

The University of Manchester

BOARD OF GOVERNORS

Wednesday, 13 October 2021

Present: Mr Edward Astle (in the Chair), President and Vice-Chancellor, Mrs Ann Barnes (Deputy Chair, by video conference), Prof Claire Alexander, Mr Gary Buxton, Prof Danielle George, Mr Miguel Gonzalez-Valdes Tejero, Dr Reinmar Hager, Mr Nick Hillman, Ms Caroline Johnstone, Dr Eric Lybeck, Prof Paul Mativenga, Dr Neil McArthur, Mr Jatin Patel, Mr Raoul Shah, Mr Richard Solomons, Ms Melody Stephen, Ms Natasha Traynor (Associate Member), Dr Jim Warwicker, Mrs Alice Webb (by video conference) and Ms Roz Webster (20 members).

Apologies: Mr Robin Phillips.

In attendance: The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor, the Director of People and Organisational Development, the Deputy Director of Finance, the Director of Planning (item 6), the Vice-President for Social Responsibility (items 8 and 9), the Director of Equality, Diversity and Inclusion (item 8), the Director of Social Responsibility (item 9) and the Acting Director of Development and Alumni Relations (items 10-12) and the Deputy Secretary.

Before the business of the meeting was transacted, the Chair welcomed new lay, Senate and student members to the Board. To ensure the requirement for a lay majority was fulfilled, where required, the President and Vice-Chancellor left the meeting when the Board made resolutions.

1. Declarations of Interest

Reported: there were no declarations of interest.

2. The role of the Board of Governors

Received:

- i) the Board's Statement of Primary Responsibilities:
- ii) Board Standing Orders: and
- iii) Board membership for 2021-22

Noted: that a revised version of the Scheme of Delegation would come to the November meeting.

Action: Deputy Secretary

3. Minutes

Agreed: the minutes of the meeting held on 21 July 2021.

4. Matters arising from the minutes

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

5. President and Vice-Chancellor's report

Received: the report from the President and Vice-Chancellor. At the pre-Board Strategic Briefing, the Board received presentations on issues covered in the report, i.e. from the Vice-President for Learning, Teaching and Students on Admissions and the National Student Survey results and from the Vice-President for Research on the Postgraduate Research Experience Survey.

Reported:

(1) The majority of international students had arrived on campus, although a proportion were studying online (particularly in the Faculty of Humanities).

(2) A main water main burst had caused flooding on Oxford Road on 22 September: this was during the student induction period and had resulted in some disruption, although efforts of staff across the institution had minimised the impact. There had been a further less serious burst on 10 October and Oxford Road was temporarily closed.

(3) There had been some issues with Wi-Fi access on campus: these had now largely been resolved, although a few residual issues remained.

(4) As reported to the Board via email, the Chief Financial Officer had resigned for personal reasons on 6 October, with immediate effect. John Cunningham, who had previously served in an interim capacity in 2020, would take up the role of Interim Chief Financial Officer on 18 October.

(5) The outcome of the Comprehensive Spending Review on 27 October was awaited (noting that this might include a response to the Augar Review). There had been a number of new ministerial appointments following the recent Cabinet reshuffle, including the appointment of Nadhim Zahawi as Secretary of State for Education and George Freeman as Under-Secretary of State for Science, Research and Innovation.

(6) Whilst there was recognition of the potential for under reporting, reported Covid rates on campus were very low and a survey of vaccination rates amongst the student population indicated very high take-up (approximately 95% vaccinated of those surveyed). Current regulations meant that international students who been vaccinated abroad, with a UK-approved vaccine, were required to isolate if identified as a close contact of someone with Covid-19 (unlike their UK peers) and the sector had made representations to government on this issue.

(7) The Universities and Colleges Union (UCU) were balloting members for industrial action on pay and pensions: the ballot would run from 18 October until 4 November. In relation to pensions, the Universities Superannuation Scheme (USS) Trustee had agreed to proceed with employers' proposals for concluding the 2020 USS valuation: failure to do so would have resulted in significant increases in payments for both employees and employers, with further increases in 2022. There would now be more modest increases in contributions for both employees (9.8% of salary from 9.6%) and employers (21.4% from 21.1%). Whilst there would be some impact on benefits (and USS had provided information on its website enabling members to model this), existing benefits were not impacted.

