

**BOARD OF GOVERNORS**

Wednesday, 22 May 2019

*Present:* Mr Edward Astle (in the Chair), President and Vice-Chancellor, Dr John Stageman (Deputy Chair), Mrs Ann Barnes, Mr Gary Buxton, Mr Michael Crick, Prof Aneez Esmail, Mr Colin Gillespie, Dr Reinmar Hager, Mr Nick Hillman, Dr Steve Jones, Professor Silvia Massini, Mr Robin Phillips, Mr Richard Solomons, Mr Andrew Spinoza, Dr Delia Vazquez, Mrs Alice Webb and Ms Ros Webster (18)

*In attendance:* The Registrar, Secretary and Chief Operating Officer (RSCOO), the Dean of Faculty of Biology, Medicine and Health (FBMH), the Director of Finance, the Director of Human Resources, the Director of Legal Affairs and Board Secretariat, the Vice-President (Teaching, Learning and Students) (items 7-9), the Head of Widening Participation and Outreach (item 9), the Chief Executive of the Students' Union (items 7-8), the Director of Estates and Facilities (item 10), the Deputy Dean of FBMH (item 11), the Director of Compliance and Risk (items 14-15), the Head of Safety Services (items 14-15) and the Deputy Secretary.

*Apologies:* Ms Fatima Abid (General Secretary of UMSU), Prof Danielle George, Mrs Bridget Lea, Mr Paul Lee, Dr Neil McArthur, Mr Shumit Mandal and Prof Nalin Thakkar (and the Deputy President and Deputy Vice-Chancellor, usually in attendance).

(NB To facilitate progress of business, there was some variation to the order of agenda items as set out on the agenda.)

**1. Declarations of Interest**

**Reported:** the following new Declarations of Interest.

- (1) Richard Solomons had been appointed as Chairman of Rentokil Initial plc with effect from 8 May 2019.
- (2) Alice Webb had been appointed as a member of the Government Advisory Board on Artificial Intelligence.

**2. Minutes**

**Resolved:** The minutes of the meeting held on 20 March 2019 were approved.

**3. Matters arising from the minutes**

**Noted:** an updated report on ongoing issues that had been raised at previous meetings either addressed within the agenda or to come forward at a later date (this included Operational Priorities for 2019-20, now incorporating specific University objectives).

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

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

**Reported:**

- (1) Following the tabling of a parliamentary amendment, there was now a strong possibility that the two year post study work visa would be reinstated for international students; this had attracted cross-party support.
- (2) The University continued to buck the national trend with significant increases in applications for 2019 (overall increase of 12% on last year: 10% home/EU, 17% international, 15% widening participation). There had also been a 20% increase in offers made.

- (3) Postgraduate applications for home/EU students were similar to last year, but there had been significant increases in international applications (13% PGR, 31% PGT).
- (4) Latest indications were that the outcomes of the post-18 Education Review led by Philip Augar would be published imminently, although in the current political climate, its future after publication was uncertain. The extent to which any proposed reduction in the maximum undergraduate fee for home students would be compensated by an increase in direct funding remained unclear. Implementation of worst-case Augar assumptions would have a major detrimental impact on the sector, placing a large number of institutions at significant financial risk.
- (5) The March 2019 Board meeting had received a detailed update on the Universities Superannuation Scheme (USS). In addition to the two options discussed at that meeting (i.e a significant increase in both employer and employee contributions or a smaller increase with the proviso of contingent contributions if required) a third option had emerged from USS. This would provide for a slightly higher level of employer and employee contributions than the second option but without the need for contingent contributions on the basis that the next valuation would take place a year earlier (i.e in 2020-21).
- (7) In the budget setting process, the University had made provision for the worst case USS scenario and implementation of the third option would significantly reduce the need for such provision and allow further time for resolution of the contribution question.
- (8) There were ongoing discussions with government and government agencies in relation to the application of export controls legislation and regulations
- (9) The University had performed very well in a recently published Times Higher League Table measuring impact based on the University's work towards the United Nations Sustainable Development Goals (first among European Universities and third in the world).

