

**BOARD OF GOVERNORS**

Wednesday, 3 October 2018

*Present:* Mr Edward Astle, (in the Chair), President and Vice-Chancellor, Dr John Stageman, Ms Fatima Abid (General Secretary of UMSU), Mrs Ann Barnes, Mr Gary Buxton, Mr Michael Crick, Prof Aneez Esmail, Prof Danielle George, Mr Colin Gillespie, Dr Reinmar Hager, Mr Nick Hillman, Dr Steve Jones, Mrs Bridget Lea, Mr Paul Lee, Dr Neil McArthur, Mr Shumit Mandal, Mr Robin Phillips, Professor Silvia Massini, Mr Andrew Spinoza, Prof Nalin Thakkar, Dr Delia Vazquez, Mrs Alice Webb and Ms Ros Webster (24)

*In attendance:* The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor, the Vice-President (Teaching, Learning and Students), the Director of Finance, the Director of Human Resources, the Director of Legal Affairs and Board Secretariat, the Director of Planning (for items 7 and 8), the Director of Development and Alumni Relations (for items 10 and 11) and the Deputy Secretary.

*Apologies:* Mr Richard Solomons

(NB To facilitate progress of business, there was some variation to the order of agenda items as published)

**1. Declarations of Interest**

**Reported:** there were no declarations of interest from Board members to add to those already submitted. The Director of Finance advised that he had been appointed as a Director of the North West Universities Purchasing Consortium.

**2. Welcome**

**Resolved:** to welcome the following new members to the Board: Ann Barnes, Bridget Lea, Richard Solomons, Alice Webb, Dr Steve Jones and Dr Delia Vazquez. Patrick Hackett was also attending his first meeting as RSCOO.

**3. Role of the Board of Governors**

**Received:** for information, the statement of primary responsibilities, the scheme of delegations, the standing orders of the Board of Governors, and the membership of the Board of Governors from 1<sup>st</sup> September 2018.

**4. Minutes**

**Resolved:** The minutes of the meeting held on 18 July 2018 were approved.

**5. Matters arising from the minutes**

**Noted:** an updated report on ongoing issues that had been raised at previous meetings and that would be addressed within the agenda or would come forward at a later date.

**Resolved:** that the key responsibilities and membership of the North Campus Working Group be adopted.

**6. President and Vice-Chancellor's report**

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

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

**Reported:**

(1) The implications of a "no deal" Brexit were wide-ranging and complex and went beyond student and staff mobility and research funding.

- (2) The outcomes of the post-18 Education Review led by Philip Augar had been delayed until the Office for National Statistics had concluded its review of the public reporting of the cost of student finance. A recommendation to place all or some of student loan debt on the government balance sheet would have a significant impact on the Augar Review.
- (3) The University's performance in the Shanghai Jiao Tong Academic Ranking of World Universities table had improved; it was now 34<sup>th</sup> in the world, its best ever position, and sixth in the UK. A range of other national league tables had been published, with marginal increases in some and marginal decreases in others, reflecting the different metric and compilation methods used.
- (4) The Migratory Advisory Committee recommendation that international students should not be removed from international migration targets was disappointing
- (5) The President and Vice-Chancellor's recent successful visit to China which had included visits to a number of institutions in Wuhan, Beijing and Shanghai, including discussion of potential joint PhD programmes and extending funding for Chinese PhD students.
- (6) The Joint Expert Panel (JEP) reviewing the Universities Superannuation Scheme (USS) had made recommendations to the USS trustee and the Pensions Regulator. The JEP had concluded that the scheme could continue to be funded at current valuation levels with a rise in contributions lower than that proposed by the USS trustee. Other recommendations had included a re-evaluation of universities approach to risk.
- (7) UUK had begun consultation with USS employers on their views on the JEP recommendations to inform talks with UCU and the USS Trustee. This will include examining employers' willingness to accept greater levels of risk and to pay more into the scheme than their current contribution level of 18% of salary. The University's response to this consultation would be put to Finance Committee for review and approval. **Action: Director of Finance**
- (8) The University had just achieved the 50% response rate required for publication of National Student Survey results; overall satisfaction was 83% compared to the 85% in the last published results in 2016 (the 2017 survey had not achieved the required 50% response for publication following a students' union boycott). Although the University aspired to achieve an overall satisfaction score of 90%, the highest Russell Group overall satisfaction score was 88% and there had been a three percentage point decrease in the Russell Group average (from 86% to 83%), with overall sector satisfaction decreasing by one percentage point (from 84% to 83%).