(8) The significant increases in contributions required if proposals to conclude the 2020 valuation were not accepted was likely to result in withdrawal and a decline in take up of the scheme, placing its longer term sustainability in question. [Information](#) on pay, pensions and related matters (including pay gaps) had been made available to staff in recent weeks. The University recognised recent inflationary pressures, but pay increases were negotiated at national level by the Universities and Colleges Employers Association (UCEA): the most recent pay increase (in August 2021) was between 1.5% and 3.65% with the highest increases for the lowest paid (this was in addition to annual increments of between 1.5% and 1.7% of salary available to about half the workforce).

(9) The University has approximately 6,300 staff who were members of USS: UCU membership was approximately 2,200. Ballots would be conducted on an individual, University by University basis, with a turnout of at least 50% required to validate an outcome favouring industrial action.

Noted:

(1) In response to questions, an Industrial Action Contingency Group was meeting to consider mitigating actions in the event should that industrial action was the outcome of the ballot: previous experience suggested that impact would be patchy and localised. The Board agreed on the importance of ensuring regular and effective student communications as part of contingency planning.

(2) In response to a further question about the impact of the development and extension of blended learning on student: staff ratios, this was dependent on local/discipline position and at Professional Services level, emphasis was on redesigning work to ensure efficiency and optimise effectiveness. In this context, there was reference to investment in e-learning technologists to support academic delivery.

6. Strategic Plan

Received: a report updating the Board on progress towards delivery of the strategic ambitions for the University as set out in the *Our Future* strategic plan, following an extensive review process and endorsement of direction of travel by the Board in July.

Reported:

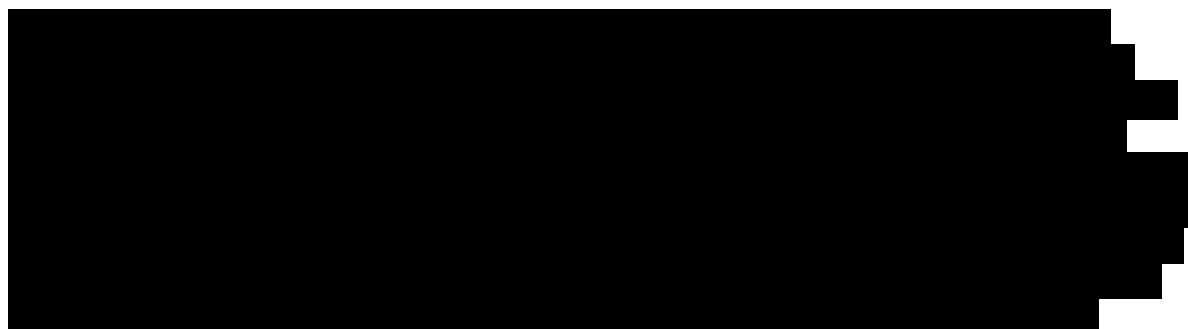
(1) The review reaffirmed the University's academic purpose and vision, utilising the current University business model and reinforced (and in many cases amplified) support for the ambitions and priorities articulated within *Our Future* (and subsequently tested in the Foresight Report). The impact of unplanned student recruitment had been assessed and included, although further work was required to more fully consider the future implications of this trend.

(2) The review placed greater emphasis on strengthening the financial sustainability of the University without compromising on academic quality, against a backdrop of the unsustainable financial model that all research intensive universities in the UK were facing. It clarified both how additional cash will be generated and how that available cash will be deployed to support strategic priorities, at a level of detail below that originally articulated within *Our Future*. The improved financial resilience delivered by actions outlined generated sufficient spare cash within the planning period to invest in many (but not all) University priorities and prioritisation would continue as plans evolved.

(3) The plan had implications for University risk appetite, in particular in relation to people risks, capacity to deliver change, and exposure to specific student markets. This would remain under review given external uncertainties that will demand both resilience and adaptability and could trigger a reassessment of the balance of risk and benefit within the plan.

Noted:

(1) At its meeting earlier in the day, Finance Committee had considered the financial plan and assumptions and the case for financial sustainability as outlined in the report, noting the increase in single country dependency. As discussed in July, the base case (updated to reflect budget holder proposed actions) included growth in high margin programmes in the Faculty of Humanities and some year on year reductions in core pay in Professional Services and the other faculties: this had been overlaid with the impact of additional student recruitment in 2021-22.



