

**BOARD OF GOVERNORS**

Wednesday, 7 October 2020 (meeting held via video conference)

*Present:* Mr Edward Astle (in the Chair), President and Vice-Chancellor, Mrs Ann Barnes (Deputy Chair), Mr Nana Agyeman, Mr Gary Buxton, Prof Claire Alexander, Mr Michael Crick, Mr Colin Gillespie, Dr Reinmar Hager, Mr Nick Hillman, Ms Caroline Johnstone, Prof Steve Jones, Mr Kwame Kwarteng (General Secretary of UMSU), Mrs Bridget Lea, Dr Neil McArthur, Mr Robin Phillips, Mr Andrew Spinoza, Dr Delia Vazquez, Dr Jim Warwicker, Mrs Alice Webb, and Ms Ros Webster(21)

*Apologies:* Prof Danielle George, Mr Richard Solomons

*In attendance:* The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor, the Chief Financial Officer, the Vice-President, Teaching, Learning and Students (item 1-4), the Vice-President, Social Responsibility (items 1-4), the Vice-President for Research (item 5), the Director of Planning (item 6), the Director of Development and Alumni Relations (items 9-10) and the Deputy Secretary.

**1. Declarations of Interest**

**Reported:** there were no new declarations of interest.

**2. Minutes**

**Resolved:** that the minutes of the meeting held on 4 September 2020 be published, subject to a minor amendment to minute 13 (6) clarifying that Stellify was not yet available to postgraduate taught students.

**3. Matters arising from the minutes**

**Received:** an updated report on ongoing issues that had been raised at previous meetings.

**Noted:** the requested BAME data at a more granular level, which had been considered as part of a strategic briefing, held immediately before the Board meeting.

**4. President and Vice-Chancellor's report and update on campus reopening**

**Received:** the report from the President and Vice-Chancellor.

**Reported:**

(1) From 7 October 2020, in response to an increase in the Covid-19 infection rate in Manchester and in order to protect the health and wellbeing of staff, students and the wider community, the University had moved to [Department for Education Tier 3](#) for its learning and teaching provision, having previously been at Tier 2.

(2) In practice, the movement to Tier 3 meant that there would be an increase in online learning for most programmes with retention of in-programme provision for some courses (e.g. clinical, medical and some laboratory based teaching). The movement to Tier 3 would remain until 30 October 2020, with a review taking place on 23 October 2020. Faculty Leadership Teams were taking decisions about delivery of teaching on specific programmes, with details being communicated to relevant students and staff.

- (3) The campus remained open and research was continuing; the University was continuing to ensure necessary safety precautions were in place to make campus activity as safe as possible.
- (4) Movement to Tier 3 was a collaborative decision between the University, Manchester Metropolitan University (MMU), the Director of Public Health and the local Public Health team, supported by Public Health England. This coordinated and integrated approach had not been mirrored in some other cities and had been commended by officials in the Department for Education. Daily meetings took place with the local public health team as part of formal outbreak management.
- (5) Unless required to work on campus, staff would continue to work from home: students and staff in the highly vulnerable category were encouraged to discuss arrangements with their tutor or line manager.
- (6) Government advice was that students were strongly encouraged to remain in their current accommodation and not return to their family home or other residential accommodation. The University continued to provide support for students on and off campus.
- (7) Since 21 September 2020, just under 1,400 students had tested positive and the latest rolling seven day average was 169 cases per day (with peaks of 241 on 2 October and 227 on 5 October). The latest daily number (112 on 6 October) indicated a 50% reduction in positive cases. Whilst it was too early to be confident of a trend, a reduction of this nature would mirror experience at MMU, where students had returned earlier than at Manchester and there was a now a substantial reduction in new cases. The vast majority of infected students were either asymptomatic or had mild symptoms.
- (8) Latest figures indicated that the infection rate in Manchester for 17-21 year olds was 3,000 cases per 100,000 population; in the population excluding this age group, the infection rate was in the region of 50 cases per 100,000 population.
- (9) The key challenges for the University remained as outlined in the report from the Vice-President for Social Responsibility and Chair of the Campus Reopening Group, particularly the rapidly increasing Covid-19 infection rates in Greater Manchester and managing behaviour and compliance to reduce transmission.
- (10) Before the decision to move to Tier 3, there had been some staff concern about face-to-face teaching which had been manifested in a petition signed by 500 staff.
- (11) Whilst the behaviour of the majority of students had been exemplary, there had been a number of instances of unacceptable behaviour, including parties involving hundreds of students in student residences. The Senate meeting on 6 October 2020, in addition to receiving a full update on the latest situation, had been asked to consider an addendum to the current Regulation relating to student conduct and discipline. The addendum would permit the issuing of a fixed penalty notice of £50 (and a formal warning) to a student for Covid related misbehaviour and failure to engage with attempts to encourage acceptable behaviour. There were already 70 cases adjudged to be at the threshold for disciplinary action, which would ordinarily be via a Summary Disciplinary Panel.
- (12) There had been lengthy discussion at Senate, and a number of members had indicated opposition to fines and as a result, Senate members had been asked to agree, by circulation, replacement of fines with sanctions, on the understanding that the primary sanction would be the Covid-19 awareness course currently under development.
- (13) Staff had worked hard to ensure the quality of on online delivery; there had been investment to support this activity and students were engaging positively. Work was ongoing to map teaching and learning activity and related support to the Department for Education tiers to facilitate future movement between the tiers.
- (14) Home and EU undergraduate numbers were significantly above target (approximately 7,000 against a target of approximately 6,400) whilst international undergraduate numbers were broadly consistent with target (approximately 2,300). Postgraduate home and international students were currently below target but these students were arriving three weeks later than usual, so it was too

