

The University of Manchester

BOARD OF GOVERNORS

Wednesday, 3 May 2017

Present: Mr Edward Astle, (in the Chair), President and Vice-Chancellor, Dame Sue Ion, Ms Naa Acquah, General Secretary of UMSU, Professor Colette Fagan, Professor Cathy McCrohan, Mr Gary Buxton, Mr Colin Gillespie, Dr Caroline Jay, Mr Andrew Spinoza, Mrs Dapo Ajayi, Dr Christine Rogers, Professor Chris Taylor, Mr Paul Lee (until 5pm), Ms Isabelle Perrett, Mrs Roz Webster, Professor Silvia Massini, Mr Shumit Mandal, Mr Nick Hillman and Dr Angela Strank (by phone) (20).

In attendance: The Registrar, Secretary and Chief Operating Officer, the Deputy Secretary, Deputy President and Deputy Vice-Chancellor, the Director of Finance, the Director of Human Resources, the Vice-President and Dean of the Faculty of Humanities, the Vice-President and Dean of the Faculty of Biology, medicine and health, the General Counsel, Ms Sinead Hesp, the Director of Risk and Compliance (for Item 10), the Deputy Head of Safety Services (for item 10).

Apologies: Dr Neil Mc Arthur, Dr John Stageman, Mr Michael Crick, Professor Danielle George and Mr Robin Phillips.

1. Declarations of Interest

Noted: That the interests of Professor Chris Taylor whose son works for an organisation which campaigns for fossil fuel divestment and Dr Angela Strank as Chief Scientist at BP in Item 11, were noted. It was agreed that Dr Strank should leave the meeting for Item 11.

2. Minutes

Resolved: The minutes of the meeting held on 15 February 2017 and minutes from the formal meeting held at the Conference on 23 March 2017 were approved.

3. Matters arising from the minutes

Noted: That the Board of Governors received a report on ongoing matters, for information.

4. Summary of business

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

5. President and Vice-Chancellor's report

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

Reported:

- (1) That the Higher Education and Research Bill was passed by parliament and received Royal Assent. Changes made at the final stages included a delay in introducing a direct link between the Teaching Excellence Framework and undergraduate fees and assurances in the legislation on the autonomy of universities. A proposed amendment to remove international students from the government's net immigration figures was not included in the final bill and details of the future immigration system, including work and study routes, are still awaited.
- (2) That the University's EU group has been monitoring Brexit related developments carefully and taking appropriate actions in an effort to mitigate concerns. In addition a "Europe Group" has been established as part of the University's International Strategy, chaired by the Vice-President for Research and Innovation, which will develop plans for securing the University's

profile in Europe. UUK and the Russell Group have been active in lobbying on key sector issues.

- (3) That the government's annual grant letter to HEFCE had been published. The majority of priorities remain the same with little movement in funding allocations. HEFCE has been asked to allocate an initial 500 extra medical-school places to HEFCE-fundable institutions in 2018-19 of which this University has been allocated 25. The cap on international student numbers has been lifted, but the government will no longer pay the costs of clinical training.
- (4) That a summary of key announcements of relevance to the higher education sector was provided including: the Spring Budget, the Treasury commitment to an "efficiency drive" of £3.5bn spread across all departments by 2019-20, notification of the decisions taken by the HEFCE Board on funding for 2017-18 and indicative funding for 2018-19 and for the sciences and research budget for 2019-20, the UUK review of sector agencies, the commencement of the sale of part of the English student loan book and the green paper "Building our Industrial Strategy".
- (5) That as part of a proposed reform of fair access requirements, OFFA has issued guidance for 2018-2019 stating its strong expectation that it would see higher numbers of HEIs sponsoring schools. However, this is not yet mandatory. The University's current strategic approach is to support schools in its local areas through a range of programmes and initiatives, rather than to concentrate support on individual institutions. The University is awaiting the outcome of an ongoing consultation by the DfE before reviewing its current approach.
- (6) That the Accountability and Planning Conference in March 2017 reviewed progress over the past year, analysed gaps in performance against competitors and internal targets and discussed future plans to close those gaps, supported by the detail set out in the annual Stocktake Report and Annual Performance Review reports.
- (7) That a report on student recruitment for September 2017 entry was provided. UCAS data (20 March 2017) shows applications down by 4% nationally. Demand for University of Manchester full-time undergraduate courses has held firm, with no change to the volume of applications or offers relative to last year (UK student applications had increased by approximately 1%, EU applications had fallen by approximately 3.4% and non-EU international applications were approximately level). PGR applications show modest growth from home and overseas and PGT course applications have increased by 5%, with an increase of 8% in international applications. The Intake Management Group continues to oversee preparations for results confirmation and Clearing.
- (8) That the government had announced that EU students applying for entry in 2018 would have access to home fees and student loans.
- (9) That the University's return rate to the National Student Survey (NSS) had been 49.6%. A 50% return is needed for results to be considered. The University had sought clarity on whether the 49.6% would be rounded up. It was understood that many other Universities had not met the 50% response rate and that for those that had, results may be invalid because of a concern about tactical responses by students given the potential link with fee increases.
- (10) That the Staff Survey had been completed by 72% of staff (against a target response rate of 75%, but where the previous response rate was 70%, and 72% was the University's highest ever response rate). The results would be analysed and reported back at a later meeting.
- (11) That the review of the Faculty of Science and Engineering was ongoing.
- (12) That in light of changes to caps on numbers of medical students (see (3) above), proposals for collaboration with University of Salford and Manchester Metropolitan University in relation to international medical students had changed significantly. The University and others were continuing to look at models for increasing capacity to train doctors.
- (13) That there had been a serious fire at the Paterson Building which was owned by the Christie, but housed University staff working in the CRUK Manchester Institute and other University staff. All had been safely evacuated. The President and Vice-Chancellor had visited the site on 1 May 2017 with the Director of the CRUK Manchester Institute and the Deputy Director of Estates. An assessment of damage was underway.