Redacted – Restricted information

(3) The plan did not include the financial benefit of further initiatives which had the potential to improve the overall position, for example income from ID Manchester and delivery of large scale philanthropic income.

(4) The report noted that some Estates priorities were unlikely to be funded and in the context of this and the need for ongoing long term maintenance, whilst endorsing the direction of travel, Finance Committee had encouraged a review of Estates priorities and the overall available level of capital expenditure

Redacted – Restricted information

(5) The report also noted that the plan currently contained no proposals in relation to further borrowing, although, subject to Board consideration, this was an option, for example, in relation to improvement of the student residential estate (see also item 16 ii) below). The Finance Committee had encouraged an overall review of long-term financing strategy to help consideration of residences funding, noting the longer term need to repay the Bond and Private Placement, and the possible need for contingency against single country risk

(6) The proposals within the report were in the context of a defined risk appetite, which was set out in an appendix to the report and had been discussed at length by the Board in July. This included the increase in single country dependency referred to above (mitigated by an increased focus on international diversification, a funded priority within the plan) and the risk of domestic fee reduction as a potential outcome of the implementation of the Augar review recommendations (noting that stress testing and scenario planning was included in the Going Concern review undertaken as part of the audit of the Financial Statements). As outlined to the Board in July, failure to take mitigating action would steadily erode the availability of operating cash and increased home Undergraduate recruitment would not address this: indeed increased recruitment from this source (either driven by demographic changes or longer term changes in assessment) was a potential threat to financial sustainability (not entirely within the University's control) which the plan attempted to mitigate.

(7) The report noted that the risks relating to people were multi-faceted and difficult to measure precisely and should be added to key risks. The Board noted that the emerging risk of inflation on costs was not explicitly articulated and it would be helpful to monitor this closely and consider potential inclusion (noting that the longer term impact was not known). Similarly, the risks to delivery **Redacted – Restricted information** should also be kept under close scrutiny and added to key risks.

(8) As part of the wider review of the strategic plan, the measures of success approved in November 2019 had been updated to reflect more recent external events and changing internal context and this detail was reflected in the report and supplementary material available in the Reading Room. This work had been used to inform the development of Operational Priorities for 2021-22 as set out in the report and the embedding of targets into the faculties and Professional Services would continue during 2021/22, alongside the ongoing development of a dashboard for the Board which will combine strategic measures of success and key underlying indicators (details of this evolving balanced scorecard approach were set out in materials in the Reading Room). (NB there was an error in the detailed measures of success/metrics, which should refer to 95.5% year 1 to 2 continuation.)

Agreed:

(1) To note actions being taken by the faculties and Professional Services to further strengthen financial sustainability, and the strategic investment priorities (both funded and not currently funded).

(2) The risk appetite required to deliver the plan as set out in the report, noting the comments in (6) and (7) above.

(3) The financial plan and updated base case which underpins future planning and budgeting, noting the comments from Finance Committee in (3) and (4) above.

(4) Revisions to the measure of success in *Our Future* and the 2021-22 Operational Priorities, noting ongoing work to develop a balanced scorecard as set out in (8) above.

(5) The balanced scorecard be brought to the meeting of the February 2022 Board. Overall investment priorities (including further consideration of method of funding for the residences) would also be brought to the Board (Secretary's note: this is now planned towards the end of the academic year).

Action: Director of Planning

7. Health, Safety and Wellbeing Annual Report

Received:

(1) The annual report on health, safety and wellbeing which covered current levels of assurance, including significant adverse events, relevant external inspections and audits, key performance indicators and metrics, progress against strategic priorities and new developments affecting the University's risk profile for 2021-22.

(2) Two new strategies covering Occupational Health and Safety and Wellbeing were available in the Reading Room

Reported: feedback from the Board had been noted and a streamlined quarterly report would be available from Quarter One in 2021-22

Noted:

(1) The decrease in recorded staff sickness absence (including for mental health reasons) was likely to be a result of under-reporting because of working from home and it was important to ensure that staff remained aware of available support.

(2) The relatively low rate of HASMAP assurance in Estates and Facilities was under review (there was ongoing discussion about the relevance of the methodology to operations in the Directorate).

