

The University of Manchester

BOARD OF GOVERNORS

Thursday 23 November 2023

Present: Philippa Hird (Chair), President and Vice-Chancellor (except item 1), Ann Barnes (Deputy Chair), David Buckley, Prof Daniela Caselli (item 7 onwards), Anna Dawe, Deirdre Evans, Prof Danielle George, Guy Grainger, Dr Reimnar Hager, Nick Hillman, Caroline Johnstone, Prof Paul Mativenga, Hannah Mortimer, Jatin Patel, Robin Phillips, Dr Hema Radhakrishnan, Tesnime Safraou, Prof Fiona Smyth and Natasha Traynor (Associate Member, via video conference). (19 members)

Apologies: Gary Buxton, Tony Raven, and Tom Jirat,

In attendance: The Registrar, Secretary and Chief Operating Officer (RSCOO), the Deputy President and Deputy Vice-Chancellor (except item 1), Chief Financial Officer (except item 1), the Vice-President for Research (items 9-12) the Vice-President for Teaching, Learning and Students (items 9-12), Prof Dame Nicky Cullum (item 9) 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 and details of proposals to honour the outgoing President and Vice-Chancellor.

Reported:

(1) Interviews with shortlisted candidates 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) All shortlisted candidates will have visited campus to meet informally with key stakeholders before the Interviews. In addition to interaction with senior leaders, candidates had met with students, a subset of Senate members and local civic leaders: these sessions did not form part of the selection process and were to enhance candidate understanding of the institution. The assessment process included psychometric testing and a mock media exercise.

Agreed: in recognition of Prof Dame Nancy Rothwell's career and service to the University, to approve the following honours and awards:

(1) On the recommendation of Awards and Honours Group and Senate, an honorary degree (Doctor of Science)

(2) On the recommendation of Senate, the position of Professor Emerita.

(3) On the recommendation of Planning and Resources Committee, that the Manchester Engineering Campus Development (MECD) be named The Nancy Rothwell Building after her

2. Declarations of Interest and welcome

Reported: there were no new declarations of interest. Prof Fiona Smyth was welcomed to her first Board meeting, following her election as a Senate member.

3. Minutes

Agreed: the minutes of the meeting held on 11 October 2023.

4. Matters arising from the minutes

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

Noted:

(1) The Chair wanted to ensure understanding of the revised international student diversification metric and would explore this further with the Director of Planning and report back to the next meeting. **Action: Chair/Director of Planning**

(2) A brief update on the position with the group litigation brought against University College London: there had been no firm substantive developments, and the Board would be kept fully apprised once there was further news.

(3) At the previous meeting, the Board had been apprised of the need for international students to physically check in on campus to satisfy UKVI requirements, given the loss of the MyManchester system. There was ongoing student concern about the situation and efforts to mitigate this, including explanatory communications continued. As noted at the previous meeting, a long-term solution would not be in place before the next academic year: the Board would continue to be advised of developments (both in relation to managing the ongoing risk, following recent Uniac review, and student concerns).

(4) An update on any adjustments required to 2023-24 Operational Priorities following comments at the October Board would be provided for the next meeting.

(5) In December, the high court would consider for the first time whether universities had a legal duty of care (noting that universities already had a general duty of care not to cause harm by careless acts or omissions). The Board would be informed of developments.

5. President and Vice-Chancellor's report

Received: a report from the President and Vice-Chancellor, with a brief further verbal update (noting that the meeting had been preceded by the Accountability Review involving Board and SLT members).

Reported:

(1) The Chancellor's Autumn Statement contained an announcement of a new [Investment Zone for Greater Manchester](#), expected to create 32,000 jobs and leverage £1.1 billion of private sector investment. This announcement gave further impetus to the University's work with partners in business and the city-region, improving people's lives through economic growth and enhancing productivity throughout Greater Manchester. Staff would also benefit from the reduction in National Insurance contributions announced in the Autumn Statement.

(2) Expected guidance from the Office for Students on key elements of the Freedom of Speech Act was still awaited. The University remained deeply concerned about the escalating violence, loss of life and distressing situation in Israel and Palestine and had emphasised its commitment to good community relations, its support for peaceful and respectful protest and its lack of tolerance for discrimination of any kind in a [joint statement with the Students' Union](#).

