasurer of Manchester Literary and Philosophical Society.

**Mr Peter Folkman**

Peter is a venture capitalist. He graduated from the University of Oxford and has an MBA from the Wharton School of the University of Pennsylvania. He was the founder and, until 2007, the Managing Director of North of England Venture Ltd, a leading regional venture capital company based in Manchester. He was until 2012 Chairman of Manchester Science Parks Ltd and is currently Non-executive Director of the Royal Exchange Theatre Company and Chairman of the Partnership Board of NOWGEN, a centre for genetics in healthcare, partnering the Universities of Lancaster, Liverpool and Manchester and the Central Manchester University Hospitals NHS Foundation Trust.

**Mrs Elizabeth France, CBE**

Elizabeth graduated from the University of Aberystwyth and holds honorary doctorates at the De Montfort, Loughborough and Bradford Universities. From 1994 to 2002 she was Information Commissioner (Data Protection Registrar) and from 2002 to 2009 Chief Ombudsman for the Ombudsman Service Ltd. She is currently Non-Executive Chairman of the Office for Legal Complaints, Vice-President of Aberystwyth University, a member of the British Transport Police Authority and Chair of the UK Public Affairs Council.

**Mr Mohammed (Wakkas) Khan**

Wakkas graduated from the University of Manchester with a BDS in 2004 and is currently a dental practitioner in Chorley and Hyde. He is a non-executive member of the General Dental Council. He has a keen interest in equalities, healthcare, education, dentistry and community cohesion and is a Director of several organisations dedicated to promoting opportunities for young people and the positive integration of Muslim youth into British society. He is a Mentor for the Government Equalities Office About Time initiative, on the faith Panel of Experts to the

Secretary of State for Communities and Local Government, a Governor of Christies Hospital and a Governor of St Chrysostom's Primary School.

**His Honour Tim Mort**

Tim is a graduate of the University of Cambridge and was called to the Bar in 1972. He practised as a Barrister in Manchester and in 1996 was appointed a Circuit Judge at Minshull Street Crown Court, dealing with criminal cases. He has an interest in legal education and arranges for law students to sit in court with judges and discuss the principles of criminal law and criminal sentencing. He also visits local schools to give talks on the criminal justice system.

**(b) New appointments to the General Assembly in Category 9**

**Mrs Catherine Barber-Brown**

Catherine is the Head of Strategy at Co-operative Banking Group, having previously held senior positions at Britannia Building Society in purchasing and change management. She has a background in strategy, investment banking and business. Prior to this, Catherine worked in investment banker for Credit Suisse First Boston and Barclays De Zoete Wedd. She is a maths graduate of Durham University, and has a personal connection to the University of Manchester through her late father, Brian Hartley, who was a professor in Maths and a Head of Department at the Victoria University.

**Mr Vidar Hjordeng**

Vidar is an experienced broadcast journalist. He works as a Diversity Manager at ITV News Group and has expertise and networks within the political, current affairs and social action sectors. Recent roles include UK lead on Diversity for ITV News Group and board roles in not for profit sector including RNIB Group, VocalEyes, Performances Birmingham (Birmingham Symphony Hall). He was awarded an M.B.E. in New Year Honours 2012 for services to broadcasting and visually impaired people.

**Mr Guy Hutchence**

Guy is Principal of the East Manchester Academy. This is a £31.5 million new high school at the heart of East Manchester which aims to provide pupils with the highest standard of education. The School opened in September 2010. Guy previously oversaw the move of his former school, Cedar Mount High School, into Gorton Education Village.

# The University of Manchester

## Anti-Corruption and Bribery Policy

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## CONTENTS

|   |    |
|---|----|
| 1. Policy   | 33 |
| 2. Who is covered by the policy?  | 33 |
| 3. What is bribery?   | 34 |
| 4. Gifts and hospitality  | 34 |
| 5. What is not acceptable?  | 34 |
| 6. Register of Interests  | 35 |
| 7. Facilitation payments and kickbacks                                  | 35 |
| 8. Donations  | 35 |
| 9. Responsibilities   | 35 |
| 10. Record-keeping  | 36 |
| 11. How to raise a concern  | 36 |
| 12. What to do if staff are, or maybe a victim of bribery or corruption | 36 |
| 13. Protection  | 36 |
| 14. Training and Communication  | 37 |
| 15. Who is responsible for the policy?                                  | 37 |
| 16. Monitoring and review   | 37 |



## 1. POLICY STATEMENT

- 1.1 As an element of the University's Goal 3: Social Responsibility, we are committed to ensuring high standards of ethics and values. The same high values applied to research and teaching activities are explicitly extended to governance and financial transactions.
- 1.2 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.
- 1.3 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.4 The purpose of this policy is to:
  - (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
  - (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.5 In the UK, bribery and corruption are punishable for individuals by up to ten years' imprisonment and, if we are found to have taken part in bribery and/or corruption, we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.6 We have undertaken a risk assessment of our activities considered to be of greatest risk and this will be reviewed by the University's Anti-Bribery Officer on at least an annual basis.
- 1.7 In this policy, **third party** means any individual or organisation staff come into contact with during the course of their work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2 WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels and grades, including both academic and Professional Support Services' staff, senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home staff, casual staff and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our wholly-owned subsidiaries or their employees (except where any such wholly-owned subsidiary has its own anti-corruption and bribery policy), wherever located (collectively referred to as **staff** in this policy).