(3) Concerns raised by student members about apparent increased incidence of sexual assault and harassment, including "spiking" of drinks: the RSCOO undertook to raise this matter with the Director for the Student Experience.

Action: RSCOO

8. Equality, Diversity and Inclusion Report

Received: a summary of key Equality, Diversity and Inclusion (EDI) achievements, immediate and proposed structural changes to the EDI team, the 2021-22 workplan and the interim EDI strategy.

Reported:

- (1) The proposed structural change was to enable an enhanced minimum EDI capacity, required to drive cultural change and strategy development, implementation and evaluation, noting that benchmarking data showed dedicated resource was below peer institutions.
- (2) The interim EDI strategy focused on leadership, an embedded and cohesive approach, building an inclusive culture and taking positive action to improve diversity of the workforce.

Noted:

- (1) It would be helpful to disaggregate the Black, Asian and Minority Ethnic descriptor to enable the capture of more nuanced and meaningful data (work on this was already underway).
- (2) The importance of anticipating, as far as possible, developments in the EDI environment, and building this into future planning: in this context, there was already recognition of the importance of inter-sectionality and the potential complexity arising.
- (3) Additional resource would facilitate and catalyse delivery of the culture change required across the whole organization to ensure meaningful and consistent improvement in relation to EDI, supporting delivery and implementation in the faculties.
- (4) The potential to build on and improve external service accreditation (e.g. to move from Level 2 to Level 3 Disability Confident Employer)
- (4) The comment from student members that service change and culture change were equally important with service users feeling empowered and enabled to speak out on key issues.
- (5) The recent Governance Effectiveness Review had commented on the importance of EDI training specifically aimed at Board members. **Action: Deputy Secretary**
- (6) Building on the interim plan, the full EDI strategic plan would developed for consideration by the Board no later than October 2022.

Agreed: to note the report and endorse actions and general direction of travel as outlined.

Action: VP for SR: Director of EDI

9. Social Responsibility update

Received: a report summarising progress towards delivery of the Social Responsibility five-year plan (consideration of this report had been deferred from the July 2021 meeting).

Reported:

- (1) The report and accompanying presentation set out progress against the following six headings (in each case with practical examples): the four key social responsibility themes (social inclusion: environmental sustainability: better health: cultural engagement): the Sustainable Development Goals (SDGs): and Enabling, Embedding and Engaging for Social Responsibility.
- (2) The report set out key priorities for 2021-22 including building on the 2021 Times Higher world best ranking for impact in relation to SDGs by connecting SDGs to pre-entry student course information, publishing a new comprehensive SDG report (this had now been achieved) and submitting evidence for the 2022 Impact rankings (and the Knowledge Excellence Framework). Following conclusion of the Civic University Agreement (CUA) with the other four Greater Manchester HEIs, development of monitoring and governance processes for the CUA was also a priority for 2021-22.

Noted:

- (1) Senior management would determine investment to advance civic engagement goals.
- (2) The importance of ensuring student awareness of the University's successes in Social Responsibility.
- (3) The potential for philanthropy to benefit the Social Responsibility goal

10. Division of Development and Alumni Relations (DDAR) Annual Report

Received: the annual report from DDAR on fundraising and engagement activities carried out in 2020-21.

Reported:

(1) The report covered philanthropic income (including, for example transformational giving and regular giving), alumni programmes (including employment and recruitment volunteering), engagement (including events and recent changes to governance of the Alumni Association), DDAR internal operations and plans for the year ahead.

(2) In a difficult climate for fundraising, with limitations and restrictions resulting from lockdowns and other Covid restrictions, the Division had performed well, achieving its cash income goal, demonstrating an innovative approach to events and laying the foundation for a University campaign (see item 12 below).

Noted (in response to questions):

(1) Legacy giving was on the increase (on average there was a 10 year gap between pledge and realisation).

(2) The Gift Oversight Group (see item 11 below) carried out due diligence on donations: naming rights were possible for significant gifts, and this was governed by a separate approval route.

(3) The overall tax regime (in particular Gift Aid) was generally supportive of philanthropy.

(4) The potential to enhance links with the Students' Union to enhance awareness of the work of Alumni Relations.