**Noted:**

- (1) There were no current plans for a significant increase in overall student numbers, although there was scope to increase slightly the proportion of international students (which at c30% of overall student population was not amongst the highest when compared to other Russell Group institutions). There was recognition of the need to diversify both country of origin and subject mix of international students, given the significant financial contribution and potential risk of failing to diversify.
- (2) Some institutions were beginning to consider legacy funding issues and the extent of connections to the transatlantic slave trade. At the University, an informal group had begun to consider this matter. There was recognition that this was a potentially complex issue and consideration should include, for example, the extent to which institutions or members of institutions had contributed to the abolition of slavery.
- (3) There was growing academic interest, across the sector, in "decolonising" and diversifying the curriculum. In this context, the University's periodic programme review process included consideration of inclusivity.

## 5. Summary of Board Conference Discussions

**Received:** a report summarising key issues and actions arising from the Board of Governors' Accountability and Planning Conference held on 19-20 March 2019.

## 6. University Vision

**Received:** the revised vision statement for the University which had been developed following extensive consultation, including most recently at the Board Accountability and Planning Conference in March 2019. The document before the Board summarised purpose, vision and strategic themes and had been recommended for approval by the Board by both Planning and Resources Committee and Senate, since the Accountability and Planning Conference.

**Noted:**

- (1) The July 2019 Board would receive an update on ongoing consultation about University values,

and development of measures of success.

- (2) The November 2019 Board would consider the revised University strategy with, as a precursor to this, the October 2019 Board briefing receiving relevant benchmarking analysis of competitor institutions.

**Resolved:** to approve the vision and supporting strategic themes

**Action: Director of Planning**

## **7. Student Experience Issues-report from General Secretary of Students' Union**

**Received:** further to the Board briefing session in February 2019 and the Board meeting in March 2019, a report from the General Secretary of the Students' Union, following initial consideration by the University-Students' Union Relations Committee (UURC). The report was presented by the Chief Executive of the Students' Union, in the absence of the President of the Students' Union.

**Noted:**

- (1) The report provided a clear exposition of issues that had emerged from Board engagement with students and placed these in a broader context. The Board welcomed the clear analysis and insight which the report provided.
- (2) The regular meeting of UURC (which reported both to the Board and the Students' Union Board of Trustees) would provide a vehicle for monitoring progress against the ten key areas highlighted in the report, noting that many of these were being or would be addressed through existing and established mechanisms. Future annual reports from the Students' Union could also include an update on progress against the ten key areas.
- (3) There were established processes to enable the student voice to be heard and it was important to provide space for the Board to be informed about these processes and how issues raised by students through them were addressed.
- (4) The Teaching and Learning Group (which reported to Senate) had responsibility for the student experience within its terms of reference.
- (5) Ensuring improved and consistent improvement in academic advising was a key finding from the report and there was scope for good practice in specific areas of the University to be introduced in areas where performance was less consistent.
- (6) The University was reinforcing the expectation that all students be offered opportunities to study modules outside their degree programme, and the availability of relevant modules on-line would facilitate this.
- (7) In relation to some specific issues raised in the report, it was important to ensure full consideration to enable clear assessment of potential benefits and disadvantages (for example, the pros and cons of 24 hour library opening, in the context of student wellbeing).

**Resolved:** that the Chair write to the President of the Students' Union thanking her for the quality of the report which had made a significant contribution to the Board's understanding of this issue.

**Action: Deputy Secretary**

## **8. Annual Report of the Students' Union**

**Received:** the annual report from the Students' Union provided to enable the Board to exercise its duties as the responsible body under section 22 of the Education Act, 1994.

**Reported:**

- (1) Whilst the report outlined current financial challenges facing the Students' Union, its cash position relative to other Students' Unions remained strong.
- (2) Metrics included within the report demonstrated very healthy levels of participation and engagement with the Students' Union (total student engagement was just over 24,000)

**Noted:**

- (1) Diversifying the catering operation would result in more branded offerings being available; the University and the Union already had a mixed economy of in-house and outsourced catering facilities and this balance would remain under review to ensure optimal, effective and efficient delivery.
- (2) The report noted some issues surrounding the recent election, including the disqualification of one of the candidates. The Students' Union had asked the Electoral Reform Society to undertake an independent review of election rules and processes to ensure that they remained fit for purpose in an era of digital campaigning and voting.