- (14) That the University had held a Philanthropy Day to recognise and thank the University’s donors and a celebration of the University’s Regius Professorship of Materials, both of which had been very positive events.

Noted:

- (1) That in relation to the Paterson Building, the Board discussed the recovery of data, the process for identifying the cause of the fire and for making appropriate insurance claims and the potential options for the temporary relocation of staff. The Board expressed its concern and sympathy for all of those affected by the fire and its thanks to all involved in responding to the incident and in dealing with the aftermath. It commended the University’s exemplary contingency planning and incident management.
- (2) That the allocation to date of 25 additional medical school places for the University was proportionate. The University would be bidding for additional places and hoped to be successful, although new providers may have an advantage.
- (3) That in response to questions about the recommendation that universities should sponsor a state school, the University was not in favour of taking this step while this was not a requirement because of its preference to work with a number of schools. Also, research to date indicated that there was no evidence of improved performance where other universities had sponsored schools.

(ii) Report from the Director of Finance

Reported:

- (1) That the Director of Finance provided a brief update on assessing the impact of the fire at the Paterson Building including building work that would be required and potential loss of income.
- (2) That the Finance Committee had discussed the MECD project and that it was intended to report back to the Finance Committee after a meeting which was due to take place to review options.
- (3) That the Director of Finance provided assurance that financial performance was forecast to be largely on track by year end.

(iii) Exercise of Delegations

Reported:

- (1) **Emeritus Professors:** That, 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/emerita professor to:
- Professor Roseanne McNamee, School of Health Sciences, with effect from 1 February 2017.
 - Professor Deborah Symmons, School of Biological Sciences, with effect from 1 April 2017.
 - Professor Ian Kimber, School of Biological Sciences, with effect from 1 March 2017.
 - Professor Julian Davis, School of Medical Sciences, with effect from 1 June 2017.
 - Professor Andy Gale, School of MACE, with effect from 2 June 2017.
- (2) **Seal Orders:** Pursuant to General Regulation VII.4, the Common Seal of the University has been affixed to instruments recorded in entries 1809 to 1837:

Seal Orders
1809.1 GMCA grant funding agreement for the Graphene Engineering Innovation Centre (GEIC) (2 copies) Signed 13 February 2017
1810.2 Whitworth Park – External Lighting Phases 1 and 2 Project no. 6346 (2 copies) Signed 16 February 2017
1811.3 Lease made between 1) the University of Manchester and 2) The University of Manchester Students’ Union – relating to the Steve Biko Building, Oxford Road, Manchester, M13 9PR (2 copies) Signed 23 February 2017
1812.4 Deed of Covenant relating to property known as part of 2 Old Hall Cottage, Hall Lane, Mobberley, Knutsford, WA16 7JF (1 copy) Signed 24 February 2017
1813.5 Deed of Adherence between Sci-Tron Ltd, the University of Manchester, Professor Paul O’Brien, Dr Scott Mark Lewis, Professor Stephen George Yeates and Professor Richard Eric Parry Winpenny (1 copy) Signed 24 February 2017