11. Gift Oversight Group

Received: the annual report on the purpose and activity of the Gift Oversight Group, including a record of decisions made.

Reported:

(1) No cases had required consultation with the lay member nominated for this purpose (Caroline Johnstone).

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

(3) DDAR ensured thorough and robust background and due diligence checks on all potential donors. During the year, the Group had considered 48 gift approaches, of which 46 were approved

Noted: The report referred to the establishment of a new Research Relationships Oversight Group (RROG) with identical membership to the Gift Oversight Group, to scrutinise non-philanthropic forms of external income.

Agreed: that the RROG annual report be submitted to the Board.

Action: Deputy Secretary

12. Fundraising and Engagement Campaign

Received: a report on a proposed major fundraising and engagement campaign. At the pre-Board strategic briefing, the Board had received a presentation on the campaign from Pam Davis (Global Philanthropic) and the Acting Director of Development and Alumni Relations.

Reported:

(1) The report proposed a cross-institution development campaign, including fundraising and engagement. An overall goal of [REDACTED] **Redacted – Restricted information** had been scoped out and this covered both philanthropic income and income aligned to the campaign themes (e.g. charity research funding).

(2) In addition to seeking philanthropic income, the campaign will aim to increase engagement with stakeholder groups to bring non-financial benefits and create a stronger, more supportive community.

(3) The report proposed additional investment of [REDACTED] **Redacted – Restricted information** (incorporating feasibility, planning and leadership phases and a public phase (2023-4 to 2027)) generating additional income of approximately [REDACTED] **Redacted – Restricted information** (and related benefits, including engagement and marketing). The proposed campaign launch would align with the University's 200th anniversary, in 2024.

Noted:

(1) During the Feasibility Study referred to in the report, an overarching goal of [REDACTED] **Redacted – Restricted information** was tested: the campaign was designed to be cross-institutional and in addition to philanthropic income generated by DDAR, other income related to the campaign with philanthropic intent (for example charity research funding) could be included. The inclusion of charitable income of [REDACTED] **Redacted – Restricted information** goal was based on analysis of past performance.

(2) The balance of the campaign would ensure that philanthropic income was not less than 50% of the overall campaign goal. Without the additional investment, it was estimated that income of [REDACTED] **Redacted – Restricted information** would be generated over the course of the campaign, and the additional investment was designed to secure the [REDACTED] **Redacted – Restricted information** to achieve the overall [REDACTED] **Redacted – Restricted information** goal.

(3) There was potential to achieve far more than the [REDACTED] **Redacted – Restricted information** additional philanthropic income referred to and given that the public phase of the campaign would not start until 2023-24, there was scope to adjust this. The cost of the investment was factored into strategic and financial planning (resulting income had not yet been factored into the five-year plan). As planning developed, the Board advised that it would welcome greater specificity about the possible scale of additional philanthropic income (and the extent of any additional investment that might be needed to exceed this target).

(4) The importance of clearly articulating risk to delivery (for example, ensuring sufficient capacity in gift approval governance and the work of the Gift Oversight Group) and of defining themes and impact of the Fundraising and Engagement Campaign.

Agreed: noting the need to ensure clarity about the overall composition of the [REDACTED] **Redacted – Restricted information** goal, and the scope to increase the target of the additional [REDACTED] **Redacted – Restricted information** philanthropic income, to endorse the overall approach to the development and delivery of an integrated, cross-University fundraising and engagement campaign.

Action: Director of DDAR

13. Chair's Report

Noted: there were no additional matters for report by the Board.

14. Secretary's Report

i) Exercise of Delegations

Reported: the award of Emeritus Professorships and use of Seal Orders as outlined in the report.

15. Update from the Students' Union

Noted:

(1) The Governance Effectiveness Review report had proposed the inclusion of a standing item on the agenda to ensure full opportunity for the student voice to be heard at the Board: on this occasion, the Students' Union had opted not to submit a written report, but this was an option for future meetings.

(2) The Chair reminded the Board that in its Governance Effectiveness Review, Halpin had emphasised the need for a Board culture which highlighted the importance of student representatives, and encouraged and supported this.

(3) In verbal feedback, the student members referenced recent consideration and agreement in relation to [assessment commitments](#) and potential impact of industrial action on students.