**Noted:**

- (1) The NSS results were difficult to interpret in part because of the impact of industrial action. Comments relating to Assessment and Feedback were common in responses across the University but other scores and comments appeared to be more influenced by local issues.
- (2) Action was being taken to address the tail of subject areas with significantly below average performance; however, there was a danger that focusing solely on these areas resulted in a deficit model. Focusing on areas where performance was above average and promoting good practice was important.
- (3) Notwithstanding, the importance of acting upon key messages from the survey, there were concerns about the NSS model, including the timing of the survey and the potential for responses to be influenced by short-term issues.
- (4) The Board had met with students as part of the strategic briefing before the February 2018 Board and some of the issues highlighted in the NSS had been raised in that forum; the Board would return to this issue later in the academic year. **Action: Vice-President (Learning, Teaching and Students)**
- (5) The potential to learn from other sectors in relation to use of data analytics to interpret the outcomes of the survey.

- (6) Examples of cases where scores within specific disciplines had improved markedly because of improved communication with students and empowering action at local level.
- (7) The Office for Students would expect greater transparency in relation to student value for money; the University was preparing materials indicating how fee income was spent.
- (8) The danger of over surveying students, resulting in survey fatigue; evaluation surveys were already carried out at programme level.
- (9) The University was actively engaged with the Students' Union to enhance measures to capture the student voice; in this context the importance of effective student representatives and Staff-Student Liaison Committees was emphasised.
- (10) The four Greater Manchester universities and Greater Manchester Health and Social Care Partnership were about to announce a joint student mental health initiative to enable earlier, direct access to specialist mental health services.
- (11) Recent press coverage of potential action to legislate against "essay mills", companies providing assessment material to students by order. About thirty students per year had cases referred to a Discipline Panel, of which approximately two-thirds were plagiarism cases of various kinds.
- (12) In relation to the JEP and USS, given the uncertainty of the external environment, this was a difficult time for universities to be asked to accept greater levels of risk.
- (13) Should the Augar review result in a reduction in undergraduate full-time student fees, without any compensatory increases in government funding, the sector would be faced with some extremely challenging decisions.
- (14) There was cognisance of the preponderance of Chinese students in the international student cohort and a recognition both of the need to anticipate and respond to the needs of these students and of the importance of diversifying intake.

## 7. Our Future- an update on the development of the next Strategic Vision

**Received:** a brief update from the Director of Planning on engagement with colleagues across the University (staff, students and alumni) on the development of the next version of the University's Strategic Vision.

### **Reported:**

- (1) There had been good levels of engagement, with a range of supporting resources to facilitate dialogue (including thought pieces on current goals and key areas of focus).
- (2) All ideas were being welcomed and would be moderated and tested against the evolving external environment.
- (3) Outcomes from the engagement process would be considered at the Accountability and Planning Conference in March 2019, which would seek to define the overall shape of the new vision and implications, for ratification at a subsequent Board meeting. In the meantime, individual contributions from members, addressed to the Director of Planning, were welcome.

## 8. Registration with the Office for Students

**Received:** a letter of confirmation of registration from the Office for Students and a summary of registration requirements.

## 9. Graphene

**Received:** a report from the Deputy President and Deputy Vice-Chancellor providing an overview of developments relating to Graphene including global context, the University's current scientific position and progress, business engagement (including the Graphene Engineering Innovation Centre) and the

commercialisation of intellectual property. The report also assessed the University's relative, comparative position and concluded by setting out the partnership strategy for Manchester to become "Graphene City."

**Noted:**

- (1) The University had the biggest concentration of Graphene researchers in the world, over 300 across a range of disciplines and Schools.
- (2) The report contained graphical illustrations of University facilities mapped by technology readiness level and indicative timelines for different Graphene applications over the next decade, from proof of concept to full market launch/market penetration.
- (3) Graphene applications were now beginning to produce real benefits, with increasingly sophisticated uses.
- (4) National Graphene Institute (NGI) research effort resulted in the publication of 230 papers in peer-reviewed journals, highlighting a number of world-first achievements: NGI researchers had been very successful in winning prestigious research grants from the European Research Council and the Engineering and Physical Sciences Research Council. Involvement in spin-outs and exploitation of intellectual property would also contribute to future income generation.
- (5) The £60 million Graphene Engineering Innovation Centre (GEIC) would launch in December 2018 and would complement the NGI by enabling focus on multi-faceted, industry-led application development. Initial industry partners had been secured and there was a healthy pipeline of potential future partners.
- (6) The potential to link with public and private sector partners to develop a globally significant industrial cluster, building an effective innovation ecosystem in Manchester based around Graphene.
- (7) The importance of balancing the University's core educational and research objectives, whilst contributing to the delivery of industrial strategy; this included robust and rigorous ethical consideration of different applications.

## 10. Division of Development and Alumni Relations-Annual Report

**Received:** a report from the Director of Development and Alumni Relations (DDAR) providing a review of the performance of development and alumni engagement in 2017-18.