1814.6 Deed of Covenant between 1) the University of Manchester and 2) Network Rail Infrastructure Ltd relating to land off Ladypitt Road, Gowhole Farm, Furness Vale, New Mills (1 copy) Signed 7 March 2017
1815.7 SKA Building contract between the University of Manchester and Sir Robert McAlpine – Engineering and Construction contract A with priced activity schedule including works information (2 copies) Signed 6 March 2017
1816.8 Professional Appointment between the University of Manchester and Faithful and Gould Ltd – Quantity Surveying (2 copies) Signed 8 March 2017
1817.9 Lease of Units 9-12 Thorncliffe House, Oxford Road to Stone Spar Stores Ltd (1 copy) Signed 13 March 2017
1818.10 Loan Agreement to Renephra Ltd, MedTech Centre, Greenheys, Manchester Science Partnerships, Manchester, M15 6JJ (1 copy) Signed 15 March 2017
1819.11 Grant agreement between Cheshire East Borough Council and the University of Manchester (2 copies) Signed 20 March 2017
1820.12 SKA 2 Project – Professional Appointment Contract between 1) the University of Manchester and 2) Buro Four Project Services Ltd (2 copies) Signed 22 March 2017
1821.13 First Light Pavillion Project – Professional Appointment Contract between 1) the University of Manchester and 2) Buro Four Project Services Ltd (2 copies) Signed 22 March 2017
1822.14 Investment and Shareholders’ Agreement relating to Orchard Therapeutics Ltd between 1) Scottish Mortgage Investment Trust PLC, 2) F-Prime Capital Partners Healthcare Fund IV LP, 3) F-Prime Capital Partners Healthcare Fund IV-A-LP, 4) UCL Technology Fund LP, 5) The Ordinary Shareholders and 6) Orchard Therapeutics Ltd (1 copy) Signed 23 March 2017
1823.15 Pre-construction services agreement in the relation to The Sir Henry Royce Institute for Advanced Materials, between the University of Manchester and Laing O’Rourke PLC (2 copies) Signed 27 March 2017
1824.16 Design Services Unit Consultant Supplier List – Deed of Novation between 1) the University of Manchester, 2) Sweet (UK) Ltd and 3) Currie and Brown UK Ltd (3 copies) Signed 27 March 2017
1825.17 Fallowfield Project – Sub-Consultant Collateral Warranty between Buro Happold Ltd, the University of Manchester and BDP Ltd (2 copies) Signed 27 March 2017
1826.18 GEIC Project – Deed of Novation between 1) the University of Manchester, 2) Arcadis LLP, 3) Laing O’Rourke PLC and 4) Ramboll UK Ltd (4 copies) Signed 27 March 2017
1827.19 GEIC Project – Deed of Novation between 1) the University of Manchester, 2) Arcadis LLP, 3) Laing O’Rourke PLC and 4) Rafael Vinoly Architects PLC (4 copies) Signed 27 March 2017
1828.20 Museum Courtyard Project – Professional Appointment contract between 1) the University of Manchester and 2) Buro Four Project Services Ltd (2 copies) Signed 27 March 2017
1829.21 GEIC Project – Building Contract between 1) the University of Manchester and 2) Laing O’Rourke PLC (2 copies) Signed 27 March 2017
1830.22 First Light Pavillion Project – Professional Appointment contract between 1) the University of Manchester and 2) Hassell Ltd (2 copies) Signed 27 March 2017
1831.23 Lock In Deed – concerning disposals of ordinary shares in Skintherapeutics PLC between 1) Cairn Financial Advisers LLP, 2) Turner Pope Investments (TPI) Ltd, 3) the University of Manchester and 4) Skintherapeutics PLC (1 copy) Signed 27 March 2017
1832.24 GEIC Project – Payment Guarantee between 1) the University of Manchester and 2) Laing O’Rourke Corporation Ltd (2 copies) Signed 29 March 2017
1833.25 Fallowfield Project (Phase 1) – Pre-Construction Services Agreement between 1) the University of Manchester and 2) Carillion Construction Ltd (2 copies) Signed 3 April 2017
1834.26 Fallowfield Project – Deed of Termination between 1) Mubadala Infrastructure Holding Company LLC, 2) the University of Manchester and 3) Taaleem Trustees No. 1 Ltd and Taaleem Trustees no. 2 Ltd (3 copies) Signed 7 April 2017
1835.27 Deed of Covenant relating to property known as part of Bank Farm House, Tabley Hill Lane, Knutsford, Cheshire, WA16 0EP (1 copy) Signed 19 April 2017
1836.28 Legal Charge relating to property known as part of Bank Farm House, Tabley Hill Lane, Knutsford, Cheshire, WA16 0EP (1 copy) Signed 19 April 2017
1837.29 DS3 – release of part of the land from a registered charge - Bank Farm House, Tabley Hill Lane, Knutsford, Cheshire, WA16 0EP (1 copy) Signed 19 April 2017

6. Summary of Board Conference discussions

Received: A summary of discussions at the Accountability and Planning Conference in March 2017.

