

BOARD OF GOVERNORS

Tuesday, 24 November 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, Prof Danielle George, Mr Colin Gillespie, Dr Reinmar Hager, Mr Nick Hillman, Prof Steve Jones, Mr Kwame Kwarteng (General Secretary of UMSU), Mrs Bridget Lea, Dr Neil McArthur, Mr Robin Phillips, Mr Richard Solomons, Mr Andrew Spinoza, Dr Delia Vazquez, Dr Jim Warwicker, Mrs Alice Webb, and Ms Ros Webster(22)

Apologies: Ms Caroline Johnstone

In attendance: The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor, the Chief Financial Officer, the Vice-President and Dean of Faculty for Science and Engineering, the Director of Compliance and Risk (items 12 and 13), the Head of Safety Services (item 13) and the Deputy Secretary.

1. Declarations of Interest

Reported:

- (1) In January 2021, Bridget Lea would move from her current position at Sainsbury's to become Managing Director Commercial for BT Group's Commercial Division
- (2) Gary Buxton had been appointed as a governor at the Apprentice Academy.

2. Minutes

Agreed: the minutes of the meeting held on 7 October 2020 as a correct record.

3. Matters arising from the minutes

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

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

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

Reported:

- (1) Further to recent briefings to the Board, the inquiry into the erection of fences at the Fallowfield halls of residence was nearing conclusion.
- (2) Following the suspension of three members of Security staff at Fallowfield after an incident with a student (which included an allegation of racial profiling), the resulting investigatory process was ongoing.
- (3) During her recent BBC Newsnight interview, the President and Vice-Chancellor had advised that she had apologised in correspondence to the student concerned for the distress caused by the incident. It had subsequently become apparent that an apology had not been included in correspondence with the student and the President and Vice-Chancellor had issued a subsequent apology for that omission.
- (4) There continued to be troubling examples of anti-social behaviour by a minority of students at Fallowfield. Greater Manchester Police (GMP) had recently visited the site and had expressed concern about the scale of gatherings, damage to property and health and safety risks. Experience to date was that GMP were prepared to come onto site if there was clear evidence of criminal

behaviour; this did not cover all eventualities of poor behaviour and the situation was increasingly difficult for Security staff.

(5) The occupation of the Owens Tower at Fallowfield was continuing. The extent of the student rent strike was unclear; as the Board had been advised previously, the University, in conjunction with the Students Union had issued an [Accommodation Pledge](#) which included a two-week reduction in rent, more flexible accommodation arrangements, better maintenance support, measures to tackle anti-social behaviour and better communal study spaces. It was evident from some of the public pronouncements of the student occupiers and those organising the rent strike that actions were in part motivated by philosophical and political opposition to the marketization of higher education.

(6) There had been further meetings with student representatives over the weekend of 21-22 November 2020 and as result a further proposal for 30% reduction in rent for Semester One was under consideration. (Secretary's note: the Board was advised on 25 November 2020, that this had been [agreed](#). It had also been agreed that, wherever possible, action would be taken in other key areas, including working together to develop a behaviour pledge, setting out expectations of student conduct in halls of residence during the pandemic.)

(7) Plans had been put in place for a [Covid testing programme](#), in accordance with government guidance, to enable students to leave for the Christmas break. Testing would start on the weekend of 28-29 November 2020, and would take place over four sites, with 230 staff helping to test up to 23,000 students (capacity of 7,000 per day). As yet, there was no firm guidance on arrangements for student return in January 2021, although it was understood that options included staggered return, requirement for a negative Covid test on arrival or requirement to isolate in arrival until a negative test result was obtained. At present planning for Semester Two included face-to-face teaching where possible, as part of a blended approach, but this was dependent on prevailing national and regional restrictions.

(8) Latest data showed that the University had exceeded target numbers as follows: home undergraduate by 6% (17% for first year intake): undergraduate overseas by 10%: postgraduate taught by 14%: and postgraduate taught overseas by 17%. In the sector as a whole, overall student numbers had shown a slight reduction, with recruitment significantly below target in some institutions. International student numbers in the USA had shown an annual decline of 43%. Whilst the above position was very encouraging, there was still need for caution given potentially higher than average attrition rates.

(9) It was still very early in the 2021/22 recruitment cycle, but initial indications were promising (overall year on year increase of 7% to date).

