

The University of Manchester

BOARD OF GOVERNORS

Formal Session: Wednesday, 25 March 2015

Present:

Mr Anil Ruia (in the Chair),

President and Vice-Chancellor, Mr Edward Astle, Mr Michael Crick, Mr Colin Gillespie, Mr Robert Hough, Dame Sue Ion, Mrs Christine Lee-Jones, Mr Neil McArthur, Mr Andrew Spinoza, Dr John Stageman, Professor Ian Cotton, Professor Cathy McCrohan, Professor Colette Fagan, Dr Caroline Jay, Professor Chris Taylor, Ms Iram Kiani, Ms Pamila Sharma, General Secretary, University of Manchester Students' Union (19).

In attendance: The Deputy President and Deputy Vice-Chancellor, the Registrar, Secretary and Chief Operating Officer, the Director of Finance, the General Counsel, the Director of Human Resources and the Deputy Secretary.

1. Welcome

Noted: That a formal session of the Board was held within the Planning and Accountability Conference in order to enable the Board to agree upon a number of important issues arising from the Conference agenda. Specifically, this included proposals concerning the future operation of the Staffing Committee. All other routine business of the Board, including reports and minutes from the Board Committees and other governance and management bodies, and the report from the session on Board Effectiveness which followed, would be considered at the next formal meeting of the Board of Governors on 6 May 2015.

2. 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. Mr Colin Gillespie also recorded interests in relation to his former role at PricewaterhouseCoopers.

3. Delivering the step change and achieving strategic ambitions

Received: A paper highlighting the necessity to create financial head room to invest in strategic priorities and to deal with external funding challenges facing the University with a consequent continued focus on staffing costs and, in particular, proposals concerning the operation of the redeployment register.

Reported:

- (1) That the Board had discussed and endorsed the high ambitions for the University in our Manchester 2020 Strategic Plan and recognised that this will require a step change in performance and this, in turn, will require the creation of financial headroom to invest in strategic priorities and deal with financial pressures. These real and known pressures include the significant reduction in the level of QR funding (ca £14.2 million per annum), an increase in the employer's pension contribution of 2% (ca £6million per annum) and the likely increase in the employer's national insurance contribution (ca £6 million per annum). Taking these into account and as staff costs make up over 50% of the University's expenditure, it is necessary to consider the current practice of placing staff on the redeployment register indefinitely.

This consideration will apply to staff, who are not on a fixed-term contract or an open-ended contract linked to finite funding or a specific project, who for whatever reason have been displaced from their role at the University, and who have been on the redeployment register for 3 months or more as at a particular date (to be determined). For ease of reference such staff shall be referred to as 'Staff at Risk'.

For the avoidance of doubt this excludes those staff who are on a fixed-term contract or an open-ended contract linked to finite funding or a specific project, who are already covered by the Contracts Policy and Procedure.

- (2) That given this position the Board of Governors acknowledged that:
- (i) whilst any reshaping of the University's staffing profile would be targeted and carefully managed, there could be short term reputational issues arising from any changes. Therefore, a series of carefully managed interventions would be brought forward rather than a large "one-off" exercise;
 - (ii) additional measures to ensure the retention of existing high-performing staff may need to be considered;
 - (iii) in order to realise the ongoing benefits of change programmes the University would need to alter its practice of placing staff on a redeployment register indefinitely, and for Staff at Risk, the University would need to indicate the possibility of compulsory redundancies, once alternative employment opportunities had been explored and/or rejected;
 - (iv) as part of this process the Board of Governors, via the Staffing Committee, would need to approve any voluntary severance scheme brought forward by the executive, specifically and only for Staff at Risk on the redeployment register, and a compulsory redundancy scheme;
 - (v) this will inevitably lead to some one-off costs associated with this exercise that are not currently in financial forecasts. This would include some costs in augmenting internal capacity in order to effectively manage the change;

- (vi) members of the governing body might be required to assist personally in an increased number of grievances, appeals and challenges from these decisions.

Noted:

- (1) That approval was being sought from the Board of Governors authorising action, through properly constituted meetings of the Staffing Committee, in relation to the change to the operation of the redeployment register for Staff at Risk.
- (2) That in bringing forward detailed proposals to the Staffing Committee, the University was committed to acting respectfully, sensitively and to provide assistance to the staff affected in finding alternative employment, using outplacement support where appropriate.

Resolved:

The Board of Governors, noting the abstention recorded by the General Secretary of the Students' Union, resolved to:

- (i) endorse the direction outlined in the paper.
- (ii) instruct the Staffing Committee to meet and to make recommendations to the Board of Governors in accordance with Statute XIII Part II and Ordinance XXIII Part II and Part VII including the determination of a voluntary severance scheme and compulsory redundancy scheme for Staff at Risk and a procedure that will apply to staff members who are placed on the redeployment register in future.
- (iii) approve the use of Chair's action to endorse the recommendations brought forward under (ii) above, on behalf of the Board of Governors.

Close.