

The University of Manchester

BOARD OF GOVERNORS

Wednesday 11 October 2023

Present: Philippa Hird (in the Chair, except item 20), President and Vice-Chancellor (except item 1), Ann Barnes (Deputy Chair, in the Chair for item 20), David Buckley, Gary Buxton, Prof Daniela Caselli, Anna Dawe, Deirdre Evans, Prof Danielle George, Guy Grainger, Dr Reimnar Hager, Nick Hillman, Tom Jirat, Caroline Johnstone, Hannah Mortimer, Jatin Patel, Robin Phillips, Tony Raven, Dr Hema Radhakrishnan, Tesnime Safraou and Natasha Traynor (Associate Member). (20 members)

Apologies: Prof Paul Mativenga, the Deputy President and Deputy Vice-Chancellor (normally in attendance)

In attendance: The Registrar, Secretary and Chief Operating Officer (RSCOO), the Chief Financial Officer (except item 1), and the Deputy Secretary.

1. President and Vice-Chancellor: update on process and next steps

Received: a verbal update on the President and Vice-Chancellor Appointment Process.

Reported:

(1) Longlisting had taken place on 13 September and the shortlisting meeting would take place on 12 October. The Board was reminded of the key criteria in the person specification and asked individually to rank them in priority order.

(2) Interviews were scheduled for 7 and 8 December, and an additional Board meeting to consider the recommendation from the Appointment Panel was scheduled for 13 December.

2. Declarations of Interest

Reported: there were no new declarations of interest.

3. Minutes

Agreed: the minutes of the meeting held on 19 July 2023.

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: a report from the President and Vice-Chancellor, with further verbal updates as set out below

Reported:

(1) The University and Students' Union had issued a [joint statement](#) in response to the distressing escalation of violence and loss of life in Israel and Gaza. The Statement reaffirmed the importance of mutual understanding and tolerance and deplored all forms of racism, antisemitism, islamophobia, discrimination, and abuse. Comments made by a

student in a television interview about the conflict in Israel and Gaza were being investigated.

(2) On 25 September, the local UCU branch had agreed to call off its strike action and accept the offer that only 25% of pay for staff who had participated in the Marking and Assessment Boycott (MAB) would be withheld. Staff who had participated in the MAB had been asked to complete outstanding marking and assessment as soon as practicable and where reasonably possible by 13 October.

(3) The vast majority of final year students had now received final marks and a classification (about 50 out of c11,000 remained to be confirmed, all in the Faculty of Humanities). Several hundred non-final year students were still waiting on results, and the Board would be updated on this position at its next meeting.

(4) UCU were balloting for further industrial action, and the ballot closed on 3 November.

(5) Teaching had restarted and there were some reports of difficulties with processes, including timetabling. Some staff had reported concerns that this related to the implementation of the Student Experience Programme (SEP), and the Chair had received representations to this effect. Whilst issues related to SEP and the introduction of a new timetable were contributory factors, problems had been exacerbated by staff shortages in certain areas, work required to complete marking delayed by the MAB and the continuing impact of the cyber incident. The concerns raised in relation to SEP were under review, and not all the technical solutions within SEP had yet been implemented.

(6) Subject to the outcomes of consultation processes, approval by relevant boards and a vote by UCU members, [agreement](#) had been reached between UUK and UCU that would see a return of USS benefits to pre-April 2022 levels and a reduction in contribution costs for employers and employees. An augmentation will also be made to benefits to reflect the lower accrual in the past two years.

(7) The latest Knowledge Exchange Framework (KEF) [ratings](#) had been published by Research England. The University has achieved the highest possible score for its work with intellectual property and commercialisation, research partnerships and public and community engagement.

(8) There was disappointment at the recent announcement by the Prime Minister that the Manchester leg of the HS2 rail link was being cancelled, and on 4 October the President and Vice-Chancellor has spoken on [the BBC World at One programme](#) about this. The President and Vice-Chancellor commended a [Financial Times article](#) by Andy Haldane, Chief Executive of the Royal Society of Arts (who had spoken at the Board's most recent Strategy Day) about the long-term detrimental impact of the decision.