(10) The better than anticipated student numbers had improved the forecast financial position, and enabled the University to freeze the voluntary pay reduction and reimburse staff who had volunteered. Whilst the 20% pay reduction for Senior Leadership Team members had also ceased, this would not be backdated. Staff who had not received pay increases due as a result of promotion, would now receive this increase, backdated until the date of appointment.

(11) The Race Matters report had now been published and the President and Vice-Chancellor and General Secretary of the Students' Union had issued a [joint message](#) on equality, diversity and inclusion.

Noted:

(1) Student departure from halls, the Accommodation Pledge and rent reduction offered the opportunity for a reset of relations with students in halls of residence after the Christmas break.

(2) There were several contributory factors to the deterioration in student behaviour demonstrated at Fallowfield, including lack of alternative social outlets. Closure of hospitality venues in the city had resulted in large gatherings (of students and non-students) at Fallowfield, resulting in parties, anti-social behaviour and some criminal activity. The concentration of residences in Fallowfield meant that behavioural problems here had been more acute than at other venues, including private halls.

Many of the complaints about poor student behaviour had come from fellow students, or parents on behalf of students.

(3) Whilst there had been some negative media and social media response to police presence on campus for the planned demonstration at Fallowfield on 5 November, these reports had been exaggerated and the planned protest had dispersed peacefully. There was recognition of the need for the University to become more proactive in the social media sphere and some Board members had provided helpful advice in this regard, and discussions had begun with organisations which might be able to assist in enhancing the University's approach.

(4) In response to questions, there were ongoing discussions with GMP about their response to issues at Fallowfield and the Board endorsed management encouragement of more proactive intervention by GMP when appropriate and proportionate.

(5) The importance of clarity of message about the teaching and student experience offer for students in Semester Two (noting that the situation was likely to evolve before then and once the semester was underway). The Board encouraged further discussions in Teaching and Learning Group about this (including for example, the balance of face-to-face and on-line learning and the potential for more face-to-face activity supporting student wellbeing). Such communications should recognise the impact of local and national restrictions and the limitations that this placed on the University's approach.

(6) The comment that in recognition of the exceptional demands placed on the Senior Leadership Team and as a gesture of goodwill, there was merit in considering backdating the reinstatement of full pay. This had been considered at Remuneration Committee and on balance the Committee had decided against.

(7) Comments from a lay member of the Board who had recently visited campus and spoken to a number of students in an effort to gauge the mood. This relatively small and anecdotal sample had not indicated any widespread disaffection, but concerns raised included perceived poor communications, issues about mental health support, lack of social activity, delays in releasing timetables and financial hardship resulting from lack of legitimate casual work opportunities.

(8) Comment about media coverage of a death of a student at the beginning of semester and whether this should have been reported to the Board. The University refrained from comment about the cause of death until conclusion of investigations by the Coroner and in the case in question, this was still ongoing. Student deaths were recorded in the report from the Health, Safety and Wellbeing Committee (item 13 below) and there was encouragement for this to have a more prominent position in future reports to the Board.

(9) The comment that there was potential for other members of the Senior Leadership Team to support the President and Vice-Chancellor in media and press interviews.

(10) The importance of reflecting on and learning lessons from the experience of this semester and of providing assurance, in the context of prevailing national and local restrictions, that the environment was as safe as possible going forward.

(11) As emphasised at briefings for the Board held earlier in the month, continued support for the President and Vice-Chancellor and the senior team, recognising the extraordinarily challenging circumstances of recent months.

5. Position paper: Financial Statements, updated 2020-21 budget and five-year plan

Received: a report summarising the current position in relation to the Financial Statements (item 6) and the updated 2020-21 budget and five-year plan (item 7) and decisions required (recorded under items 6 and 7 below).

6. Draft Financial Statements 2019-20

Received:

- (1) The draft report to Audit and Risk Committee from external auditors, EY, including the draft Letter of Representation.
- (2) Draft Financial Statements for 2019-20 (including summary of key points)

Reported:

- (1) The draft design copy of the Financial Statements before the Board did not include the draft audit opinion as EY still had work to complete in relation to going concern and post balance sheet events. It was expected that this work would be completed shortly (the delay was partly a result of short-term and unanticipated absence of key staff). [REDACTED]

Redacted – Restricted information

- (2) The Financial Statements were considered complete subject to final internal quality control checks. A risk of a late adjustment [REDACTED] *Redacted – Restricted information* had been raised previously but the receipt of an updated valuation had removed this uncertainty. The narrative introduction to the Financial Statements would need to be updated (this included reference to post balance sheet events, reflecting latest developments, particularly relating to student numbers and securing borrowing).