Noted:

- (1) That the University is committed to excellence and that there have been some notable successes, although there are also areas where performance is inconsistent and improvement is needed.
- (2) That there are many opportunities and a need to take them and to identify and mitigate the risks relating to increasing quality, lifting performance and strengthening the University’s profile.
- (3) That there is still a gap if the University is to match the best global competition.

- (4) That financial headroom is required for investment both to make the step change in performance to deliver the ambitions of *Manchester 2020* and to meet financial challenges.

7. Delivering Manchester 2020

Received: A report on the proposed implementation of the M2020 Programme was presented by the Deputy President and Deputy Vice-Chancellor.

Reported:

- (1) That the University is committed to the ambitious goals set out in M2020 and that while it is progressing well with some areas, its performance is uneven and in some cases unsatisfactory when compared with internal and external benchmarks. That realising its ambition for excellence and financial sustainability will require a significant improvement in some areas.
- (2) That fulfilling its strategy will require a sustainable financial position and a capacity to invest in strategic priorities. This is a significant challenge in light of the increased financial, political and sector uncertainty including: greater global competition, reductions in public funding, exchange rate fluctuations, the potential decline in student numbers and research income, new private providers, the new Teaching Excellence Framework, the uncertainties of Brexit and further increases in costs arising from pensions and inflation.
- (3) That PRC and Finance Committee both recognised that the current budget and five year plan presented in June 2016 were not an acceptable profile and that considerable work was required to address the gap and to create strategic headroom.
- (4) That previously agreed actions to increase income and secure savings would not be sufficient to address the immediate financial challenge and create the financial headroom required and that while attempts could be made to meet the current challenge by significantly reducing investment in new staff, buildings, facilities and front-line teaching and research activities and/or by major increases in student recruitment, this would significantly reduce quality, cause major reputational damage and make the achievement of our M2020 goals impossible.
- (5) That proposals for further actions, which had been subject to preliminary consideration by the Staffing Committee, were together designed to deliver a step change towards M2020 by interventions including potential redundancies in (i) the Faculty of Biology, Medicine and Health (FBMH); (ii) the Faculty of Humanities (the School of Arts, Languages and Cultures (SALC) and Alliance Manchester Business School (AMBS)); (iii) Professional Support Services (PSS) within the Faculty of Science and Engineering (FSE) (the Faculty Office, National Composite Centre and Evaluation Facility (NCEEF) and the Photon Science Institute(PSI)); and (iv) PSS within the Directorate of Finance.
- (6) That the reasons for the proposed redundancies were different in each area. That these included: (i) a financial gap in contribution in FBMH; (ii) the need to increase undergraduate entry standards in SALC which, coupled with a national decline in some areas, will reduce intake numbers in some areas with a corresponding reduction in required staffing levels; (iii) the need to secure an improvement in the quality of entry standards of students in AMBS and withdraw from inefficient off-campus provision in Singapore; (iv) simplification and standardisation of structures and processes in the FSE Faculty Office; (v) the need to deliver financial viability in NCEEF and implement a revised structure focussed on operational delivery; (vi) the need to implement a revised structure in PSI; and (vii) standardisation, simplification and efficiency in the Directorate of Finance.
- (7) That the total number of posts potentially at risk was 171 of which 140 were academic roles or roles with a predominantly academic focus. These were 65 in FBMH, 35 in SALC, 40 in AMBS.
- (8) That the proposals, process and criteria would be subject to consultation with the trade unions but that the University would ensure that the process was rigorous, fair and transparent and that an equality impact assessment would be undertaken for each project.
- (9) That it was recognised that there was likely to be an impact on staff and students during consultation, implementation and transitional phases of this programme, but that it was believed that with planning and support, such impact could be mitigated and that the University

would explore opportunities for the avoidance of redundancies as set out in its Security of Employment policy which had been agreed with the trade unions.