**Resolved:** that the report be approved.

## 9. Access and Participation Plan 2020-21 to 2024-25

**Received:** the University's Access and Participation Plan, as approved by Planning and Resources Committee; the Plan required approval by the Board before submission to the OfS. The Plan was presented alongside a summary of University performance against key metrics.

**Reported:**

- (1) In relation to access, the Plan included the University's approach to reducing the gap in participation between young, full time first degree entrants from the highest participation and lowest participation neighbourhoods (as measured by the POLAR (Participation of Local Areas) metrics). The Plan outlined steps to reduce the gap from 5.2:1 to 3:1 by 2024-25
- (2) In relation to success, the Plan also included the University's approach to reducing the unexplained gap between white students and respectively: i) black students: ii) Asian students, as well as reducing the unexplained gap between disabled students and students with no known disability.
- (3) Steady state investment required to achieve widening participation ambition and targets (at 25% of higher fee income) was outlined in the report; the report noted that the bursary offer was subject to review depending on the outcome (and implementation) of Augar Review recommendations.
- (4) The Students' Union response to the Plan (included as an appendix) indicated broad support for the University approach as outlined.
- (5) If the submitted plan was approved by OfS, annual monitoring updates would be required.

**Noted:**

- (1) Challenge from members in relation to the unexplained attainment gap between white students and black and minority ethnic students as outlined above and whether measures taken to address this were adequate or sufficiently timely
- (2) In addressing the attainment gap it was important to recognise the differential performance within black and minority ethnic groupings (e.g. between students from Indian and Bangladeshi heritage) and tailor approaches accordingly.
- (3) There were areas where greater progress had been made in addressing attainment gaps and wherever possible such experience should be rolled out across the institution.
- (4) The Plan provided examples of practical measures to address attainment gaps (e.g. from 2019-20, the establishment of the Institute of Teaching and Learning and the Curriculum Evolution project, as well as embedding the Diversity and Inclusion Student Ambassador Programme).
- (5) Questions about elements of the Plan including:

- the balance between spending on students and outreach activity;
  - the appropriateness of the POLAR metric (noting that it could mask differential participation rates within postcode areas);
  - whether there was sufficient emphasis on gender within the Plan
- (6) It was difficult to provide clear statistical confirmation of the impact of student bursaries on participation and attainment. The University's bursary offer was broadly consistent with other Russell Group universities and consequently, reduction in bursary offer could have a detrimental effect. Qualitative research suggested that bursaries had a beneficial impact, for example, reducing the requirement for part time work and level of financial anxiety.
  - (7) Whilst the potential limitations of POLAR were recognised, measurement against this indicator was required for the submission to OfS.
  - (8) There was recognition of the gender differentials in participation and attainment (e.g. relatively poor participation of white males from less affluent areas); the OfS return was limited to twenty pages and more information about gender differentials sat behind the details included in the Plan.

**Resolved:**

- (1) That a future Board strategic briefing receive a presentation on issues highlighted in the discussion outlined above.
- (2) That, subject to minor typographical corrections, the Access and Participation Plan be submitted to the OfS.

**Action: Vice-President (Teaching, Learning and Students) and Head of Widening Participation and Outreach**

**10. ID Manchester Project Update**

**Received:** a report summarising key issues relating to the ID Manchester project, including the Joint Venture (JV) structure and University requirements for space as part of the overall procurement strategy.

**Reported:**

- (1) The contents and recommendations in the report had been considered and approved by the North Campus Working Group, Planning and Resources Committee and Finance Committee.
- (2) There was agreement from the above bodies that the University should seek to attract a JV partner which demonstrated a long term commitment to ID Manchester, including holding assets in the longer term (a Develop and Hold JV vehicle) and the procurement documentation and evaluation process should enable this analysis. Soft market testing had indicated that there was sufficient market interest from bidders seeking a longer term development and investment opportunity.
- (3) In designing the procurement documentation and evaluation, the University would want to retain the option of either remaining invested in the assets for the longer term or exit post the development cycle.
- (4) The minutes of the North Campus Working Group meetings on 20 March and 8 May 2019 (see item 17 iii) below) indicated the detailed consideration given to these matters, including assessment and review of commercial principles and options.
- (5) The report proposed that, through the procurement process, the University should seek the provision of "showcase space" at either no or low rent; this would be relatively small in scale but appropriately located to support the vision and ecosystem for ID Manchester.