(3) The change in the deficit recovery plan for the University Superannuation Scheme (USS) had resulted in a £115 million credit being shown on the face of the Income Statement. This was consistent with the prior year disclosure when the impact of the 2017 deficit recovery plan was recognised. The summary report to the Board referenced other pension credit, prior year adjustments and additional explanations in the Statement of Principal Accounting Policies. The summary report also set out reconciliation of the underlying surplus and reconciliation to the management accounts.

(4) At their joint meeting on 9 November 2020, Audit and Risk Committee and Finance Committee were satisfied that financial statements could be prepared on a going concern basis subject to conclusion of outstanding work.

(5) The diagram illustrating the reconciliation of the underlying surplus (from approximately £40 million in 2018-19 to approximately £50 million in 2019-20, as set out on page 14 of the Financial Statements) included, amongst other matters, the £9.7 million contribution from the Coronavirus Job Retention Scheme. The net overall cost impact of the pandemic in 2019-20 was approximately £2 million.

(6) The recent annual increase in external audit fees reflected prevailing market conditions; the report from Audit and Risk Committee later on the agenda (item 16 ii) updated the Board on progress with the external audit tender. It was possible that some firms might choose not to express interest, given existing work with the University, which would need to be relinquished if they were appointed as external auditors.

Agreed:

- (1) The Financial Statements be approved subject to inclusion of updated information on post balance sheet events and conclusion of going concern work and related disclosures with EY.
- (2) The final version of the EY report and the Financial Statements be brought to a joint meeting of Audit and Risk and Finance Committee and subsequently a meeting of the Board as soon as possible, once outstanding work had been concluded. **Action: Chief Financial Officer**

7. Updated 2019-20 budget and five-year plan

i) 2019-20 budget

Received: the latest version of the 2019-20 budget (expenditure budgets had been approved by the Board in July 2020).

Reported:

(1) Key features of the revised version of the budget were: underlying contribution of £6 million: underlying deficit after depreciation of £73.2 million: underlying deficit (after capital income) of £3.9 million.

(2) The Voluntary Severance scheme in 2019-20 resulted in a staff cost saving of £23.7 million in the 2020-21 budget; this had been offset by vacancies carried forward in the 2020-21 budget (£12.4 million) and inflation and pay increment costs.

(3) Increases in home and EU undergraduate and postgraduate taught fee income (£3.7 million and £7.1 million respectively) were partially offset by reductions in overseas undergraduate and postgraduate taught fee income (£2.7 million and £6.1 million respectively).

(4) The budget summary included key assumptions for 2020-21 in relation to tuition fee income (including attrition rates), research income and contribution, other income, staff costs and other operating expenditure.

Noted:

(1) In response to questions, the approximately £30 million increase in Other Operating Expenditure compared to 2019-20 was attributable to a number of factors including increases related to higher than anticipated student recruitment, increased support for postgraduate research students (matching UKRI funding), resumption of paused strategic projects and Paterson Building related costs (previously supported through insurance income).

(2) The introduction of Accounting Standard FRS102 had presented presentational difficulties given that it removed the link between income and cost on capital projects, resulting in volatility in the income and expenditure account.

(3) Notwithstanding the restrictions of FRS 102, there should be focus on surplus after depreciation and, particularly, on generation of operating cash.

(4) In broad terms, and with some local variation, assumed attrition rates were 10% for home and 30% for international students; variances to this would be reflected in reforecast against the budget after Board approval.

Agreed: to approve the latest version of the budget for 2020-21 as presented.

Action: Chief Financial Officer

ii) Updated five year plan

Received: a five-year plan based on a “do nothing” scenario, which removed cost saving assumptions from earlier versions and assumed:

- For home undergraduate students: current growth unwinds in the plan and returns to pre-Covid levels by 2023-24 and no fee inflation.
- For home postgraduate taught, overseas undergraduate and overseas postgraduate taught students, no change in student numbers from 2021-22 and growth due to fee inflation only.
- No other assumed changes for tuition fees.
- For staff costs, pre-Covid inflation reintroduced from 2022-23 (2.25% per year): increments of 1.4% included each year with no other staffing changes assumed.
- A small reduction in other operating expenditure (OOE) in 2022-23 to estimate impact of strategic change plans; otherwise, budget unchanged throughout the plan period.