early to assess outcome (postgraduate taught programmes commenced on 26 October). There remained some uncertainty about overall numbers given the recent increase in infection. Confirmation of Acceptance of Studies numbers indicated that the majority of international students still intended to come to Manchester; however, some students might decide to defer or study from their home country, noting that not all programmes could be undertaken entirely online (the University had been transparent about the developing situation).

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(16) Researchers from the Global Development Institute had been awarded a new research contract of £32 million to establish the African Cities Research Consortium, funded by the Foreign, Commonwealth and Development Office (FCDO) as part of UK Aid.

(17) Universities in the Greater Manchester region had formed the Greater Manchester Universities Forum and had met with local FE colleges to consider future skills needs across the region.

(18) The University and the regional authority had submitted bids as part of the Comprehensive Spending Review and there were indications that these had been received favourably.

### **Noted:**

(1) It was unfortunate that the contribution of some Senate members appeared to demonstrate a lack of understanding of the impact of unacceptable behaviour on front line Professional Services staff and the need to act quickly to minimise the impact on the wider community.

(2) In response to a question, Public Health England has taken the lead role on communications to demonstrate the efficacy of the local, coordinated approach but the President and Vice-Chancellor remained prepared and willing to lead media communications (Secretary's note: the President and Vice-Chancellor appeared on the [Today](#) programme on BBC Radio 4 on 12<sup>th</sup> October (1:16:45)).

(3) Students who were self-isolating were being provided with support through both Residential Life and the Students Union, although given the volume of cases it had not been feasible to maintain the buddying system.

(4) Noting staff concerns about face to face teaching in the current situation, the comment that it was important to establish and articulate the pedagogical benefits of face to face teaching for dissemination across the institution.

(5) The view of Senate members on the Board confirmed positive student engagement with online teaching and that students were adapting quickly to the developing situation, noting the intention to move from Tier 3 (as described above) as soon as it was practicable and safe to do so. Students were inevitably anxious and concerned about the situation and the impact on their broader student experience.

(6) The importance of support for both student and staff mental health and monitoring this (for example through regular use of pulse surveys).

(7) In response to a question about recent student deaths from drug misuse in Newcastle, the University provided relevant information and advice to new students, and there was potential to reinforce this message.

(8) The Board's continued support for the response of senior management to the pandemic and its appreciation of the efforts of staff and students to operate in the current exceptional, unprecedented circumstances.