(9) Following national advice from the Institute of Structural Engineers, a desktop review had been carried out to ascertain the presence of RAAC (Reinforced Autoclaved Aerated Concrete) in university owned buildings and extensions. As part of the desktop review historic information was also considered enabling a focus on those buildings that required further visual inspection. Inspections had been completed where access was possible and neither the desktop information nor the inspections have indicated the presence of RAAC. The buildings handed over to the ID Manchester Joint Venture had not been inspected but the University's partner had been advised and historic records had been made available. Landlords of leasehold buildings occupied by the University had been asked to advise on the position of their buildings. About a third had responded so far and the remainder were being followed up.

(10) The latest student data headlines were available in the Diligent Reading Room: the overall recruitment position was broadly on target, although (largely because of the healthy employment picture) recruitment of home students to full-time postgraduate taught (PGT) programmes was down on target. Increased emphasis would be placed on

encouraging final year undergraduate students to apply for PGT programmes. There were some encouraging signs that efforts to improve international diversification were enjoying success.

(11) In the pre-Board briefing session, the Board had received presentations on the implications of Artificial Intelligence on the work of the University and the National Student Survey and Teaching Excellence Framework outcomes; full details were available to members on Diligent. The pre-Board briefing also included information about updated guidance for lay members chairing employee relations panels (see item 8 i) and 14 ii) below)

Noted:

(1) In relation to international diversification, as noted in the report on Operational Priorities, the November Accountability Review would receive detail of the change in scorecard definition and target, with further analysis and exploration of performance at the February Board meeting.

(2) The University had been well represented at the two main political party conferences through Policy@Manchester.

(3) To date there had been no resumption of the student rent strikes that had occurred in the previous academic year: protests from students supporting Just Stop Oil was extremely likely and there had already been incidents at other universities.

(4) The UK's decision to re-join the [Horizon Research Scheme](#) was extremely welcome, with institutional and national reputational, economic, health and other benefits.

(5) The Board's thanks to colleagues who had worked extremely hard over the summer, some without a break, to address the impact of the cyber-attack and other matters.

(6) In her response to representations about the SEP, the Chair had referenced the Board's continued focus on major projects and the potential for implementation of new systems to surface other problems, particularly given the complexity of the University's academic offer.

6. Student context-significant issues for the student experience

Received: a report summarising key long-term and immediate issues affecting the student experience.

Noted:

(1) Concerns raised about the impact of the MAB as outlined above, noting that the Board would receive an update at its November meeting.

(2) The loss of the MyManchester system meant that to satisfy UKVI requirements, international students needed to physically check in on campus, which was a cause of frustration. Procurement of a replacement system was being accelerated but a permanent solution would not be in place for twelve months, albeit local improvements could be effected in time for semester two. Whilst recognizing the non-discretionary nature of the University's UKVI obligations, the Board agreed that the current situation was sub-optimal and asked to be kept apprised of developments.

Action: RSCOO/Director for the Student Experience

(3) The Board welcomed the framing of student financial concerns as a cost of attendance problem.

7. Finance matters: report from Finance Committee (25 September 2023)

Received: a report from the meeting of Finance Committee held on 25 September 2023.

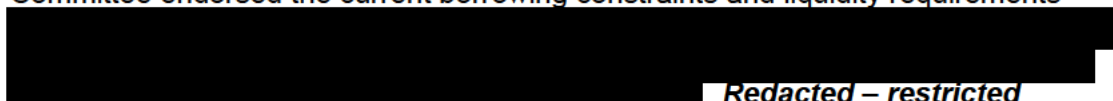
Reported:

(1) The meeting had focused on an in-depth review of the University management accounts for the full year ended 31 July 2023. The reported surplus was £71.5m, slightly below the budget of £74m but ahead of the Q3 forecast (after £41m spend on strategic projects and £12m upfront spend on residences demolition costs). Excluding strategic projects and demolition costs, 10% operating cash generation compared to income had been achieved. At least annually, the Board would receive a similar in-depth review.

(2) The above headline position masked areas which were either ahead or behind budget, for example, the results included £18m higher cost of living payments but conversely funding body grants and other income were significantly ahead of budget.

(3) The Committee noted that the 10% operating cash generated was in line with target but noted that, whilst all of the University's surplus would be reinvested back into funding strategic and other projects, the level of these investment demands outstripped the levels of surplus and cash being generated e.g. to fund projects such as Zero Carbon, the need to respond to the Long Term Maintenance issues across the estate and the residences programme.