**Noted:**

- (1) The significant contribution made by lay members and the co-opted member (Vincent Wang) to consideration of proposals; the relevant experience of such members had been extremely valuable.
- (2) The range of forecast returns as outlined in the report were dependent on a number of variables, including decision on length of investment and level of gearing. It was reiterated that the University equity was limited to the land value.
- (3) The updated comprehensive project risk register.
- (4) The progress and anticipated launch of the formal procurement process.

**Resolved:**

- (1) The procurement strategy, documentation and process should reflect the desire for a partner who aims to hold a long term stake in ID Manchester.
- (2) The University should retain optionality over whether it will remain invested in the assets for the longer term or exit on a phased basis either during or post the development period.
- (3) The University should seek commitment from the JV Partner to provide innovation space to support the intended ecosystem and ID Manchester Vision and space for the University to showcase its activities.
- (4) Further detailed approvals, including the designation of reserved powers, be delegated to the North Campus Working Group (as previously authorised by the Board at its meeting on 20 February 2019).

**Action: Director of Estates and Facilities**

**11. Faculty of Biology, Medicine and Health update**

**Received:** a report summarising key development in the Faculty of Biology, Medicine and Health over the past year, focusing on progress in the areas of research, teaching and learning, social responsibility and employee engagement.

**Reported:**

- (1) The Faculty had a refreshed leadership team and the report outlined the Faculty's focus on developing priority research areas and cross-Faculty and Health Innovation Manchester related projects.
- (2) Following consultation within the Faculty and with other key internal and external stakeholders, a new overarching 10 year Faculty strategy would be developed towards the end of 2019, in the context of the new University Strategy.

**Noted:**

- (1) The Faculty had derived significant benefits from the partnership with Qiagen (outlined in the Business Engagement section) and this included Qiagen staff contribution to lectures on Bioinformatics.
- (2) Fluctuations in NSS scores in Medicine were in part attributable to recent changes in curriculum and indications were that these changes were now embedded and satisfaction had improved.
- (3) A review of 94 postgraduate taught programmes was underway to simplify and standardise programme structures, rationalise programmes and delivery, reduce costs, ensure viability, and identify opportunities for expansion.
- (4) Experience of optimising curriculum in other faculties suggested the importance of considering implications for assessment load.
- (5) The challenge of ensuring a financially sustainable future for the Faculty. The Faculty Leadership Team had analysed overall performance of the Faculty and future optimal size and shape. Performance in all areas had been examined and variations which need to be addressed identified.
- (6) As outlined in the strategic briefing which had preceded the Board meeting, the significant opportunities presented through Health Innovation Manchester, as part of the devolution of the health and social care budget to local authorities and NHS Trusts within the region.

**12. Chair's report**

**Received:** a brief Chair's report summarising changes to the previously circulated schedule of meetings for 2019-20 (in order to optimise use of members' time) and circulation of questionnaires in advance of scheduled one-to-one meetings between the Chair and members.

**Reported:** a further questionnaire would shortly be circulated by the Deputy Chair to inform the annual review of the Chair.

**13. Secretary's report**

**i) Update on the review of General Assembly**

**Received:** a report summarising further progress on the review of General Assembly; the report would

provide the basis for a report to the meeting of General Assembly on 26 June 2019.  
(The Chair left the meeting for the following item and the Deputy Chair took the chair)

#### **ii) Reappointment of Chair of the Board**

**Resolved:** following consideration of a brief report summarising the recommendation of Nominations Committee, that the current Chair of the Board, Edward Astle, be appointed for a further term of two years (i.e. until 31 August 2021) subject to further review. **Action: Deputy Secretary**

(The Chair of the Board returned to the meeting.)

#### **iii) Approval of revised Statutes by Privy Council**

**Received:** notification that the Privy Council had approved the revised Statutes as recommended by the Board at its meeting on 20 February 2019. The revised Statutes and revised Ordinances (also approved by the Board on 20 February 2019) were effective from 1 May 2019.