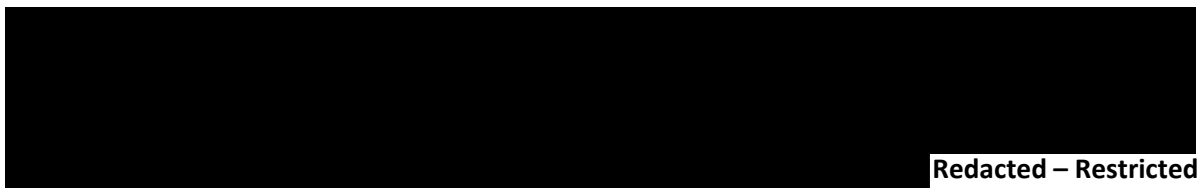
## 5. Research update

**Received:** a report from the Vice-President for Research summarising progress against the University's research strategy key performance indicators, highlighting key achievements and strategic actions taken to address challenges. The report included focus on the response to Covid-19 and the final stages of preparation of submission to the Research Excellence Framework 2021 (REF 2021).

**Reported:**

(1) The report set out actions to mitigate the impact of Covid-19 including the work of the Covid-19 Rapid Response Group.

(2) In relation to research quality and preparations for REF 2021 the University's submission covered 31 Units of Assessment. 97% of staff had been judged as producing world-leading (4\*) or internationally excellent (3\*) research by internal peer review, and this exceeded the KPI target of 90%.



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(4) Performance management systems include measures to ensure that all eligible staff have the requisite minimum publication quality profile for REF and to increase the pool of 4\* outputs. Some staff have had targeted support to accelerate the delivery of near-final high quality outputs. Others switched to a teaching contract to reflect a career trajectory with an increased teaching focus and associated slowdown in research. Staff who contribute neither the expected quality of research nor teaching excellence, and without mitigating circumstances, have regular performance progress reviews with their line managers.

(5) The University had retained its rank position and increased its market share of UK research grant and contract (RGC) income in the latest available benchmark data for the sector, with particularly strong performance in science and engineering (e.g. funding from Engineering and Physical Sciences Research Council and Science and Technology Facilities Council).

(6) However, performance in relation to some UKRI research councils was relatively weak, particularly the Medical Research Council (MRC).

(7) The value of research revenue awards secured by the University in 2019-20 was £300 million, up 21% on previous year and the highest since 2016-17. However, the University's final position on application revenue values was significantly lower than previous years. Although not helped by Covid-19, there was a downward trend in the position in March 2020, compared to the same point in previous years. It was anticipated that Covid-19 would disrupt funding applications and awards over the coming period – not least because many funding calls were being postponed or cancelled – and decision-making processes were expected to take longer.

(8) Strategic actions to grow research grant and contract income included concerted efforts to target applications to major funding applications with MRC, strengthening research beacons, platforms and interdisciplinary institutes. This included, for example, interdisciplinary capabilities in relation to the environment, energy and NetZero, 'Digital Futures' (data science, artificial intelligence, cybersecurity and digital trust) and 'Creative Manchester' (creative industries and cultural economy).

(9) Enhancements had been made to postgraduate research student and research staff development, including securing new funding awards for postgraduate research training and development, extending international collaborations and enhancing research culture and working environment for research students and research staff through various operational improvements and new strategic initiatives.

**Noted:**

(1) The report also referred to internal and external efforts to secure a more sustainable funding model for research. The Covid-19 crisis had further highlighted the over-reliance on research cross-subsidy from international student fee income. Research revenue funding yields a marginal contribution but a deficit when calculated on a full cost basis because UKRI and charities do not pay the full cost of research. The QR funding allocation covered only part of the shortfall.

(2) The University continued to engage in sector debate with government, UKRI and other funders focussed on the relative merits of increasing QR or changing the UKRI funding model in order to reduce the cross-subsidy requirement. Internally, the University continued efforts to close the cost-price gap looking it at how it might re-orientate the balance in research funding streams, for example by placing a greater emphasis on securing industry and international funding.

(3) The government had announced it would cover up to 80% of income lost from international students in 2020-21, up to the value of non-publicly funded research activity on the basis of 75% loans and 25% grants (final details of how the scheme would work were awaited).