- (10) That not all of the proposed areas would deliver cost savings because they would be matched by reductions in income (student fees) in order to improve the quality of the student intake and outcomes, but that the total estimated annual saving was c£4.7m.
- (11) That it was proposed that any voluntary severance payments would be in accordance with the existing agreed scheme and that compulsory redundancy payments would be based on statutory entitlements.
- (12) That the University wished to engage in a meaningful consultation process with the recognised campus trade unions on these proposals to commence as soon as the Board had endorsed the consultation, and that such consultation would cover voluntary severance as well as the potential for compulsory redundancies should this become necessary.

Noted:

- (1) That the Board had been informed at the Accountability and Planning Conference in March 2017 that work was in progress on detailed proposals to address points made by the Finance Committee and the Board previously.
- (2) That it was proposed that a formal letter in accordance with section 188 of the Trade Union and Labour Relations Act 1992 would be issued to the trade unions on 4 May 2017 and that the proposals had to remain strictly confidential until 10 May 2017 when it was planned that the first consultation meeting with the trade unions would take place.
- (3) That the timing of any reduction in student and staff numbers was important to reduce the impact on students and on remaining staff members and that the impact of proposals on students and staff should continue to be considered.
- (4) That the Board recognised the clear need for the University to take action to be able to address the strategic challenges which it was facing.
- (5) That there was a clear rationale for the proposed academic reductions and that it was important that this could be communicated effectively. In relation to FBMH it was confirmed that non-pay costs had already been subject to cuts.
- (6) That in relation to PSS posts, there had already been interventions in earlier years including as a result of the merging of two faculties to form FBMH, a restructure of IT Services and a reorganisation of catering, and that PSS had a further target to deliver £15m by 2020 through income generation, efficiency and effectiveness.
- (7) That there was detailed discussion on appropriate benchmarking of PSS in different areas and on how the University could ensure that it was delivering an efficient and cost-effective PSS service.
- (8) That benchmarking data on costs of support services would be shared with the Audit Committee.
- (9) That the fact that there was proposed to be an initial group in scope of the proposals of 627 in FBMH would require careful management, but that it was intended to reduce this to a smaller at risk group subject to consultation. That the proposed reduction in FBMH was roughly 10% of academics. In AMBS the figure was approximately 12% and in SALC 8%.
- (10) That there was no intention to close any on-campus programmes in SALC or AMBS.
- (11) That, although this point was raised and discussed, the current review of FSE was not part of or linked to these proposals.
- (12) That consideration had been given to any potential impact on students who were at the heart of these proposals and that this had been discussed in detail at the Staffing Committee in April 2017.
- (13) That the Board discussed the scope of the proposals and questioned whether further interventions were or may be required.

N.B. The President and Vice-Chancellor left the room.

Approved: (i) the University's proposal to commence consultation with the trade unions on these proposals, (ii) the recommendation that the University should continue to take steps to avoid the need for redundancy wherever this is possible and to support the use of the voluntary severance scheme in the affected areas, and (iii) that the Staffing Committee should continue to oversee these proposals in accordance with Ordinance XXIII.

The President and Vice-Chancellor rejoined the meeting.

8. Chair's report

(i) Received: A report from the Nominations Committee containing recommendations concerning membership of the Board of Governors in Category 2 (lay members), and membership of the General Assembly in Category 3 (Current and lay former members of the Board of Governors who are not otherwise members of the General Assembly) from 1 September 2017.

Approved:

(1) The reappointment to the Board of Governors in category 2, each for a further term of three years from 1 September 2017, of:

Mr Colin Gillespie
Mr Nick Hillman
Mr Robin Phillips.

(2) The reappointment to the General Assembly, each for a further term of three years from 1 September 2017, of:

Mr Brian Clancy, JP
Mr Robert Hough, CB, DL
Mr Neville Richardson
Mr Anil Ruia, OBE, JP, DL.

N.B. Colin Gillespie and Nick Hillman left the meeting for this item.

(ii) Reported: That an action plan following on from the Board Effectiveness Review would be brought forward at the Board meeting in July 2017.

Noted: That the timetable for some of the proposed changes would be subject to the timetable for the Privy Council approval since amendments to Statute would be required and that having an additional student union representative in attendance in the interim would be contrary to the overall purpose of the recommendation to reduce the size of the Board.

(iii) Received and approved: Guidance for Staff at the University in bringing forward papers for consideration by the Board of Governors.

(iv) Received and approved: Chair evaluation and Board Member evaluation forms.

Reported: That in order to embed a performance culture within the Board, it was appropriate to have a formal process to evaluate the performance of the Chair and for members to complete a self-evaluation. The process relating to the Chair would be run by the Deputy Chair. Board members would receive emails asking them to take part in these processes before July.