- For research, income growth of 2.5%.
- Research staff cost assumptions were consistent with staff cost assumptions as above and OOE was unchanged throughout the plan period.

Reported:

(1) The above assumptions would see the underlying contribution of £6 million in 2020-21 move to an underlying deficit of £48.3 million in 2025-26.

(2) The sector as a whole was faced with the issues of increasing staff and operating costs and broadly static income from tuition fees and research, with international student fees providing the only significant opportunity to increase income.

(3) Whilst evolution and development of the five-year plan would include appropriate measures and mitigations, it was important for the Board to understand the scale of the financial challenge.

Noted:

(1) For the University, as with other Russell Group universities, government action on research funding was required. Whilst an increase in full economic cost recovery from Research Councils (for example to 90%) would have a marginal beneficial impact, an increase in Quality Related (QR) research funding and improved cost recovery from charities was likely to have a more significant impact.

(2) The importance of consideration of efficiencies and measures to save costs (including improvements in productivity) as well as future size and shape in the evolution of the five-year plan: the latter included the proportion of international students and diversification of the international student body.

Agreed:

(1) To note the 'Do Nothing' trajectory five-year plan and further work planned, as outlined in the report, to develop a fully revised five-year plan for ultimate approval by the Board in July 2021

(2) To note that the Board will receive a draft five-year plan (Annual Financial Workbook) for submission to the Office for Students (OfS) for consideration and approval at its meeting on 24 February 2021, following review by Finance Committee at its meeting on 20 January 2021. The OfS requires initial submission of the Annual Financial Return Workbook by 1 February 2021, with final submission by 1 March 2021 and OfS had confirmed that the above timeframe was satisfactory. Once approved by Finance Committee, the updated five-year plan would be used to inform discussions with Moody's credit rating agency, banks and other external stakeholders.

Action: RSCOO and Chief Financial Officer

8. Faculty update: Faculty of Science and Engineering

Received: a report and presentation from the Vice-President and Dean of Faculty of Science and Engineering (FSE).

Reported:

(1) The Faculty could point to a number of successes during the pandemic, including the Teaching College successfully supporting the move to flexible on-line learning, reconfiguration of teaching and assessment by academic colleagues, positive and flexible response by Professional Services colleagues (including safety and technical) and improved internal communications (for example, Faculty open meetings on Zoom)

(2) Challenges encountered by the Faculty had included: lack of personal interaction between colleagues and significantly increased pressure and workload on staff and students: some issues arising from IT infrastructure the inflexibility of central processes: the complexity of response to the pandemic, including interpreting and implementing government policy/support: and impact of social distancing requirements on estate and room capacity (laboratories were almost at capacity before Covid).

(3) The Faculty had reflected on strengths and weaknesses and how these might influence future discussions about future size and shape. Recognised strengths included research excellence across many areas, a comprehensive faculty covering disciplines across science and engineering and the demonstrable track record and success in widening participation and social responsibility. Areas for improvement included teaching quality (in some areas), lack of both research focus and inter-disciplinarity (again in some areas), some varied mechanisms of delivery and a very high student load in some areas.

(4) The Faculty overall share of teaching and research staff had not grown over the past five years but market share of overall research income over that period had grown, with most significant market share in Chemistry and Physics.

(5) Research income per FTE academic member of staff was in the top five in the sector for all Units of Assessment in 2018-19 except Engineering (8th and closing the size of the gap).

(6) Data showing progress against Access and Participation Plan targets illustrated a generally improving picture, with scope for further improvement, and numbers quite volatile in some subject areas.

(7) Priorities for the Faculty included focus on future size and shape (noting Faculty plans to grow Postgraduate Research student numbers), financial sustainability and delivery of strategic targets (noting £116 million contribution to the University) as well as student and staff well-being.

(8) The Faculty's forward plan and vision was outlined reflecting size and shape issues referred to above, continued focus on performance management of academic staff, realising the benefits of the Manchester Engineering Campus Development Project (MECD) and continuing with efforts to increase diversity through positive action in recruitment.

Noted:

(1) The positive action programme referred to above was a pilot recently agreed by HR Sub-Committee.

(2) The recent visit by the Chair of the Board to laboratories in the Faculty had been greatly appreciated

(3) Preparation for semester two involved some academic staff preparing teaching materials for online and face to face delivery which was challenging.