(4) There was an acknowledgement by the Treasury that the current position was unsustainable (the current funding gap for the University was approximately £160 million) and along with other Russell Group universities, the University was pressing for funding at 90% of full economic cost and doubling of QR income (noting the flexibility that the latter provided).

(5) The concern that, as the economy shrunk, the government planned investment of 2.4% of Gross Domestic Product on research and innovation would in turn decline in value.

## 6. Operational Priorities

**Received:** a report setting out priorities for the University in academic year 2020-21, as approved by Planning and Resources Committee and the Transition Steering Group.

**Reported:** under normal circumstances, the priorities would represent year one of delivery of ambitions articulated in the new strategic plan. However, it had been necessary to take account of a significant number of activities resulting from the pandemic. A significant amount of uncertainty remained, and the priorities would need to be responsive to changing demands and resources during the course of the academic year.

**Noted:**

(1) Changes to the accountability and performance review (APR) cycle were likely to result in a delay to both the planned Accountability Review and Planning Conference and members would be apprised of changes as soon as these were agreed.

(2) Ensuring effective student communications was an integral part of the Teaching, Learning and Students priority.

(3) Reshaping Professional Services was a key element of and integral to delivery of specific objectives. Finance Committee had been apprised of progress in the context of an update on progress on the Strategic Plan (relevant slides would be shared with the Board). **Action: Deputy Secretary**

(4) Finance Committee would monitor progress but, whilst reshaping Professional Services had financial benefits, its primary purpose was improved and optimised service delivery with associated organisational design and cultural change implications.

(5) Postgraduate research student well-being was covered under both learning, teaching and students and research priorities.

**Resolved:** to approve institutional operational priorities for 2020-21 as set out in the report.

#### **7. President and Vice-Chancellor objectives 2020-21**

**Received:** related to item 6 above, objectives for the President and Vice-Chancellor for 2020-21.

#### **8. Chair of Board objectives 2020-21**

**Received:** related to item 6 above, objectives for the Chair of the Board for 2020-21.

#### **9. Division of Development and Alumni Relations (DDAR)-annual report**

**Received:** a report providing a review of performance of development and alumni engagement activity in 2019-20.

##### **Reported:**

(1) An increase in performance metrics on 2018-19, with DDAR providing one of the most effective fundraising responses to the pandemic in the sector. Overall, the University had consolidated its performance as a well-established fundraising university, and significant work had been undertaken to lay the groundwork for a potential institutional campaign, with the potential to further elevate the University's position.

(2) There had been an increase in philanthropic income from 2018-19, with advancement of a number of significant relationships, which had benefitted from the engagement of senior leaders and prominent academic members of staff. The report outlined a number of high-value transformational gifts. The target for cash received had been exceeded which was a particularly successful outcome given the pandemic, which had seen many charities suffer reductions in cash income.

(3) £1.5 million had been raised during the Covid-19 Student Hardship appeal (the most successful public hardship appeal in the sector both in terms of income and donor numbers) and a further £600,000 had been raised in support of Covid-19 research.

(4) The University had adapted its approach in light of Covid-19 restrictions, for example, organising virtual alumni events in Hong Kong, Shanghai and Singapore.

(5) As reported to the Board by correspondence, in July 2020, the providers of the University's alumni relations database, Blackbaud, had suffered a data breach (the University was one of many charities affected by this). The Information Commissioner's Office had been notified and the University had advised over 200,000 alumni (the University had been advised that data obtained during the breach had been destroyed).

##### **Noted:**

(1) In response to a question, the potential to increase the proportion of alumni supporting through direct debit and the proportion of alumni contactable by e-mail. In relation to the latter, the pandemic had confirmed the importance of e-mail (along with social media) as a means of communication; missing information largely related to older alumni and efforts were being made to address this gap.

(2) Legal and Information Governance professionals were assisting DDAR in relation to the response to the data breach and the Board would be apprised of any significant developments.

(3) The return on investment of 5:1 reflected investment in DDAR; in response to a question whilst there would eventually be natural diminishing returns on investment, a significant number of high value gifts significantly improved the average.