(4) The Committee welcomed the funding strategy report and the clarity provided. The Committee endorsed the current borrowing constraints and liquidity requirements


Redacted – restricted information The funding strategy report also set out clearly the current rationale for funding the first phase of residences development.

(5) The Committee received the regular update on strategic change projects and focused on data to set targets and monitor progress on the improvements and benefits gained from the change programmes, particularly as most benefits were non-financial. It was commented that the lack of benefits targets and tracking was unusual, and this should be addressed, and the new Director of Transformation had been tasked with looking at the benefits realisation data.

(6) The Committee approved an update on the impact on the five-year plan and budget following the cyber incident. No adjustment was needed to the budget and five-year plan at this stage with additional costs provided within budgets.

(7) The Committee noted liaison with Moody's about the potential implications of the Design, Build, Finance and Operate (DBFO) model for the residences on the University's credit rating and that any potential downgrade would only impact if the University chose to secure additional borrowing itself. Given the sources of long-term finance available to the University, there were no current plans to seek further borrowing: the need for periodic consideration of plans for repayment of long-term finance was noted (private placement of £100 million maturing in 2046 and £300 million listed bond maturing in 2053).

Agreed: to retain the current Investment Belief and Objectives and to update the Investment Strategy as outlined in the report.

8. Chair's report: Board forward look 2022-23

i) Outcomes of Board evaluation 2022-23

Received: a report summarising questionnaire responses and outcomes of one-to-one meetings between the Chair and Board members, with areas for suggested development.

Reported:

(1) Feedback was generally very positive, with confirmation that Board focus areas were appropriate.

(2) Areas for suggested development were:

- Board member attendance at Graduation Ceremonies. **Action: Deputy Secretary**
- lay Board members to chair at least one employee relations panel per year (relevant guidance had been recommended for approval by People Committee-see item 14 ii) below and a pre-Board presentation from colleagues in People and OD had provided further detail and context).
- development of a calendar of meetings and events that members could potentially attend. **Action: Deputy Secretary**

ii) Board focus areas 2023-24

Received: a report proposing Board focus areas for 2023-24

Agreed: to confirm Board focus areas for 2023-24 as outlined in the report, noting marginal changes from the 2022-23 version.

iii) Board forward look 2023-24

Agreed: the Board forward look for 2023-24.

9. Major Projects

Received: a report building on the updates provided to Finance Committee (and Audit and Risk Committee) in September and to the Board of Governors in July. The report included a summary of delivery since the previous update to the Board, the impact of the cyber incident on the change portfolio and a rethink of the overall approach, including:

- simplifying the current approaches and language relating to strategic change.
- reaffirming the requirement for benefits to be at the heart of each project and programme and ensuring there is more effective analysis, and therefore understanding, of the impact from outputs delivered in change programmes.
- elevating reporting for Board level audiences with improved and more concise executive summaries that provide a better indication of portfolio performance.
- complementary to the delivery of longer-term, strategic programmes, the addition of a continuous improvement function to support the university with the implementation of smaller scale change.
- work to be validated by partnering with a third-party to enhance the approach and bring valuable insights and best practices from across the sector and beyond.

Reported: to support the revised approach as outlined above, the new Director of Transformation would meet with the Chairs of Audit and Risk Committee (ARC) and Finance Committee, noting the focus of ARC on overall programme assurance, including prioritisation, with Finance Committee focusing on specific programme/project performance.

Noted:

(1) Fundamentals of reporting to the Board and its committees should include clarity on what each project was aiming to achieve: assessment of delivery of each project and how this was both being measured and tracked over time.

(2) Whilst it was helpful that the report included a summary of the gateway stage which each project had reached and noting that the diagram in the summary did not yet fully reflect the impact of the cyber incident, it was important that the summary was as robust and accurate as possible to enable the Board to assess performance effectively.

(3) Noting earlier discussion about the implementation of the SEP, concerns raised by a Senate member of the Board about negative impact on staff and students in their academic area. As noted above concerns related to SEP were under review and other start of academic session issues had exacerbated the situation. In this context, the ongoing impact of the cyber incident should not be under-estimated.

(4) Members reiterated the importance of clear data and metrics to set the objectives for and to review and monitor the success of SEP and other major, strategic projects.

(5) Improvements to teaching cluster environments as part of the Evolve Programme had resulted in estimated avoidance of additional costs of £5.4 million associated with lost teaching hours and consequential improvements to the student experience.

