

The University of Manchester

**BOARD OF GOVERNORS**

Friday, 4 September 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, Prof Claire Alexander, Mr Michael Crick, Prof Danielle George, Mr Colin Gillespie, Dr Reinmar Hager, Mr Nick Hillman, Ms Caroline Johnstone, Prof Steve Jones, Mr Kwame Kwarteng (General Secretary of UMSU), Dr Neil McArthur, Mr Robin Phillips, Mr Andrew Spinoza, Dr Delia Vazquez, Dr Jim Warwicker, Mrs Alice Webb, and Ms Ros Webster(19)

*Apologies:* Mr Gary Buxton, Mrs Bridget Lea, Dr Neil McArthur, 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, Social Responsibility (items 1-7 ), the Director of Compliance and Risk (item 8), the Director of Planning (item 9), the Vice-President, Teaching, Learning and Students (item 13), the Director for the Student Experience (item 13), and the Deputy Secretary.

**1. Declarations of Interest**

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

**2. 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 2020.

**Noted:** the Chair and other members had made some observations on the wording on the scheme of delegation, which would be considered as part of the ongoing process of review (to be reported to the Board later in the academic year). **Action: Deputy Secretary**

**3. Minutes**

**Resolved:** The minutes of the meeting held on 22 July 2020 were approved as a correct record.

**4. Matters arising from the minutes**

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

**Noted:**

(1) The report contained, as an appendix, examples of specific opportunities for lay member engagement in teaching and learning experience matters and interested lay members were invited to approach relevant Senate members of the Board (ensuring that the Deputy Secretary was informed). Lay members were also invited to suggest other matters of interest.

(2) In relation to item 8 (Critical Friend/Trusted Advisor) work with Deloitte had been paused given demands of recent developments on management time and to enable reflection on where the

relationship could be of most value (for example, in relation to strategic change and the work of the Foresight Group).

(3) In relation to item 9 (Equality, Diversity and Inclusion update), the requested BAME data at a more granular level would be available for the Board meeting in October 2020.

**Action: Deputy Secretary**

## **5. President and Vice-Chancellor's report**

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

**Reported:**

(1) The Board had been updated on a regular basis of the developing undergraduate admissions situation following reversal of previous guidance and confirmation from the Government and Ofqual that students would be awarded A levels on the basis of centre assessed grades.

(2) All students who had met the conditions of their offer had been offered places, although some students in clinical subjects had been asked to defer until 2021 because of insufficient clinical placements.

(3) Just over 7,000 Home/EU students had confirmed that they had accepted a place (this was 2% above target, inclusive of the 5% tolerance permitted under the now discontinued student number control and additional places which the University had been granted); there were some outstanding offers in clinical areas, given late confirmation of funding for clinical placements.

(4) Unfortunately, an error had resulted in a very small proportion of students receiving premature confirmation that they had been offered a place; the vast majority of these were subsequently found to be eligible (although some complaints had been received). A review would be undertaken but generally, Admissions staff had worked very effectively throughout the extended confirmation and clearing period in exceptional circumstances.

(4) Numbers of postgraduate taught and international students were not yet known and would be crucial to the overall financial position. The situation for international students was complicated by potential quarantine requirements and travel issues (on the latter, it appeared likely that dedicated flights for Chinese students would be commissioned).

(5) Overall numbers in schools and discipline areas would be partly dependent on the balance between Home/EU and international students and the University was cognisant of the potential need for additional resource to meet the demands of higher than expected student numbers in some areas and budgeting provision was being made for this. There was potential for attrition rates to be higher than usual given increased numbers and the current situation.

(6) There was a separate report on campus reopening confirming the strong emphasis on robust safety measures to enable safe return to campus (including the requirement for two metre social distancing, face coverings, extra cleaning and hand sanitising) and investment to facilitate this.

(7) The University had received over 800 applications for voluntary severance, with the bulk of these from Professional Services staff; numbers were being confirmed but it was expected that approximately 600 staff would leave the University (numbers relating to University of Manchester Conferences Ltd were still to be confirmed). Discussions with the trade unions about pausing increments and salary reductions (should these prove necessary) were ongoing; the 20% voluntary salary reduction for senior leaders remained in place (and there had been some voluntary take-up by other staff). Current voluntary pay reductions would be reviewed shortly.

(8) Given current demands, there would be slight delay to the usual planning cycle, although the intention was to conclude annual performance review meetings (which would be lighter touch than previously) by the end of the calendar year. The above might necessitate a slight delay in the Accountability Review and Planning Conference (scheduled for February and March 2021 respectively).