**Reported:**

- (1) 2017-18 had been a record year for philanthropy at the University: the value of new gift pledges was £38.2 million, £15 million ahead of target (cash income at £18.5 million was slightly below target, partly due to several gifts for cancer development being deferred to future years.).
- (2) The benefits of philanthropy were seen across campus, in all faculties and in the cultural institutions, with almost 1,000 students benefitting from scholarship support.
- (3) Alumni volunteering numbers were very healthy, with almost 4,000 alumni benefitting over 6,000 students and potential to expand this programme further.
- (4) Engagement levels were also good; 84% of alumni (394,080 in total) were contactable and alumni events had been delivered across the globe (for example in Australia, China, Malaysia and the USA).
- (5) DDAR was beginning to focus on the contribution of philanthropy and alumni engagement to the development of the post- 2020 vision and strategy.

**Noted:**

- (1) The implementation of the General Data Protection Regulation had been challenging; the University was able to rely on the principle of legitimate interests to contact alumni which meant that there

was no need to ask alumni to opt-in to receive communications. All alumni had been contacted with an explanation of what data was held and why the University wanted to remain in contact and very few alumni had asked to be removed from contact with the University (indeed, feedback generally was that more contact was welcomed). The current Privacy and Electronic Communications Regulations were due to be replaced within the next eighteen months and the impact of this would be monitored closely.

- (2) There was potential to expand the level of gift support within the Faculty of Sciences and Engineering (typically health and humanities attracted the greatest volume of philanthropic gifts, but there were examples of recent gifts in mathematics and science).
- (3) DDAR had grown quickly from a relatively low staffing base and there was potential to expand further (sector-wide figures referenced in the report noted a tenfold return in fundraising for each £1 invested in staff cost).
- (4) The Manchester Network enabled engagement and interaction with and between alumni and had been extremely popular (increase in membership by 7,000 to 31,000 in 2017-18) and there were wider benefits to the city from the success of this initiative.
- (5) Income from the Regular Giving programme had increased for the seventh year running (to £980,000) and this included engagement with and contributions from more recent graduates  
**Redacted-restricted information**
- (6) The strong affinity which international alumni had with the University and the importance of cultivating and enhancing these relationships.

## 11. Gift Oversight Group-Annual Report

**Received:** the annual report on the purpose and activity of the Gift Oversight Group in 2017-18, including a record of decisions made by the Gift Oversight Group

**Reported:**

- (1) No cases had required consultation with the lay member of the Board nominated for this purpose (from 1 September 2018 this was Dr John Stageman, who had replaced Dame Sue Ion in this role).
- (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. The Group was not aware of the size of the proposed donation when considering specific cases.
- (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 55 gift approaches of which 53 were approved; the approved cases included one gift approach where the Group had requested more information before making a decision. **Redacted-restricted information**

## 12. Chair's report

### (i) Board and committee attendance 2017-18

**Received:** a report summarising Board and Board committee attendance in 2017-18. The Chair thanked members for their attendance and commitment and reminded the Board that attendance at Board committees was as important as attending Board meetings.

### (ii) Meeting of Committee chairs

**Reported:**

- (1) A meeting between Chair of the Board and committee chairs had taken place earlier in the day; the meeting had discussed committee priorities and succession planning.
- (2) The Chairs' meeting had considered internal periodic review of Board and committee effectiveness and there was potential to use the new Board portal, Diligent, to facilitate distribution of questionnaires.
- (3) The first meeting of Russell Group chairs was scheduled to take place in November in Nottingham and these meetings would be held in addition to the biannual sector-wide meetings of the Committee of University Chairs.

### 13. Secretary's report

#### (i) Review of Ordinances

**Received:** a report summarising progress on review of Ordinances since the meeting of the Board in July 2018, which had decided to approve Statutes and delay their submission to the Privy Council until November 2018 to allow Senate time to offer an opinion on Ordinances within its purview.

**Reported:**

- (1) In accordance with the Board decision at its July 2018 meeting, the Senate Effectiveness Task and Finish Group (SEFTG) has been asked to act as a sounding board in the process of review of Ordinances (the Board had also agreed that Nominations Committee should have a role in overseeing and steering progress on behalf of the Board).
- (2) The SEFTG had met on 25 September 2018 and whilst agreeing to recommend that its remit be expanded to consider this work, had requested a slightly longer timeframe than originally envisaged. This would entail revised Ordinances being submitted to the Board for ratification at the 21 February 2019 meeting, following review by Senate at the meeting earlier that month (14 February 2019), with revised Statutes being submitted to the Privy Council following the February 2019 Board meeting.
- (3) External advice indicated that, unless there were substantive changes to the current draft, submission of the Statutes to the Privy Council in February 2019 should provide sufficient time for approval by the Privy Council and implementation of the revised Statutes in good time before the start of the 2019-20 academic year; this was important because the revised Statutes include the previously agreed changes to Board size and composition, including the increase in student representation.