(6) Whilst SEP had improved the programme enrolment process (as set out in the report), the combination of factors outlined above had created other related issues and problems.

(7) The importance of clear and transparent communications to students and staff when issues emerged with systems and processes.

Action: RSCOO/Chief Financial Officer/Director of Planning

10. Operational Priorities 2023-24

Received: draft Operational Priorities for 2023-24.

Noted: (from members' comments)

(1) The potential to include a priority related to staff turnover and workload: for future consideration. **Action: Director of People and OD**

(2) Whether the current target of investments made by Northern Gritstone in University spin-outs could be increased. **Action: Deputy President and Deputy Vice-Chancellor**

(3) Whether there was scope to reduce the overall number of priorities: notwithstanding this comment, the importance of ensuring Operational Priorities reflected progress against delivery of major projects for future consideration.

Action: Director of Planning

(4) The importance of establishing a clear and consistent link between Operational Priorities and the dashboard elements of the Board Performance Report.

Action: Director of Planning

(5) Updated and revised People and OD metrics would be considered by People Committee and its next meeting on 1 November.

Agreed: noting the above comments, to approve the Operational Priorities for 2023-24.

11. Research Relationships Oversight Group and Gift Oversight Group-Annual Reports

Received: the annual reports from the Research Relationships Oversight Group and Gift Oversight Group (GOG) (this included a record of decisions made by each Group). The *modus operandi* of the Groups was analogous and they had the same membership.

Reported:

(1) The objective of the RROG was to review and assess the suitability of higher-risk research funders and (more rarely) research partners, collaborators, or sub-contractors. It provided greater assurance that research relationships were consistent with the University's guiding principles, values, mission, and goals (including academic freedom) and provided assurance that these relationships were unlikely to have a significant negative impact upon the reputation of the University.

(2) A 'Gold List' of funders had been agreed for whom RROG approval was not required regardless of the value or frequency of research funding. The 'Silver List' comprised organizations given RROG approval on a long- or medium-term basis. For other providers RROG approval was automatically required for any individual instance of proposed research funding of £1 million or more, or any individual instance of proposed research funding of £100,000 or more from nominated sensitive countries or regions. Irrespective of financial thresholds, RROG had the ability to review in the case of any identified potential ethical or reputational concerns about a proposed relationship. Philanthropic or research relationships with a potential value to the University of £10,000,000 or more were automatically brought to the Board for approval.

(3) RROG did not assess the ethics of an individual research proposal or area of research. The nature of a research project might provide important context for RROG about the activities or purposes of the funder or partner, but this did not extend to a direct consideration of the ethical merits of the research itself. The ethics of research proposals were assessed through a separate set of mechanisms. Decisions were made on a case-by-case basis and could vary for the same funder. The University's Policy on Responsible Investment was also entirely separate from this process.

(4) GOG was responsible for ensuring that philanthropic donations and the purposes to which they were applied were consistent with the University's principles, values, mission and goals and did not undermine reputation or standing. Any single or cumulative donation of £100,000 or more was considered by GOG and donations for lesser amounts could be referred at the discretion of the Director of Development. Gifts with a potential value of £10,000,000 or more received additional consideration from the Board of Governors. The remit for the Group was to ensure that the University, having considered a range of information and carried out appropriate due diligence, accepted gifts which were consistent with the University's Gift Acceptance Policy.

Noted:

(1) In the above context, there was a carefully considered rationale for RROG approval of research relationships with the oil and gas sector. This was consistent with the principles of academic freedom, and any potentially adverse impact on reputation was mitigated as the research relationships in question focused on renewable energy and facilitating

management of the transition away from reliance on fossil fuels and developing a more sustainable approach.

(2) In response to a question, the University was fully cognisant of its responsibilities in relation to the National Security and Investment Act and was considered sector-leading in its expertise in and approach to export controls.

(3) In considering donations from individuals connected to the gambling industry, GOG carefully weighed up any potential negative reputational impact against the institutional and wider societal benefits that would accrue from the gift. There was recognition that these were complex and nuanced decisions which would be influenced by, for example, the evolving narrative around, and public perception of the gambling industry.

Agreed: to note the reports.

12. Freedom of Speech: Briefing

Received: a report updating members on the implications and impact of the Freedom of Speech Act, which received Royal Assent in May 2023. This included action taken to date and planned future activity to ensure that the University fulfils the obligations of the new legislation.