9. Secretary's report

Received: A report on the recent Senate elections.

Reported:

(1) That nominations had been sought for vacancies arising in Category 3 (the elected category) of Senate from 1 September 2017. As the number of nominations exceeded the number of vacancies, ballots were held in each of the three faculties.

(2) That the elected academics will take their seats on Senate from 1 September 2017. The results are as follows:

Faculty of Science and Engineering (3 places)

Professor Louise Walker, School of Mathematics

Professor Aline Miller, School of Chemical Engineering and Analytical Science
 Dr Maria Sharmina, School of Mechanical, Aerospace and Civil Engineering.

Each will serve from 1 September 2017 to 31 August 2020.

Faculty of Biology, Medicine and Health (5 places)

Dr Tracey Speake, School of Medical Sciences (re-elected)
 Dr Pip Fisher, School of Medical Sciences
 Dr Reinmar Hager, School of Biological Sciences
 Dr Ilaria Russo, School of Biological Sciences
 Dr Roger Harrison, School of Health Sciences.

Each will serve from 1 September 2017 to 31 August 2020.

Faculty of Humanities (4 places, + 1 additional)

Dr Jackie Carter, School of Social Sciences
 Dr Christian Goeschel, School of Arts Languages and Cultures
 Dr Tanja Müller, School of Environment, Education and Development
 Dr Kieron Flannagan, Alliance Manchester Business School.

Each will serve from 1 September 2017 to 31 August 2020.

- (3) That due to a member of Senate in the **Faculty of Humanities** leaving the University part way through their term, a place for a one-year term has arisen since the election was called. Professor Ken McPhail, AMBS, will take up this place, from 1 September 2017 to 31 August 2018.

10. Health and Safety (Deep dive)

Received: A paper from the Director of Compliance and Risk and the Head of Safety Service on Safety Services summarising the Health and Safety Performance of the University for the previous calendar year with a supplementary verbal presentation from the Director of Risk and Compliance and the Deputy Head of Safety Services.

Reported:

- (1) That the remit of Safety Services and the Safety Work Plan are targeted to key areas of concern and are intended to concentrate predominantly on significant issues that could affect the University's ability to go about its business, or its good reputation.
- (2) That audits had been undertaken in accordance with the published programme and are to schedule. The results demonstrate areas for improvement and each unit has developed an action plan based on recommendations which is monitored by Safety Services.
- (3) That issues identified as part of the HASMAP process that may be relevant to other parts of the University have been communicated directly to senior managers and actions taken will be reviewed as part of routine annual monitoring by the Occupational Health, Safety and Training Advisory Group (OHSTAG).
- (4) That the total number of accidents and the accident rate is declining and the majority are divided into 4 categories: injured while handling, lifting or carrying, injured by sharp object, tripped, slipped or fell on the same level, exposed to or in contact with harmful substance. Strategies are in place to reduce the risks in all categories.
- (5) That the targeting process used to develop the HASMAP audit programme is being used to identify specific areas and topics of concern which will be subject of independent inspections aimed at evaluating control measures and strategies.
- (6) That there had been two events with potential for serious consequences with learning points being addressed.
- (7) That the merger of FLS and FMHS to form FBMH has required new safety management arrangements and governance structures and that new safety committees are now in place.

Noted:

- (1) That within the Board's discussion the following might be further considered by the Executive:

- Continuing to take a differentiated approach in areas where higher risks are identified.
 - Arrangements with contractors via shared premises agreements and ensuring that issues are captured on appropriate risk registers for monitoring.
 - Ensuring that trends are picked up and monitored.
- (2) That in future it would be helpful to be able to review cyclical trends by including short commentary on issues and steps taken.
 - (3) That the Associate Vice President for Compliance, Risk and Research Assessment acted as an academic champion for Health and Safety issues in addition to each of the Deans. There were also academic leads for particular risks or activities such as fire, biological substances and radiation.

11. Socially Responsible Investment Policy

N.B. Angela Strank left the meeting for this Item;

The President and Vice-Chancellor left the room during the approval.

Received:

- (1) Revised Policy on Socially Responsible Investment.
- (2) Report of the Fossil Fuels Review Group.