(9) Regular staff open meetings with Senior Leadership Team and Professional Services Senior Leadership Teams continued along with weekly meetings of Heads of School/Department. A recent pulse survey indicated satisfaction with institutional and local communications during remote working and that concerns about returning to campus included use of public transport and the ability to maintain social distancing.

**Noted:**

(1) The University had received a legal challenge to a decision to defer the offer of a place. In response to a question, there was currently no institutional guidance from the Office for Students on this issue and emphasis was likely to be placed on universities making decisions as autonomous institutions.

(2) Given the extensive take-up of voluntary severance and higher than anticipated Home/EU student numbers, the Board sought assurance on measures to mitigate impact. This included the establishment of a Professional Services Assignment Group enabling flexibility to direct staff to areas of greatest need, targeted use of Graduate Interns and potential of use of research contract staff coming to the end of current fixed term contracts. In a small number of areas where there were specific technical skills requirements, the date of departure of individual members of staff was being extended. There had also been investment in Learning Technologists given extensive use of blended learning and where academic staff had reduced hours, priority was being given to teaching over research.

(3) Offer of deferred places would impact on students applying for entry in 2021. Whilst there was potential to expand numbers, limiting factors were available placements and NHS capacity in certain disciplines.

(4) New and returning students were being surveyed to establish their intentions about return to study, noting that in some disciplines, a wholly online experience would not satisfy accreditation requirements.

(5) Economic consequences of the pandemic had the potential to impact the government's target of investment of 2.4% of GDP into research and development; the shape of investment in research was likely to alter in light of the pandemic and other research funders were also likely to be adversely affected.

(6) The University's progressive approach to inter-institutional regional collaboration had been publicly praised by the Chair of the OfS, Sir Michael Barber and current ad-hoc arrangements would be formalised through the establishment of a Greater Manchester Forum of HE providers, with further meetings with FE colleges also planned.

**Resolved:** that the Board's thanks for the work of all those involved in supporting admissions activity during the recent exceptional circumstances be recorded.

## 6. Budget

**Received:** a verbal report on the current financial position from the Chief Financial Officer, noting that a meeting of Finance Committee would take place on 9 September 2020.

**Reported:**

(1) The Operating contribution for the year was £41.6m for 2019/20, a £16.5m improvement in underlying contribution from the budget.

(2) The overall net impact of Covid-19, taking into account cost savings, loss of income, the government furlough scheme and recognition of voluntary severance, was a loss of £1.7 million.

(3) Depreciation charges were higher than anticipated given a correction and accelerated depreciation charges for North Campus, given that the University would cease to occupy the site for research and learning from July 2022.

(4) Capital income was £22.4m adverse to budget. This was mainly due to Covid-19 delay in expenditure against budget, resulting in a delay in claiming from funders. The expectation was that capital income for 2020-21 and subsequent years would now be higher than expected in early versions of the budget and five year plan. Capital expenditure reduced in 2019-20 against the budget, also mainly due to the impact of Covid-19. Cost control measures were introduced following lockdown and a number of capital projects were delayed.

(5) For the year ending 31st July 2020, the University's surplus was £131.9m after movements in pension provisions, a favourable variance to budget of £99.3m, these figures included income and expenditure that was not part of the University's underlying activity. The £122.8m exceptional pension adjustment related to a reduction in the USS pension provision. Within the statutory accounts this would be a favourable adjustment to pay costs. Actuarial adjustments, related to the UMSS and GMPF pension schemes, of £15.5m were also reflected in the statutory financial statements.

(6) There continued to be considerable uncertainty about the 2020-21 budget, especially in relation to international student income. Given the changes in home/EU student recruitment outlined above, the budget included an additional £27m in fees from that source along with £7m government funding. Once additional staff costs (£4m) and investment in IT and systems (£8m) were factored in, there was an overall net improvement of £22m on the July position, meaning that forecast deficit was now approximately £60m (noting the continued uncertainty in relation to international student numbers).

(7) As reported to the July Board, a budget and three year plan would be presented to the November 2020 Board.

**Action: Chief Financial Officer**

(8) In response to a question, CRUK had confirmed its commitment to £25m contribution to the Patterson Building; the overall cost position for the rebuild continued to be worked on.