(4) Whilst the pandemic had caused some delays, MECD would open for some face-to-face socially distanced teaching early in 2021, with plans to move staff in for 2021-22 and North Campus vacated in 2022 (which would in turn facilitate the ID Manchester development). It was clear that the pandemic had resulted in significant changes in working patterns, which would be reflected in use of MECD.

(5) In response to questions, students were attracted to the Faculty for a variety of reasons, including research profile and achievements. League tables were particularly important for international students

9. Manchester Innovation Factory update

Noted: consideration of the above item was deferred to a future meeting.

10. Chair's Report

i) Chair's action

Noted: Chair's action in relation to a disciplinary case against a former student relating to research misconduct.

ii) Update

Noted: a brief update from the Chair in his capacity as CUC lead on USS, noting the increasingly challenging position, and the need for the Board to revisit this in the New Year.

12. Secretary's Report

i) Lay member vacancies

Received: a report updating the Board on progress with recruitment of two new lay members to take up position with effect from 1 September 2021.

Reported:

(1) The role descriptors for current Board vacancies, which incorporated Board and Nominations Committee reflections on priorities.

(2) The Alumni Association was sourcing candidates for the communications/public relations specialist with recommendations to be put to the Nominations Committee.

(3) Members were asked to submit suggestions of potential candidates for the international markets specialist from respective networks. Having considered suggestions, Nominations Committee would then assess whether it is necessary to engage external support in filling the vacancy.

Noted: the proposed approach reflected consideration of optimal timings and discussion with the Alumni Association, but there was encouragement to reflect on the approach and consider whether there was scope for the search for both the "open" and Alumni Association vacancy to incorporate both specialisms.

Action: Deputy Secretary

ii) Exercise of Delegations

Reported: the 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 2272 to 2282.

12. Prevent Annual Monitoring Report

Received: a report providing assurance that the University continued to have due regard to the Prevent Duty, to enable the Chair to sign off the Prevent annual accountability statement to OfS (approval of the report itself was not an OfS requirement)

Noted:

(1) The level of training outlined in the report was appropriate and proportionate and it was evident from the report that staff were familiar with relevant processes, including referrals. Refresher training was offered at two-year intervals.

(2) The Students' Union had formal responsibility for raising awareness of the Prevent Duty amongst students and the University worked closely with the Students' Union Executive to facilitate understanding and awareness at that level.

(3) Student awareness of the Prevent Duty was inevitably variable and the view that this was particularly the case amongst international students.

(4) The Students' Union and constituent societies (including the Islamic Society) had shown good and positive engagement with the Prevent Duty.

(5) The comment that it was important to see the Prevent Duty from the student perspective, noting interaction and potential tension between the Prevent Duty and equality and diversity initiatives referred to earlier in the meeting.

(6) Confirmation that the Prevent Duty applied to extremism of all types, including extreme right wing (one such referral had been made but there were no indications that there was a significant issue on campus).

(7) In response to a question, the risk assessment and related action plan were not explicitly linked to the five national security threat levels.

Agreed: that the Chair be authorised to sign the Prevent annual accountability statement for return to OfS.

13. Health, Safety and Wellbeing Committee Annual Report

Received: the annual report from the Health, Safety and Wellbeing Committee which covered: current levels of assurance, key metrics and performance indicators and a summary of significant issues relating to health, safety and well-being (including any wider learning); new developments affecting the University's risk profile; relevant external inspections and audits; and progress against key initiatives in the academic year 2019-20. The report also set out the strategic health, safety and well-being priorities and key supportive initiatives which will be undertaken in the academic year 2020-21.

Noted:

(1) The Board welcomed the report, which provided clear and concise oversight of key issues.

(2) In response to a question, in the absence of any immediate proposals to improve the system for sickness absence reporting, focus would be on short-term improvements (for example, the introduction of the learner management system would enable clarity on which staff had completed health and safety and compliance training).

(3) The report could be further enhanced by appropriate trend and benchmarking data (noting that there were potential limitations in the latter because of different approaches to reporting in the sector) and by ensuring that the most serious incidents were foregrounded at the beginning of the report.

Action: Director of Compliance and Risk and Head of Safety Services

14. University-Union Relations Committee (14 October 2020)

Received: a report from the meeting of the University-Union Relations Committee (UURC) held on 14 October 2020.