Reported:

- (1) That the Board had launched a review of the University Policy for Socially Responsible Investment in July 2015, and that the Fossil Fuels Review Group was established in September 2015 to examine the wider ethical, practical and financial arguments concerning investment in fossil fuel companies in order to support and inform the review process.
- (2) That the Fossil Fuels Review Group had undertaken a wide ranging consultation across the University and considered views from all areas of the academic and PSS community.
- (3) That the revised Policy on Socially Responsible Investment had been considered by Finance Committee and was recommended by Finance Committee for approval by the Board of Governors.
- (4) That the Finance Committee had agreed to review the quarterly report on investment holdings prior to publication and to consider actions and instructions to the investment managers as part of the review process.

Noted:

- (1) That there was a lengthy and detailed discussion over whether the policy was sufficiently detailed on the specifics of what the University would require from its investment companies and on whether the policy included sufficient clarity.
- (2) That the Policy did not stipulate that the University would divest in fossil fuels, but that investments would be considered in the round with investors taking into account the University's concerns and cognisant of the University's obligations as a charitable body to obtain appropriate returns.
- (3) That as part of the consultation process the Fossil Fuels Review Group had considered a range of opinions and also the different definitions of fossil fuel companies and the different divestment decisions taken by other Higher Education Institutes.
- (4) That it would be important to ensure that meaningful discussions with investors took place and that transparency in relation to investments was also important.
- (5) That the Executive would report back on how the Policy works, including producing regular summaries of investments which would be available to the Board, and, if necessary, revisit it.

Resolved: That, after significant discussion of a number of issues raised and recognising that the Board was not unanimous on the proposal, the revised Policy on Socially Responsible Investment be approved.

12. Board committee reports

(a) Finance Committee, 10 April 2017

Received: The summary report and minutes of the meeting of the Committee held on 10 April 2017.

Reported:

- (1) That Jon Lamonte, Chief Executive of Transport for Greater Manchester had joined the Finance Committee as a co-opted member.
- (2) That the Finance Committee received an update on the capital programme and noted the progress that had been made. One project had been completed since the last meeting - Chancellors Hotel Refurbishment. The MECD project is being kept under review.
- (3) That the Finance Committee noted the following:
 - The approval by Finance Sub Committee of the recommendations of the Sugden Strategy Group.
 - An update regarding dissemination of data in the University's TRAC for teaching return, the second of the two TRAC returns made by the University.
 - An update regarding 2017/18 budget and 5 year plan that has resulted in changes to the contribution targets due to an uplift in UG tuition fees.
 - A summary report of further review work conducted on the HEFCE QR data.
- (4) That the Finance Committee noted the February 2017 management accounts and recommended the full year forecast for 2016-2017 for approval:
 - The first full year forecast for 2016-2017 was not accepted by the University and Faculties had been asked to revisit this.
 - The latest forecast, based on the position at the end of January 2017 shows an improvement of £6.7m from the Q1 forecast for full year contribution.
- (5) That Finance Committee recommended the revised Socially Responsible Investment Policy for approval by the Board of Governors.
- (6) That Finance Committee approved delegating authority to the Director of Finance on the investment of surplus funds to make a judgment, in consultation with the Chair of Finance Committee, on the appropriate level of risk and the precise nature of the implementation plan to be reported back to Finance Committee in June 2017.
- (7) That Finance Committee had approved asset allocations within the existing portfolio.
- (8) That the Finance Committee had noted the latest report on the University's pension schemes.
- (9) That the Finance Committee had approved a revised credit control policy linking to the University Recovery of Student Debt Policy and with payment terms of 30 days unless agreed otherwise with the Director of Finance.

(b) Audit Committee, 12 April 2017

Received: The summary report and minutes of the meeting of the Committee held on 12 April 2017.

Reported:

- (1) That the Committee was provided with an update on cases raised under or linked to the University's Public Interest Disclosure Procedure.
- (2) That the annual training and update session for members of the Audit and Finance Committees would be held on 27 June 2017.
- (3) That the Committee considered the preliminary assessment of the HEFCE Annual Provider Review Group which had identified no concerns on quality and standards matters.
- (4) That the internal auditors had completed three reviews in the period. These were: Published Programme and Unit Information on Key Information Sets (KIS), Information and Cyber Security and Environmental Sustainability Management.

- (5) That under the Report of the Internal Control Accountant, the Committee received details on three investigations, including one relevant to the Public Interest Disclosure Procedure. For each, appropriate action was being taken.
- (6) That the Committee received a report from the external auditors on their approach to the audit of the financial statements to 31 July 2017 and on the key risks in the audit year.
- (7) That the Committee received a report on the University's risk management framework and an update on progress made in relation to the management of IT related risks.