**Resolved:** that the amended time frame for review and approval of draft, revised Ordinances and consequent submission of revised Statutes to the Privy Council be amended as above, i.e. that this is completed at the meeting of the Board in February 2019.

**Action: Deputy Secretary**

### 14. Board committee reports

#### (i) Finance Committee (19 September 2018)

**Received:** An Executive Summary of the meeting of Finance Committee held on 19 September 2018.

**Reported:** the meeting had considered: the Capital Programme Report; University Residences strategy Report; the latest position on the rebuilding of the Paterson Building; incorporation of the remit of Subsidiary Undertakings Sub-Committee into Finance Committee Terms of Reference; a regular finance update; year-end management accounts for 2017-18; approval of NorthWest e-

Health seeking further external investment; and details of significant bid submissions and tenders.

**Noted:**

- (1) The Committee had requested a more detailed analysis of finance options for the Residences Strategy to take account of a range of potential scenarios.
- (2) The University was in regular contact with the City Council in relation to the overall supply of, and demand for, student residences.
- (3) The important contribution of good quality, affordable accommodation to the overall student experience
- (4) Committee consideration of the Paterson building rebuild, including the Memorandum of Understanding between the various parties.
- (5) The 2017-18 year end accounts included a UMSS adjustment that impacted favourably on the overall contribution, although underlying contribution was lower than planned.

**Resolved:** to adopt the revised Finance Committee terms of reference.

**Action: Deputy Secretary**

**(ii) Audit Committee (17 September 2018)**

**Received:** An Executive Summary of the meeting of Audit Committee held on 17 September 2018.

**Reported:** the meeting had considered amended Committee terms of reference, reflecting the change in regulatory regime; the Interim Report from the external auditors, EY ;draft Corporate Governance Statement and Public Benefit content for inclusion in the Financial Statements, along with a draft statement of compliance with the Modern Slavery Act; the audit of subsidiaries; the latest progress report from the internal auditors, Uniac; a revised Fraud Response Plan (again reflecting the change in regulatory regime); the revised outcome of the UKRI (formerly RCUK) Funding Assurance Programme audit; an update on Public Interest Disclosure cases and reappointment of internal and external auditors.

**Resolved:**

- (1) To adopt the revised Audit Committee terms of reference. **Action: Deputy Secretary**
- (2) To re-appoint EY as external auditors for a further year, ie until completion of the audit for the year ending 31 July 2019 achieve and to confirm that Uniac continue to provide the internal audit service.

**(iii) Staffing Committee (3 October 2018)**

**Received:** a verbal update on the report of Staffing Committee held earlier in the day.

**Reported:**

- (1) Minutes of the meeting would be presented to the next meeting of the Board.
- (2) The Committee had given full and proper consideration to issues in the paper on fixed-term employees and those on open-ended contracts with finite funding.
- (3) The Committee had considered a paper analysing equality and diversity outcomes data for staff covered by the Contracts Policy and Procedure for the period 1 August 2017 to 31 July 2018.
- (4) The analysis was based on relatively low numbers, but further investigation of some apparent differences in outcome would be carried out and reported back to the Committee.

**Resolved:**

- (1) To proceed with the process outlined in the Contracts Procedure for those staff considered to be at risk on open ended contracts linked to finite funding for the period from 1 July 2019 to 31 December 2019.
- (2) That the University continues to take all steps outlined in the report to avoid the need for redundancy wherever this is possible.

#### **15. Report from the Planning and Resources Committee**

**Received:** the report of the meeting of Planning and Resources Committee held on 10 July 2018 and a brief, verbal update on the meeting held on 2 October 2018.

**Noted:** that the Deputy President and Deputy Vice-Chancellor was chairing a group to consider strategic risks and further work was now being undertaken on the operational risks that would arise from a “no-deal” Brexit.

#### **16. Forward Agenda and Programme of Work**

**Received:** the forward agenda and programme of work for 2018-19. Amendments and adjustments would be made in light of discussion at the meeting and members were encouraged to send any further comments to the Deputy Secretary.

#### **17. Any other business**

**Noted:**

- (1) recent press and media coverage of the Students’ Union decision to encourage the use of British Sign Language clapping during its democratic events.
- (2) A reminder of the breakfast seminar organised by BDO in Manchester on 10 October; despite the title (HEI Audit Committee Breakfast Seminar) the content would be accessible and of value to any Board member.

**Close**