(4) In response to a question, there was potential to build on existing scholarships aimed at supporting black and minority ethnic participation (e.g. in Law) and this was one of the issues under consideration at the EDI Governance Group, chaired by the Vice-President for Social Responsibility

(5) Noting the potential campaign referred to above (which would include the bicentenary in 2024 as a focal point), a case for support was being developed and member input to this was welcome.

(6) The Board's thanks and congratulations to the Director of DDAR and her team for excellent results and performance in a very challenging environment.

## 10. Gift Oversight Group

**Received:** the annual report on the purpose and activity of the Gift Oversight Group in 2019-20, including a record of decisions made by the Gift Oversight Group. The Group was chaired by the Vice-President for Social Responsibility.

### **Reported:**

(1) No cases had required consultation with the lay member of the Board nominated for this purpose (Dr John Stageman).

(2) Any donor giving, intending to give or who has been asked to give £100,000 or more, or whose cumulative giving amounted to more than £100,000 must be considered by the Group (which met monthly during the academic year). Other donors could be considered by the Group at the discretion of the Director of Development and Alumni Relations.

(3) The Directorate of Development and Alumni Relations ensured thorough and robust background and due diligence checks on all potential donors. During the year the Group had considered 45 gift approaches of which 44 were approved (in one case the Group had sought more information before making a decision).

### **Noted:**

(1) Under item 11 below, the Chair would ask for expressions of interest in the consultative role for a lay Board member on the Group.

(2) There was a separate policy and process for [naming of buildings](#) with major issues capable of being referred to the Board.

## 11. Chair's Report

### **i) Revised CUC HE Code of Governance**

**Received:** a report summarising the key components of the revised [CUC Higher Education Code of Governance](#), including Values, Objectives and Core Elements.

### **Reported:**

(1) The report noted the more proactive language used in the Code (including, for example, in relation to the Board's role in academic governance) and the emphasis on the importance of culture, behaviour and relationships.

(2) A gap analysis against the detailed requirements of the Code will be undertaken and this will form part of the evidence base for the forthcoming externally led governance review (which would include consideration of the relationship between the Board and Senate).

### **ii) Board skills**

**Received:** a report updating the paper considered by the Board at its September 2020 meeting, incorporating further comments from Board members. The report would inform Nominations Committee's consideration of the process of recruiting to lay member vacancies for the next academic year.

### **Noted:**

(1) After discussion, that the skills and experience in the following areas would be the most useful to the Board given its current membership profile: communications, cyber/digital and experience of international markets (particularly China and the Far East).

(2) Skill sets in some areas (e.g cyber/digital and investment/treasury management) might be best met through co-opted committee members.

(3) Nominations Committee would consider a vacancy for a lay Board member on Awards and Honours Group and the vacant Gift Oversight position referred to above at its meeting on 14 October, and expressions of interest were invited.

**Action: Deputy Secretary**

## **12. Secretary's Report**

### **(i) Exercise of Delegations**

**Reported:** award of Emeritus Professorships and, pursuant to General Regulation VII.4, that the Common Seal of the University had been affixed to instruments recorded in entries 2261 to 2271.

### **(ii) Power of Attorney**

**Reported:** The Power of Attorney, which delegates certain powers in relation to intellectual property from the University to University of Manchester Innovation Factory Limited (formerly UMI3), needed to be renewed with effect from 1 October 2020.

**Resolved:** To approve the deed as drafted and attached to the report before the Board and to authorise the University to sign the Power of Attorney for a further period until 30<sup>th</sup> September 2021.

**Action: Deputy Secretary**

### **(iii) Office for Students update**

**Received:** an update on recent Office for Students announcements, including plans to reduce the bureaucratic burden on institutions.

## **13. Report from Planning and Resources Committee (15 September and 6 October 2020)**

**Received:** a brief verbal report from the above Planning and Resources Committees meetings, noting that the Committee had agreed to merge the separate Finance Sub-Committee and Capital Planning Sub-Committee into a single Finance and Capital Planning Sub-Committee.

## **15. Board Committee reports**

### **(i) Finance Committee (9 September 2020 and 7 October 2020)**

**Received:** a report from the meeting held on 9 September 2020 and a verbal report from the meeting held on 7 October 2020.