Noted:

- (1) That in relation to the KIS record, the auditors had identified areas for improvement, and that a series of actions and assurances had been given about how the issues would be addressed.
- (2) That the Directorate of IT had reported that a significant amount of progress had been made against the risks identified on the risk register and that a further follow-up report with the Director of IT in attendance would be provided at the June meeting of the Committee.

(c) Staffing Committee, 12 April 2017

Received: The minutes from the meeting held on 12 April 2017.

Reported:

- (1) That the Committee considered the Report of the President and Vice-Chancellor on proposed redundancies for those staff members on fixed term contracts and those on open-ended contracts with finite funding, in line with the obligations of paragraph 5 of Ordinance XXIII.
- (2) That the Committee considered the Report of the Director of Human Resources on the process and consultations adopted as part of this process and the outcome data in relation to contracts ending between 1 September 2016 and 31 January 2017, noting that this was consistent with the data presented in previous reports.
- (3) That the Committee met to consider and recommend to the Board the actions required as part of the Delivering Manchester 2020 project and details are provided in the minutes and were considered under Agendum 7.

Resolved:

- (1) That the University proceeds with the process outlined in the Contracts Policy and Procedure to deal with those staff considered to be at risk on open ended contracts linked to finite external funding or special projects for the period from 1 January 2018 to 30 June 2018; and
- (2) That the University continues to ensure that all suitable and appropriate alternative strategies for resolution, including redeployment and restructuring, have been properly considered.

(d) Remuneration Committee, 3 May 2017

N.B. The Registrar, Secretary and Chief Operating Officer, the Director of Finance, the General Counsel, the Vice-President and Dean of Biology, medicine and health sciences and the Vice-President and Dean of Humanities left the meeting for this item.

Received: A verbal report of the meeting of the Remuneration Committee on 3 May 2017.

Reported:

- (1) That the Remuneration Committee had received, discussed and approved the recommendations for pay for the senior management team of the University.
- (2) That the recommendation was to approve increases for the 7 members of staff involved using a total of 75% of the total expenditure available and that this was a prudent position, giving senior staff a lower than average increase (based on projected percentage pay increase and increments for other staff).
- (3) That insofar as there was informal benchmarking available for senior salaries (other than Vice-Chancellors) in the sector, the University was considered to be competitive, and within the appropriate range.

Noted:

- (1) That the Board reviewed the position previously discussed, concerning the remuneration package awarded to the President and Vice-Chancellor. The Board noted the report that the President and Vice Chancellor was content with her existing remuneration package.
(*The President and Vice Chancellor left the room for this item*).
- (2) That consideration could be given to using funds which would otherwise have been awarded as a pay increase to the President and Vice-Chancellor for a specific and beneficial purpose.

Approved: The recommended pay increases for senior staff.

13. Report from the Senate

Received: A verbal report on the business initiated at the meeting of Senate held on 26 April 2017.

Reported:

- (1) That there had been a detailed discussion in relation to the Review of the Faculty of Science and Engineering.
- (2) That the Senate had received an interim report from the Working Group on revision of academic promotions documentation. Feedback would inform the final report which would be discussed with the University and Colleges Union and then considered again by Senate.

14. Report from the Planning and Resources Committee

Received: A summary of matters discussed at meetings of the Committee held on 7 February, 7 March and 4 April 2017.

Reported: That the report provided information on the five year plan and future plans to assure excellence and financial sustainability, tuition fees, the Transparent Approach to Costing (TRAC) return for 2015/16, financial benchmarking analysis, the HEFCE circular letter 06/2017, the Board Assurance Report for the Henry Royce Institute for Advanced Materials, the Stocktake report 2015/16, the Review of the Biological Resources Unit at Cancer Research UK-Manchester Institute (CRUK-MI) and the Biological Services Facility (BSF) at the University, the establishment of the Information Governance Committee and Information Governance Sub-Committee, the adoption of the UK Scholarly Communications Licence and Model Policy (UK-SCL), the future governance of the University of Manchester Worldwide (UoMW), the University's response to a consultation on the second Research Excellence Framework, submission to the Office of Fair Access (OFFA), and the expansion of undergraduate medical student numbers.

15. Forward Agenda

Received: The Chair presented the Forward Agenda to the Board for review.

Noted:

- (1) That the 5 year plan and budget for 2017-2018 would be considered at the July Board meeting.
- (2) That a new forward agenda for the next academic year would be considered at the July Board meeting.

16. Any other business

The Chair thanked the General Secretary of the Student Union and the Deputy Secretary for their service to the Board.

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