Noted: the Board would receive further updates on progress during the course of the academic year.

Action: Deputy Secretary

13. Planning and Resources Committee

Received: the report from the meeting held 19 September 2023.

Noted: all items requiring approval were dealt with elsewhere on the Board agenda.

14. Board Committee reports

i) Audit and Risk Committee (19 September 2023)

Received: the report from the Audit and Risk Committee meeting held on 19 September 2023.

Noted: an update on the response to the cyber incident was appended to the report.

ii) People Committee (20 September 2023)

Received: the report from the People Committee meeting held on 20 September 2023.

Agreed: to approve the lay members employee relations panel guidance (referred to earlier in the meeting).

iii) Nominations and Governance Committee (11 October 2023)

Received: the report on committee appointments and pair and buddying/mentoring arrangements considered by the Nominations and Governance Committee meeting held earlier on 11 October 2023.

Reported: the Committee had approved the recommendations set out in the report.

Agreed:

(1) The following appointments to committees:

Finance Committee	Guy Grainger
Audit and Risk Committee	Tony Raven
People Committee	Daniela Caselli

(2) The following revised Board pair arrangements:

Faculty of Biology, Medicine and Health	Dan George and Nick Hillman
Faculty of Humanities	Hema Radhakrishnan and Robin Phillips
Faculty of Science and Engineering	Deirdre Evans and Jatin Patel
Professional Services	Reinmar Hager and Daniela Caselli
Teaching, Learning and Students	Anna Dawe and Ann Barnes
Research	Tony Raven and David Buckley
Social Responsibility	Gary Buxton and Paul Mativenga
Equality, Diversity and Inclusion	Natasha Traynor and Hannah Mortimer

(3) To note buddying/mentoring as outlined in the report.

Noted: the Chair would circulate guidance notes to the pairs outlining the role that they would take at the forthcoming Accountability Review. **Action: Deputy Secretary**

iv) Remuneration Committee-annual report

Received: the annual report from the Remuneration Committee meeting held on 8 June 2023.

Agreed: to approve the annual report as drafted.

15. The role of the Board of Governors

Received:

- (1) The Statement of Board Primary Responsibilities
- (2) Standing Orders of the Board
- (3) Scheme of Delegation
- (4) Membership of the Board from 1 September 2023

16. Annual update on members' legal obligations

Received: an annual update on members' legal obligations.

Reported: the report reminded members of the University's charitable status, set out members' fiduciary duties, compliance obligations to the regulator (the Office for Students) and the expectations of the Nolan Principles and the Committee of University Chairs Code of Governance. It also set out the Board's responsibility for strategic direction and risk management, its ultimate accountability for academic governance, and emphasised the Board's stewardship role, and its responsibility to ensure the University thrives.

17. Secretary's report

Received:

- (1) Board attendance report for 2022-23
- (2) The report on Exercise of Delegations covering the recent award of Emeritus Professorships, Head of School appointments and the use of the Seal.

(3) Latest Reportable Event submissions to the Office for Students

18. University-Union Relations Committee (18 July 2023)

Received: a report from the meeting of University-Union Relations Committee held on 18 July 2023.

19. Dates of remaining meetings in 2023-24

Noted:

(1) Meeting dates in 2023-24 as below (unless stated, lunch from 12pm, briefing 12.30-2.30pm, meeting 3-6pm, supper 6-c7.30pm (all meetings in person)

- Thursday 23 November (including Accountability Review which starts c9am). Board meeting starts at c3.15pm
- Wednesday 13 December 2-3pm (to consider and confirm the appointment of the next President and Vice-Chancellor)
- Wednesday 21 February
- Tuesday 19 March
- Wednesday 22 May (Strategy Day, all day from 9am): Board meeting Thursday 23 May (am)
- Wednesday 24 July

(2) The joint Board/Senate meeting would take place on Wednesday 13 December, 3.30-5pm (reception to follow).

20. Evaluation of Chair of the Board

Received: a report setting out the outcome of the 2022/23 anonymised evaluation questionnaire on the performance of the Chair of the Board.

Noted:

(1) Responses were extremely positive and demonstrated a high degree of confidence and respect for the Chair in performance of her duties. The report, including learning points and suggestions for consideration, had been discussed with the Chair.

(2) The Governance Office was asked to review the functionality of Diligent to ensure ease of access for members to completed questionnaires.

Action: Deputy Secretary