## 7. Campus Re-opening

**Received:** a report from the Vice-President (Social Responsibility) and the Chair of the Campus Reopening and Corporate Support Group to provide assurance to the Board on plans for campus reopening, with the following key points:

- Preparation of a clearly-defined road map and framework for campus reopening
- Focus on safety and a 'COVID-Secure' campus (e.g. two metre social distancing, mandatory face coverings indoors, hand sanitisers, defined flows through buildings, adequate ventilation, signage)
- Public Health England agreed plans for case/cluster/outbreak management and testing of symptomatic cases/contacts through NHS Test and Trace.
- Focus on students return and delivery of teaching and extending research

### **Reported:**

(1) Messaging to students would be extremely important, with clear emphasis on expectations of student behaviour both on and off campus in order to protect themselves, their family and friends, NHS and the local community. This had been reinforced at recent meetings with the Mayor of Greater Manchester, local authority representatives and the police and messaging would include reference to sanctions for students who do not adhere to rules on safe behaviour; this was particularly important given the local context, with the majority of Greater Manchester boroughs subject to enhanced restrictions.

(2) Publication of the Scientific Group for Emergencies (SAGE) report on higher education was imminent and was likely to reinforce the importance of effective communication as well as social distancing and other preventative measures.

(3) A Covid testing site would be established in Denmark Road, adjacent to the Whitworth and the University had offered other premises in Fallowfield for this purpose. Any on campus cases would be

reported to Public Health England (PHE) (there had been no incidences of on campus transmission to date). The University would continue to be guided by PHE advice as the situation developed.

(4) Enforcement of social distancing would reduce capacity of the estate, so that about 20% of current space was available. The University had committed to the provision of at least two hours face-to-face teaching per week (either in laboratories or small group teaching); in the light of higher than expected student admissions, consideration was being given to expanding hours available in the teaching day (ie commencing at 8am, concluding at 7pm), repeating teaching sessions and renting additional external space.

(5) The limitation of number of hours on campus did not equate to a diminution of overall contact time and teaching colleagues were adopting innovative approaches to facilitate both synchronous and asynchronous activities. Academic advising would be provided in addition to the planned two hours face to face learning (either online or face to face).

(6) Students would be designated as members of specific households in University accommodation and for students required to isolate, there would be a buddying system. Online welcome events and a limited number of socially distanced social activities would be available.

**Noted:**

(1) In relation to student placements, NHS activities were taking place in accordance with established NHS practice and placements in other settings would be reviewed on a case-by-case basis. International placements would be dependent on prevailing conditions in relevant countries.

(2) The University was cognisant of the need to engage effectively with the local community as students returned in numbers and in this context, it was reiterated that where required, there would be sanctions against students who refused to comply. The University was mindful of the potential for international students to be subject to harassment and would be vigilant in this regard.

(3) There was confidence that sufficient mental health support was available to meet likely increase in demand and it would be important to ensure that availability of resources was appropriately signposted and promulgated.

(4) As part of its approach to deliver teaching and learning, there was potential to use overseas centres, through University of Manchester Worldwide.

(5) In response to a question, there were no current plans to introduce wastewater testing as had taken place in some US universities (in this context, the very different US context and the lack of a comparable national public health system was noted).

(6) In response to a further question, the University would aim wherever possible to protect confidentiality and privacy of individuals, noting that on occasion, its public health duty of care to others might, exceptionally, override this.

(7) The potentially adverse environmental impact of the Covid response (e.g. single use plastics in masks, decreased use of public transport) was noted, although this was tempered by a significant reduction in carbon emissions since lockdown in March.

(8) The Board would continue to receive regular updates on progress of campus reopening both before and at the next Board meeting in October.

## **8. Strategic Risk Register**

**Received:** the revised draft strategic risk register.

**Reported:**

(1) The format of the register had changed significantly. This had been planned for the current cycle, but was timely given the need to refresh content to reflect the impact of the pandemic.

(2) The newly formatted register had been populated *de novo*, rather than as an evolution of the previous register, in order to reflect the reality of the current operating environment. The format had been devised following a review of good practice elsewhere; the intention was to make the document more concise and navigable, with information easier to assimilate. The revised format included

velocity of risk (i.e how quickly specific risks might materialise); some key data (including key performance indicators) would be added in future iterations.