(4) Nick Hillman reported the recent publication by HEPI of a [report on careers and employability for international students](#), the genesis of which was discussion of issues raised by the previous student representatives on the Board.

16. Board Committee reports

(i) Audit and Risk Committee (15 September 2021)

Received: a report from the Audit and Risk Committee meeting held on 15 September 2021.

Reported:

(1) The meeting had focused on a deep dive into cyber-risk and had benefitted from specialist input from the advisor to the Committee, Alex Creswell. In addition to the technical mitigations outlined at the meeting, the Committee noted the importance of the people element and that an Organisational Development approach focusing on improving behaviour and culture change was crucial.

(2) The Committee agreed that the further work on the development of the risk assurance map for cyber-risk should become an exemplar which could then be used as a template and model to inform the further development of other maps (such as Employee Relations). This impacted on the schedule for deep dive reviews of risk agreed by the Committee in June 2021 but this did not prevent, and should not inhibit, work in parallel to address and mitigate risk.

Noted:

(1) There was a [REDACTED] **Redacted – Restricted information** budgetary commitment to address cyber-security improvements

(2) In due course, there would be benefit on a full Board briefing on cyber security.

Action: Deputy Secretary

(ii) Finance Committee (13 October 2021)

Received: a verbal report on the meeting of Finance Committee held earlier in the day.

Reported:

(1) As reported in item 6 above, the Committee had considered and endorsed (with comments as noted in item 6 above) the financial elements of the Strategic Plan.

(2) The Committee had considered a report on the strategy for student residences and funding options and had agreed to return to consideration of funding options at a future meeting. (NB members were invited to take part in the scheduled tour of the residences for Finance Committee members on 29 November 2021).

(3) Following satisfactory conclusion of outstanding issues, the Committee had approved completion of the legal agreements required to form a Joint Venture with Bruntwood Sci Tech to deliver the ID Manchester project.

(4) The Committee had received a report exploring options regarding the Students' Union Superannuation Scheme, noting that a recommendation on this matter would come to the Board in due course.

(5) The Committee had considered a report on supply chain issues impacting the construction sector.

iii) Staffing Committee (22 September 2021)

Received: a report from the meeting of Staffing Committee held on 22 September 2021

Reported: recommendations in relation to Researcher Development, the Faculty of Science and Engineering (FSE) Technicians Restructure and the Protein Expression Facility.

Agreed: on the Committee's recommendation:

(1) that Part III of Ordinance XXIII to effect the proposed compulsory redundancies across Grade 7 Researcher Development posts in the Directorate for Research, Business and Engagement, Faculty of Science and Engineering and the Faculty of Humanities, if required, should be instituted.

(2) that Part III of Ordinance XXIII to effect the proposed compulsory redundancies across Grade 6 posts in the FSE Technical Services, if required, should be instituted.

(3) that Part III of Ordinance XXIII to effect the proposed compulsory redundancies across Grade 7 posts in the Protein Expression Facility if required, should be instituted.

Action: Director of HR

(iv) Nominations Committee (6 October 2021)

Received: a report from the meeting held on 6 October 2021, updating the Board on appointments and the implementation of the Governance Effectiveness Review.

Agreed:

(1) To appoint Philippa Hird to the Board for a three year period (until 31 August 2024)

(2) To appoint members to Board Committees and Board pairs as outlined in the report.

Noted: the Committee had discussed the action plan for full implementation of the Governance Effectiveness Review, noting that some actions had been completed and others were underway: the action plan referred to engagement with key stakeholders, including Senate.

(v) Remuneration Committee (4 October 2021)

Noted: that a report from this meeting would be submitted to the next meeting of the Board in November 2021.

17. Planning and Resources Committee (13 July 2021)

Noted: a report from the meeting of Planning and Resources Committee held on 13 July 2021.

18. Forward agenda for 2021-22

Received: the Board forward agenda for 2021-22, noting that items for inclusion could be suggested to the Deputy Secretary

21. Any other business

Noted: the development of graphene enhanced [Concretene](#) had received extensive media coverage. Graphene provided sustainability benefits by producing denser, stronger concrete, which allowed for the removal of approximately 30% of the volume of material used and removal of all steel reinforcement from the floor slab, while achieving comparable or improved performance to standard concrete. This enabled reductions both in carbon footprint and in cost for users.