#### **iv) Report on Exercise of Delegations**

**Reported:** Pursuant to General Regulation VII.4, the Common Seal of the University had been affixed to instruments recorded in entries 2081 to 2109.

### **14. Risk Report**

**Received:** a report providing an overview of the current risk position, further to detailed scrutiny by Audit Committee (the report included an update on the cumulative or composite risk position as reported to the Board in 2018). The report contained details from the most recent review (December 2018) noting that a further review would be completed in June 2019 and reported to Audit Committee later that month

**Reported:** in addition to the summary of both current risk levels and adverse movements and other changes, the report contained a detailed narrative for significant risks.

#### **Noted:**

- (1) Modelling of implications of the implementation of likely outcomes of the Augar Review had taken place and Finance Committee had given this careful consideration.
- (2) The description of some risks (e.g. "failure to...") should be revisited to remove potential ambiguity.
- (3) There were ongoing discussions about carbon emissions reduction targets.
- (4) Implications for the University of market failure of one or more providers; OfS now required individual providers to prepare Student Protection Plans to cover such eventualities.
- (5) The July 2019 Board meeting would receive an update on Professional Services including an update on delivery of efficiencies through process improvement.
- (6) Plans to achieve contribution from Distance Learning continued to develop.

### **15. Health and Safety Annual Report**

**Received:** the annual report (January-December 2018) summarising health and safety performance.

**Noted:** there were established and effective mechanisms to ensure that lessons learned from significant incidents were cascaded through the organisation; this included the Occupational Health, Safety and Advisory Training Group, Faculty and School Health and Safety Committees, issuing of periodic safety circulars and audits of compliance with hazardous materials regulations.

### **16. Report from the Planning and Resources Committee (5 March 2019, 9 April 2019 and 7 May 2019)**

**Received:** the report of the meetings of Planning and Resources Committee held on 5 March 2019, 9 April 2019 and 7 May 2019).

**Noted:** the letter from the OfS to the Chair of the Board setting out the outcomes of the OfS assessment of financial viability and sustainability in the sector, together with relevant comparative data considered by Planning and Resources Committee.

**Resolved:** to endorse the Export Control Policy as recommended by the Planning and Resources Committee.

## 17. Board committee reports

### (i) Finance Committee (8 May 2019)

**Received:** An Executive Summary of the meeting of Finance Committee held on 8 May 2019

**Reported:** the meeting had considered: an update on the ID Manchester Project, capital programme and reporting in relation to the Campus Masterplan; an update on University financial sustainability, March 2019 Management Accounts and 2018-19 Quarter 2 forecast, the regular Finance report on USS deficit provision, sector 2017-18 Financial Statements benchmarking information, the Investments Sub-Committee report and a verbal update on pensions.

### (i) Audit Committee (1 May 2019)

**Received:** An Executive Summary of the meeting of Audit Committee held on 1 May 2019

**Reported:** The meeting had considered: a verbal update from the President and Vice-Chancellor (particularly for the benefit of co-opted members who also now had access to Board of Governors papers), the Transparent Approach to Costing (TRAC T) return to OfS, a review of satellite entities, the latest progress report from the internal auditors, Uniac (which included a review of IR35 compliance and related actions), an update from EY on the proposed approach to the 2018-19 audit, an update on risk and the risk management framework and update on a Public Interest Disclosure matter.

**Noted:** the report on satellite entities identified those entities with which the University has a significant relationship and application of the three levels of assurance. As part of ongoing further work, Uniac would identify two entities for more detailed review, i.e one subsidiary or significant associate with high inherent risk and another entity with high inherent risk where the University is not a shareholder but has an interest.

### (iii) North Campus Working Group (20 March 2019 and 8 May 2019)

**Received:** further to item 9 above, minutes of the meetings of North Campus Working Group held on 20 March 2019 and 8 May 2019.

### (iv) Remuneration Committee (8 May 2019)

#### a) Meeting to consider remuneration of President and Vice-Chancellor

(The President and Vice-Chancellor and all officers present left the meeting (with the exception of the Registrar, Secretary and Chief Operating Officer, the Director of Human Resources and Deputy Secretary));

**Received:** the minutes of the meeting of Remuneration Committee held on 8 May 2019, to consider the remuneration of the President and Vice-Chancellor.