**Noted:**

- (1) Generally, the Board welcomed the revised format and clearer presentation, which aided understanding of the overall risk environment.
- (2) There was potential to strengthen content in relation to reputational risk (noting that an increase in reputational risk often had a financial impact) and work was ongoing with colleagues in Communications and Marketing to review this.
- (3) In some areas, work was ongoing with risk owners to provide greater specificity around mitigation measures.
- (4) Quantification of risk likelihood and impact was an evidence based value judgment arrived at by risk owners and the Senior Leadership Team and scores were regularly reviewed. On a specific example, the Board encouraged review of the overall risk score for sub-risk 4.2 (failure to provide a high quality teaching and learning and co-curricular experience).
- (5) Cyber security was an area that had received significant attention from Audit and Risk Committee, given the constant evolution of the cyber-threat environment. In response to a specific question, the imminent departure of the Chief Information Officer would not impact on this risk given interim arrangements that would be in place and the extant robust framework for management of this risk involving other senior professionals.
- (6) Whilst there was a separate risk register on the risks of a no-deal Brexit (which needed review to reflect recent developments) and some reference to the risks of this in relation to research, there was scope to reflect this risk more prominently in the revised register.
- (7) The potential for the register to be more effective in capturing longer-term strategic risk (this was covered in part in risk 5, which related to expectations, ambitions and available resources). Conversely, there was a view the register should avoid reflecting risks to aspirations.
- (8) In relation to likelihood and impact, risks were currently clustered and there was potential to differentiate as a further aid to clarity.
- (9) The Uniac internal audit plan would be aligned with the revised risk register.
- (10) Specific details of Covid-related risks and mitigations (e.g. in relation to ventilation) were captured in more detailed registers which sat below the strategic register.
- (11) In relation to risk 6 (sustainability of business/operating model), there was potential for greater specificity about dependence on recruitment from China and vulnerability to policy change at Chinese government level.

**Resolved:**

- (1) To approve the revised format of the Risk Register
- (2) Feedback from the Board and the meeting of Audit and Risk Committee on 16 September would inform the next iteration of the Register (whilst this would usually be produced in December, the Board agreed that there was merit in the November meeting of Audit and Risk Committee receiving an interim version).

**Action: Director of Compliance and Risk**

(To ensure compliance with quoracy requirements, the President and Vice-Chancellor and Prof Danielle George took no part in approving the above resolutions.)

**9. Benchmarking**

**Received:** The annual benchmarking paper for the Board, which formed part of the evidence base for subsequent accountability discussions with the leadership team.

**Reported:**

- (1) The report combined sector-level metrics from a range of sources with softer benchmarking/insights. The metrics were pre-Covid and should be seen in this context. The report noted that the University started from a position of relative strength.

(2) In recent years the key message from the report was the challenge in maintaining excellence across a full balanced scorecard of metrics, and the competitor context that was not necessarily visible in the data.

(3) This year, the context for size and shape discussions remained volatile, perhaps increasingly so compared to recent years. The post pandemic sector had the potential to emerge in a markedly different form both in terms of overall size and shape, relative institutional performance and speed of recovery, but also the relevance and credibility of some traditional metrics.

(4) In terms of size and shape (defined by students, staff and subject mix), the University had the largest student body in the benchmarking group but the lowest proportion of students studying arts, humanities and social sciences.

(5) Overall student numbers had been relatively stable over the past five years.

**Noted:**

(1) The report (and supporting material in the Diligent Reading Room) was an extremely valuable source of information for the Board.

(2) The relatively low proportion of arts, humanities and social sciences students was a reflection both of the 2004 merger and more recent relative growth in numbers in the Faculty of Science and Engineering. A significant proportion of the additional student numbers referred to above would be located in the Faculty of Humanities and there would be a need to assess the degree to which this changed the University's relative position (noting that other universities were also likely to have experienced significant growth in arts, humanities and social sciences student numbers).

(3) The view that there would be merit in assessing correlation between student staff ratios and rates of student attrition.

(4) In a more normal environment, the report would be provide valuable insight into and context for discussions about size and shape. There was a need for further clarity on student numbers and income streams and how the sector was beginning to emerge from the pandemic, before progressing such discussions.

(5) Given that other pressures had limited the time available for discussion, there was merit in scheduling part of a future Board briefing to consider data, trends etc in more detail.

**Action: Deputy Secretary**

## 10. Board skills mix

**Received:** a report on Board skills mix, deferred from consideration at the May 2020 meeting.

**Noted:**

(1) The report specified areas where there was a relative lack of specific expertise on the Board. Not all of these were immediate priorities and members were invited to contact the Deputy Secretary with any comments on further specific gaps.

**Action: Deputy Secretary**

(2) Of those listed, lack of specific cyber security skills (noting the risk highlighted above) was the most significant immediate gap to be addressed.