Reported: as previously discussed at the Board, UURC (which now had revised terms of reference and membership) would become the principal mechanism for addressing the key themes in the report from the General Secretary to the Board at its September 2020 meeting, i.e. assessment and feedback, Postgraduate Taught experience, review of terms and conditions of student contracts and transparency of communications

15. Planning and Resources Committee (6 October and 3 November 2020)

Received: reports from the meetings of Planning and Resources Committee held on the above dates.

16. Board Committee reports

(i) Finance Committee (7 October 2020 and 9 November 2020)

Received: a report from the meetings held on 7 October and 9 November 2020.

Reported:

(1) At its meeting on 7 October 2020, the Board, on recommendation from Finance Committee, approved delegated authority to enter into Revolving Credit Facilities (RCFs) once negotiations and legal documentation had been finalised. Deloitte was now assisting the University in negotiations, and there was engagement with a broader range of banks: it was expected that negotiations would be concluded in the near future.

(2) The Committee had considered the proposed structure of the Northern Gritstone Fund (a collaboration between the Universities of Manchester, Leeds and Sheffield)

Redacted – Restricted information

(3) The Committee had agreed to give provisional approval for investment subject to:

- the full legal documentation being received and completion of appropriate due diligence:

- provision of further assurance regarding the rationale for setting the University's non-dilutable shareholding in the company [REDACTED]; and **Redacted – Restricted information**
- the Investment Vehicle's reserved matters and prohibited persons provisions being sufficiently robust to mitigate potential reputational risks to the University.

(4) The Committee received a high level summary of the current position regarding Manchester Graphene Company (MGC) and its funding arrangements. The proposed internal governance arrangements for MGC would follow the same template as the University's other associated satellite entities and the Committee (subject to Angel Investors making the first investments into the company, and the launch of the Manchester Graphene Fund), approved in principle an investment [REDACTED] **Redacted – Restricted information** in MGC. The Committee also approved the proposed internal governance requirements for MGC, and confirmed the minimum requirements regarding the shareholders' agreement, and clarified what would remain essential reserved matters for the University.

a) Paterson Building Redevelopment Project

Reported:

(1) Following the Paterson Building fire in April 2017, the Paterson Redevelopment Project involved a complex tri-partite Development Agreement between The Christie NHS Foundation Trust, Cancer Research UK (CRUK) and the University to create a purpose-built home for cancer research in Manchester.

(2) Following review by Finance Committee, including assessment of risks and mitigations, the Board was invited to confirm approval of commitment of capital expenditure and signing of conditions to enable finalisation of the Development Agreement and the Christie to enter into the building contract.

Noted:

(1) In response to questions, the University was satisfied with the cost apportionment principles (applied on a cost weighted area basis) for the occupied spaces.

[REDACTED] **Redacted – Restricted information**

Agreed:

(1) To approve the Procurement and Funding conditions in order to allow the Development Agreement with the Christie NHS Foundation Trust to become unconditional and to enable the Christie to enter into the Building Contract.

(2) To approve commitment of capital [REDACTED]

[REDACTED] **Redacted – Restricted information**

Action: Director of Estates

ii) Audit and Risk Committee (9 November 2020)

Received: a report from the meeting of Audit and Risk Committee held on 9 November 2020.

Reported:

(1) The meeting had been preceded by a private meeting in which internal and external auditors had confirmed their satisfaction with the cooperation received from management and the open and transparent relationship with the University.

(2) The Committee had considered the draft external audit report and the draft Financial Statements in a joint meeting with the Finance Committee.

(3) Uniac had finalised and completed five substantive audits since the previous meeting of the Committee, as outlined in the report. This included a review of cyber-security and Alex Creswell, a board-level cyber security and geopolitical risk advisor taking up a 0.2 FTE appointment in the School of Computer Science in January 2021 had been appointed as an advisor to the Committee on cyber-security issues.

(4) The Board endorsed the Committee's approach to review of the Risk Register, noting that the Register continued to evolve.

(5) The meeting has also considered: the annual report to the Board: a report on University size and shape and risk appetite: a report on satellite entities and three lines of assurance: a report on procurement and value for money and: an update on the Blackbaud data breach (noting that the Information Commissioner's Office had confirmed it would not be taking action against the University).