**Reported:** the President and Vice-Chancellor had again declined any pay increase (including a cost of living increase).

**Noted:**

- (1) The President and Vice-Chancellor's stance on remuneration was well-known and respected throughout the sector. Only two Vice-Chancellors of Russell Group universities were paid less than the President and Vice-Chancellor and both led institutions significantly smaller in size than the University.
- (2) The Committee had agreed to return to the issue of other potential opportunities to recognise the contribution and leadership of the President and Vice-Chancellor at a future meeting.

**b) Meeting to consider other senior staff remuneration**

(The President and Vice-Chancellor returned for consideration of this item; the Registrar, Secretary and Chief Operating Officer left the meeting and other officers (with the exception of the Director of Human Resources and the Deputy Secretary) remained outside the meeting.)

**Received:** the minutes of the meeting of Remuneration Committee held on 8 May 2019, to consider the remuneration of other senior staff.

**Reported:**

- (1) The Committee had confirmed that the cost of pay increases for the eight direct reports to the President and Vice-Chancellor should be 1.7% of total salary costs (noting that the estimated average annual pay increase for staff across the University was approximately 3.5%).
- (2) National pay and forecast pay data across sectors for 2019-20 had been received along with Gender Pay Gap and Equal Pay Audit reports.

**Noted:**

- (1) The median Gender pay gap had reduced slightly (from 13.1% to 12.0%) whilst the mean Gender pay gap had increased slightly (from 17.1% to 18.4%); the latter increase was primarily a result of an increase in the number of casual employees at the census date and there was no indication that this was part of a general trend.
- (2) Benchmark analysis showed that the University compared favourably with Russell Group competitors (sixth narrowest mean and fifth narrowest median pay gaps); some Russell Group institutions outcomes had improved as a result of outsourcing. Generally, the pay gap in Russell Group universities was higher, because of the greater proportion of academics and researchers in STEM subjects (compared to the sector as a whole).
- (3) A recent informal meeting of Board members and relevant senior officers had agreed on the importance of identifying both areas of good practice in the institution (and ensuring that these were applied more consistently) and areas where performance could be improved. Whilst sector benchmarks and awards were important, it was also important not to place over-reliance on these.
- (4) The importance of positive leadership and appropriate organisational culture in driving change in this area.
- (5) The Board meeting in July 2019 would receive separate reports on equality and diversity and social responsibility.

(The RSCOO and all other officers returned to the meeting.)

**(v) Staffing Committee (8 May 2019)**

**Received:** the minutes of the Staffing Committee held on 8 May 2019.

**Reported:** the proposed restructure of the senior leadership structure in the University libraries (UML) would reduce the number of Grade 9 academic related senior leadership roles reporting to the University Librarian from eight to four.

**Resolved:** (in relation to fixed term employees and those on open-ended contracts with finite funding)

- (1) that the University proceeds with the process outlined in the agreed Contracts Policy and Procedure to deal with those staff considered to be at risk on open ended contracts linked to finite external funding for the period from 1st January 2020 to 30th June 2020;
- (2) that the University continues to take all steps outlined in the report to Staffing Committee to avoid the need for redundancy wherever possible.

**Resolved:** (in relation to changes to the senior leadership structure in the University libraries)

- (3) To achieve the required changes to the structure of UML leadership, the University should enter into consultation with the campus trade unions about the proposals outlined in the report and, subject to consultation, should progress with its proposals.
- (4) The University continues to take all steps outlined in the report to avoid the need for redundancy wherever possible and, in particular, to support the use of the University's Voluntary Severance Scheme.
- (5) The Staffing Committee continue to oversee these proposals in accordance with Part II of Ordinance XXIII.

**Action: Director of Human Resources**

#### **18. Report from the Senate (3 April 2019)**

**Received:** a report on business from the Senate meeting held on 3 April 2019.

#### **19. Report from the University-Students' Union Relations Committee (UURC) (13 May 2019)**

**Received:** a report from the UURC meeting held on 13 May 2019.

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

**Received:** the forward agenda and programme of work for 2018-19

**Close.**