(3) There were two lay member vacancies to fill in 2021-22, as Michael Crick and Andrew Spinoza (the latter in an Alumni Association capacity) came to the end of their third and final terms on 31 August 2021.

## 11. Chair's Report

### i) Board pairs

**Received:** a report setting out pairings of one staff/student member and one lay member to lead on thematic aspects of Board accountability, largely based on 2019-20 practice

**Resolved:** to confirm pairings as set out in the report

## **ii) Board and committee attendance**

**Noted:** a report on Board and committee attendance in 2019-20.

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

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

**Reported:** award of Emeritus Professorships.

### **(ii) Office for Students Reportable Events and consultation on proposed new condition of registration**

**Received:** a report setting out details of OfS consultation on a temporary condition of registration and advising the Board of a further programme deferral where offers had been made to students, notified to OfS as a Reportable Event in accordance with revised reporting requirements in light of the pandemic.

## **13. Report from General Secretary of the Students' Union**

**Received:** a report from the General Secretary of the Students' Union.

**Reported:** the report included a recommendation for the establishment of a new Board committee to consider the student experience.

### **Noted:**

(1) The University-Students Union Relations Committee (UURC) provided a mechanism for student concerns to be relayed to the Board. UURC met three times a year and reported both to the Board and the Students' Union Board of Trustees.

(2) Given that the assurance of the student experience was a full Board responsibility, more effective use of UURC (including a review of its operation and terms of reference) would be an alternative way of addressing concerns raised (and one which did not require further commitment of Board member time).

(3) It was important for the Board to improve understanding of existing mechanisms to capture the student voice and review these to ensure appropriate action and accountability. In addition to UURC, Student Union officers were well represented on the Teaching and Learning Group (TLG), chaired by the Vice-President for Learning, Teaching and Students and this provided a further opportunity for engagement with issues such as those raised in the report. For example, TLG was currently considering the recommendations of a very effective report provided by the previous Students' Union Education Officer.

(4) The report referred to potential for more effective use of online feedback; this would be facilitated by rollout of Microsoft Teams, although there was still scope for development of repositories of frequently asked questions. In some areas of the report there were misunderstandings which could potentially be addressed through more effective provision of information.

(5) Within the report there was clear messaging about the importance of value for money (particularly for international students), which the Board should reflect on.

(6) The University recognised the importance of improving services and support for postgraduate taught students and was committed to improvements in this area; for example, for the forthcoming academic year, there would be a more extensive induction and opportunities previously open only to undergraduates (e.g. the Social Justice Challenge) would be available to postgraduate taught students.

(7) The report referred to international students and perceived lack of support for employability. The University was working hard to support international students in this area, for example through the Masood Enterprise Centre, the Venture Further Competition and the Harari Enterprise Awards. The Careers Service also hosted Chinese specific careers fairs, supported the Manchester High Tech Talent Day and ran the International Talent free recruitment service. Notwithstanding the above, the



Students' Union view was that more could be done to support international students wishing to start-up businesses in their home country.

(8) The report included comments about micro-aggressions experienced by Black and Minority Ethnic students. The University provided unconscious bias training and the "We Get It" campaign developed in conjunction with the Students Union emphasised the University's zero tolerance to harassment and discrimination of all kinds. However, the University took the comments in the report extremely seriously and would reflect on what further action might be needed.

(9) In conclusion, the General Secretary of the Students' Union was thanked for an extensive and informative report. A review of the operation and terms of reference of the UURC (including its reporting to the Board) would be undertaken to ensure optimal effectiveness and UURC would be the vehicle for reviewing and monitoring progress of issues highlighted in the report.

**Action: Deputy Secretary**

#### **14. Report from the Senate (26 August 2020)**

**Received:** a brief verbal report from the Senate meeting on 26 August 2020, noting that the formal report would be considered at the next meeting on 7 October 2020.

**Noted:** Senate had considered, *inter alia*, the latest position on student recruitment, campus reopening and campus safety and a number of motions submitted by School Boards.

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

**Received:** the latest forward agenda for 2020-21 (members were encouraged to submit comments or suggestions to the Deputy Secretary).

#### **16. Any other business**

**Reported:** that as referred to at the previous meeting by Sir Michael Barber, the OfS had launched a [major review of digital learning](#). The Vice-President for Learning, Teaching and Students and Prof Danielle George in her capacity as Associate Vice-President for Learning, Teaching and Students had already had input into the review.

**Close.**