### **3 WHAT IS BRIBERY?**

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory, personal, business and/or political advantage (**advantage**).

### **4 GIFTS AND HOSPITALITY**

4.1 This policy does not prohibit gifts and/or hospitality (given and received) to or from third parties provided that the conditions laid down in this policy are adhered to.

4.2 Subject to paragraphs 5, 6, 7 and 8 below, the giving or receipt of gifts and/or hospitality is not prohibited, if the following requirements are met:

- (a) it is not given or received with the intention of influencing to obtain or retain business or an advantage, or to reward the provision or retention of business or an advantage, or in explicit or implicit exchange for favours or benefits;
- (b) it complies with local law; and
- (c) taking into account the reason for the gift and/or hospitality, it is of an appropriate type and value and given at an appropriate time.

4.3 We appreciate that the practice of giving business gifts and hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift and/or hospitality is reasonable and justifiable. The intention behind the gift and/or hospitality should always be considered.

### **5 WHAT IS NOT ACCEPTABLE?**

It is not acceptable for staff (or someone on their behalf) to:

- a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that an advantage will be received, or to reward an advantage already given;
- b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative, whether to "facilitate" or expedite a routine procedure or otherwise;
- c) accept payment from a third party that staff know or suspect is offered with the expectation that it will obtain an advantage for them;
- d) accept a gift or hospitality from a third party if staff know or suspect that it is offered or provided with an expectation that an advantage will be provided by us in return;
- e) threaten or retaliate against another member of staff who has refused to commit a bribery and corruption offence or who has raised concerns under this policy; and/or
- f) engage in any activity that breaches, or may breach, this policy.

## **6 REGISTER OF INTERESTS**

- 6.1 In any event, any gift or hospitality either received or given by employees which has a monetary value of £25 or more should be declared in the local Register of Interests.
- 6.2 See the Financial Regulations and Financial Procedures for further details: <http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=1741>.

## **7 FACILITATION PAYMENTS AND KICKBACKS**

- 7.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
- 7.2 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions. Kickbacks are typically payments made in return for a business favour or advantage.
- 7.3 If staff are asked to make a payment on our behalf, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Staff should always ask for a receipt which details the reason for the payment. If staff have any suspicions, concerns or queries regarding a payment, they should raise these with the University's Anti-Bribery Officer.
- 7.4 All staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## **8 DONATIONS**

No donation must be offered or made on our behalf without the prior approval of the University's Anti-Bribery Officer. We do not make contributions to political parties.

## **9 RESPONSIBILITIES**

- 9.1 Staff must ensure that they read, understand and comply with this policy.
- 9.2 It is the responsibility of all staff to prevent, detect and report bribery and corruption.
- 9.3 Staff must notify their line manager OR the University's Anti-Bribery Officer as soon as possible if they believe or suspect that a breach of this policy has occurred, or may occur in the future. "Red flags" that may indicate bribery or corruption are set out in the Schedule.
- 9.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other staff if they breach this policy.

## **10 RECORD-KEEPING**

- 10.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 Staff must ensure all expenses claims relating to gifts, hospitality and/or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 10.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

## **11 HOW TO RAISE A CONCERN**

Staff are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If staff are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with their line manager or the University's Anti-Bribery Officer. Concerns may also be reported by following the procedure set out in our Whistleblowing Policy. A copy of our Whistleblowing Policy can be found on the University intranet's Policy and Procedures section:  
[http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=28\\*](http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=28*).

## **12 WHAT TO DO IF STAFF ARE OR MAY BE A VICTIM OF BRIBERY OR CORRUPTION**

Subject to paragraph 11 above, it is important that staff tell the University's Anti-Bribery Officer as soon as possible if they become aware of or are involved in any activity which constitutes or involves, or may constitute or involve, bribery or corruption.

## **13 PROTECTION**

- 13.1 Staff who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or corruption offence has taken place, or may take place in the future.
- 13.3 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If staff believe that they have suffered any such treatment, they should inform the University's Anti-Bribery Officer or HR colleagues (in the case of employees) immediately. In the case of employees, if the matter is not remedied, they may raise it formally using our Grievance Procedure, which can be found on the University intranet's Policies and Procedures section: <http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=840>.

## **14 TRAINING AND COMMUNICATION**

- 14.1 Training on this policy forms part of the induction process for all new staff. As with many aspects of work, existing staff will receive a level of training to be determined (on a risk basis) by their line manager through the existing Performance & Development Review process.
- 14.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## **15 WHO IS RESPONSIBLE FOR THE POLICY?**

- 15.1 The Board of Governors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all staff comply with it.
- 15.2 The Anti-Bribery Officer (currently Head of Compliance and Risk) has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness. Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this policy.

## **16 MONITORING AND REVIEW**

- 16.1 The Anti-Bribery Officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 16.2 Staff are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the University's Anti-Bribery Officer.
- 16.3 This policy may be amended at any time.

## **Schedule      Potential risk scenarios: "red flags"**

The following is a list of possible red flags that may arise during the course of staff working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If staff encounter any of these red flags while working for us, they must report them promptly to their line manager or to the University's Anti-Bribery Officer or to HR or using the procedure set out in the Whistleblowing Policy:

- (a) staff become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) staff learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that staff provide employment or some other advantage to a friend or relative;
- (j) staff receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) staff notice that we have been invoiced for a commission or fee payment that appears large given the goods and/or services stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; and/or
- (n) staff are offered an unusually generous gift or offered lavish hospitality by a third party.