(5) The Committee had been updated on the external audit tender process. In this context, the Chair of the Committee advised the Board that he had been a corporate finance partner at PwC until 2011 and had never been involved in audit or assurance functions. He advised further that he received a contractual annuity from PwC payable for life, with no performance conditions attached and that he had never had any consulting relationship with PwC. Finally, both his daughters worked for PwC, although neither worked in the Audit Division. It was not clear yet whether PwC would express interest in the work, but the Chair advised that he would step aside from involvement in the tender process if there were any concerns about conflict of interest (no such concerns were raised).

Agreed: to approve the annual report from the Committee to the Board.

(iii) Nominations Committee (14 October 2020)

Received: a report from the meeting of Nominations Committee held on 14 October 2020.

Reported:

(1) The Committee had considered reservations expressed by Senate members about the potential change to the process of appointment of a Chancellor (ie moving from an electoral to nominations and appointment process). The Committee had reiterated its view that that a robust and inclusive nominations and appointment process was the option most likely to achieve the appointment of the best candidate as Chancellor. Senate would have the opportunity to express an opinion on proposed changes to Statutes to effect the above change.

(2) The report also advised of progress on commissioning the externally led governance effectiveness review. Nominations Committee would oversee the process to enable the Board to confirm appointment of the reviewer at its February meeting.

Action: Deputy Secretary

(iv) Staffing Committee (4 November 2020)

Received: a report from the meeting of Staffing Committee held on 4 November 2020.

Agreed:

(1) On the Committee's recommendation, that the University proceeds with the process outlined in the Contracts Procedure to deal with those staff considered to be at risk on open-ended contracts linked to finite funding for the period 1 July 2021 to 31 December 2021.

(2) To note that that the University will continue to take steps to avoid the need for redundancy wherever this is possible.

(3) To note the other matters considered by Staffing Committee. This included a report presenting the equality and diversity (EDI) outcome data by protected characteristic for the period 1 August 2019 to 31 July 2020 in relation to staff covered by the Contracts Policy and Procedure. Staffing Committee agreed that a longitudinal analysis (both qualitative and quantitative) of EDI data would be key in identifying areas of concern regarding protected characteristics.

(v) Remuneration Committee (18 November 2020)

Received: a verbal report on the meeting of Remuneration Committee held on 18 November 2020, noting that a written report would be presented to the next Board meeting.

Reported:

- (1) The Committee had considered a progress report on senior leadership succession planning, the latest Ethnicity Pay Gap (EPG) report and a report on staff earning more than £100,000 per annum.
- (2) The EPG report showed that the pay gap between white and Black and Minority Ethnic (BAME) staff had widened slightly, primarily because of an increase in BAME staff at relatively junior levels (i.e an increase in overall BAME numbers but a widening salary gap). The report would receive further consideration, including at the Board EDI advisory group.

(vi) North Campus Working Group (18 November 2020)

Received: a verbal report from the meeting of the Group held on 18 November 2020.

Reported: the procurement process for ID Manchester had recommenced in July 2020. There were three current bidders, with draft final tenders due by December 2020, and an invitation to submit final tenders issued in February 2021.

17. Report from the Senate

Received: a report from the Senate meetings held on 6 October 2020 and 21 October 2020.

Reported:

- (1) Senate had considered a proposed Covid-19 misconduct addendum to Regulation XVII: Conduct and Discipline of Students. At the 6 October meeting, Senate had been reluctant to approve the use of fines to address instances of student misbehaviour.
- (2) Following further instances of significant misconduct during the remainder of October and early November (and complaints from Greater Manchester Police, students, parents, and the local community) and after subsequent consultation, Senate agreed that the term 'sanction' could apply to the full range of generic misconduct penalties open to Summary Disciplinary Panels. This was inclusive of, but not limited to fines. Given the difficulties that arose following the erection of fencing at Fallowfield, the application of the new sanctions had been held in abeyance until further discussions can be undertaken with key stakeholders.

Noted:

- (1) Senate's objection to the imposition of fines had been based on doubts about their efficacy and the pedagogical view that other persuasive and preventative measures, including an awareness raising course would be more effective.
- (2) The comment that the initial discussion at Senate could have benefitted from clearer context setting, for example clear examples and evidence of the nature of student behaviour.
- (3) The comment that some recent social media interventions by staff were unhelpful, potentially bringing the University into disrepute and arguably at the margin of the limits of academic freedom.

Agreed: Changes to Regulation VII (The Common Seal of the University) as set out in the report (with other changes to Regulations approved by Senate noted).

18. Forward agenda for 2020-21

Received: the Board forward agenda for 2020-21

Close