#### **Reported:**

(1) The Finance Committee on 9 November 2020 would recommend a budget (version 4) and plan for approval by the Board on 24 November 2020, noting that the July 2020 Board had approved the pay cost and other operating expenditure budget. Version 3 of the budget had forecast a loss of £82 million; whilst the position had improved since then there was still significant uncertainty as outlined above.

(2) The Committee had received updates on Manchester Engineering Campus Development (MECD) and the overall capital programme, noting the need to ensure focus on ongoing maintenance.

(3) The Board had received a briefing on the latest position on the Universities Superannuation Scheme from the Chief Financial Officer before the meeting, which included current, best-case and worst-case scenarios. The Committee had agreed to delegate authority to sign off the University's response to the USS Technical Provisions Consultation to the Chair of Finance Committee and the Chief Financial Officer.



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[REDACTED] Redacted – Restricted Information

(5) The Committee had received proposals from the University of Manchester Superannuation Scheme (UMSS) Trustee Board in order to agree and sign off the 31 July 2019 actuarial valuation. New funding arrangements included a continuation of the existing deficit recovery contributions of £6.6 million per annum, a change to the future service rate to account separately for expenses and a request for a guarantee.

**Noted:**

(1) An infographic setting out different sources of loan finance [REDACTED] Redacted – Restricted Information along with existing loans, (private placement and bond) would assist member understanding. **Action: Chief Financial Officer**

(2) Comments on the content and format of the report, which was the first from the new Chair of the Finance Committee were welcome.

**Resolved:**

(1) On the recommendation of Planning and Resources Committee and Finance Committee to approve revised funding arrangements for UMSS.

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**Action: Deputy Secretary**

**(ii) Audit and Risk Committee (16 September 2020)**

**Received:** a report from the meeting of Audit and Risk Committee held on 16 September 2020.

**Reported:**

(1) Uniac had carried out a follow-up review of the previous review of leavers access to University systems after departure, alongside a review of risks associated with salary over-payments to University staff through the payroll. The audit reviewed the underlying reasons for staff overpayments and considered the roles of schools, departments and central services in relation to this area.

(2) The report identified significant room for improvement in relation to effectiveness of design, effectiveness of implementation and economy and efficiency. Management were concerned about the report findings and the Director of Human Resources had produced a report which included an updated action plan, with some implementation dates brought forward.

(3) EY was making good progress with the external audit; going concern issues would be addressed later in EY's work.

(4) The Committee had received the previously circulated internal audit programme covering the period until January 2021, noting ongoing discussions involving the Chair about relative prioritisation of the programme.

(5) The Committee had received an update on the external audit tender for the year ending 31 July 2021 and thereafter including the scope of the audit and timeline of the tender process and involvement of the Committee.

**16. Report from the Senate**

**Received:**

(1) The report from the Senate meeting held on 26 August 2020 and a verbal report from the meeting held on 6 October 2020, noting that there had been reference to the Senate meeting on 6 October 2020 under item 4 above.

(2) In response to a question, a brief update on the current local and national industrial relations climate. There had been ballots for industrial action in opposition to face-to-face teaching. Locally, progress was being made on revisions to the Redeployment Policy.

#### **17. Health, Safety and Wellbeing Committee update**

**Received:** a report updating the Committee on changes to the terms of reference, remit and membership of the Health, Safety and Wellbeing (HSW) Committee and its subordinate committees and advisory groups.

**Resolved:** to approve the changes to reporting arrangements for HSW Committee as set out in the Report.

**Action: Deputy Secretary**

#### **18. Forward agenda for 2020-21**

**Received:** the Board forward agenda for 2020-21

#### **19. Any other business**

**Reported:**

(1) In response to a question about the University's position on requests for refunds in response to changes in teaching delivery arrangements, the President and Vice-Chancellor confirmed the University's position that refunds would not be offered as long as learning outcomes were maintained.

(2) Students could opt to give up their accommodation contract by a specific date and would be released from contractual obligations on the proviso that they would not be able to return to University accommodation for the remainder of the academic year.

**Close**