(3) Consideration was being given to the initial parameters to be used for the budgeting process, thinking about levels of contribution and operating cash required over the five-year plan.

Noted: positive feedback from Board members on the quality of discussion (and supporting documentation) at the Accountability Review held immediately before the Board meeting.

6. Student context-significant issues for the student experience

Received: an oral report from the student Board members (there was no written report given the proximity of the previous Board meeting).

Noted:

(1) As outlined above, ongoing concern about the impact of UKVI compliance measures on international students.

(2) That some student members were concerned that, despite the University's commitment to free speech within the law and peaceful protest, students were not confident in publicly expressing views on the current situation in Israel and Palestine.

(3) An increase in reports of both Islamophobic and Anti-Semitic behaviour in recent weeks: regular meetings between senior managers and relevant impacted student groups were being held to facilitate dialogue and understanding,

7. Finance matters: report from Finance Committee (8 November 2023) and Financial Statements and return to the Office for Students (OfS) 2022-23

Received: a report from the meeting of Finance Committee held on 8 November 2023 along with the following documents:

(1) The report to the Audit and Risk Committee from the external auditors, PKF Littlejohn (the letter of representation in relation to the audit was included as an appendix).

(2) Summary of key points from the Financial Statements

(3) Going Concern report

(4) The Financial Statements for the year ending 31 July 2023.

(5) The OfS Annual Financial Return for 2022-23

Reported:

(1) The Financial Statements and accompanying external audit report and the Going Concern report had been scrutinised in a joint session of Audit and Risk and Finance Committees and the Chairs of both committees confirmed satisfaction with the documents presented to the Board. PKF Littlejohn had provide a clean audit opinion, with no significant deficiencies: there was one relatively minor deficiency relating to bank reconciliation presentation and action was in train to address this.

(2) As the University has bonds admitted to the Official List of the UK Financial Conduct Authority and traded on the Regulated Market of the London Stock Exchange, it was required to comply with various rules, regulations and standards. This imposed specific responsibilities upon the University and its employees, particularly regarding the handling of information, which could potentially affect the trading price of the bond. This information must be kept confidential and not disclosed to anyone without the prior authorisation of the Chief Financial Officer.

(3) The overall operating surplus was £107 million (after the effect of specific pension accounting adjustments). This was down £13m from the previous year and reflected the decision to invest in additional support for students and staff following the cost-of-living challenges during the year: all surpluses were reinvested to fulfil core goals.

(4) Income had grown by 10.5% to £1.3 billion because of an uplift to research funding following the results of the 2021 Research Excellence Framework 2021, an increase in international tuition fees, the recognition of a £50 million grant from the Paterson Building

refurbishment and higher interest income on deposits. The prior year expenditure included a one-off, non-cash charge of £220 million in relation to the USS pension scheme. Excluding the impact of this charge, total expenditure increased by 12.8% to £1.2billion in 2022/23. General price inflation and the impact of the cost-of-living account for much of this increase.

(5) At the end of July 2023, the University had £443 million in cash and short-term investment: whilst this was an improvement on the previous year, there was a need to further improve this position and the £88 million cash generated from operating activities, in order to retain sufficient cash to invest in student and staff facilities and support, IT infrastructure, zero carbon projects and premises/residences. (Secretary's note: an [overview of the Financial Statements](#), including a related infographic was made available online on 30 November 2023).

(6) The OfS Annual Financial Return 2023 Workbook was due to be submitted in draft form to the OfS by 1 December 2023 for review. Any verification queries must be resolved by 12 January 2024 to enable sign off by the President and Vice-Chancellor as the University's Accountable Officer.

(7) The Committee had recommended approval of the full business case for the Humanities Size and Shape project, this supported a significant expansion of academic programmes within the faculty (in the context of overall rationalisation of the academic offer as outlined at the Accountability Review which preceded the Board meeting) with the aim of delivering an additional [REDACTED] **Redacted – restricted information** per annum to the University surplus by 2025-26 (measured against 2021-22 benchmark). This was an example of redeployment of Professional Services space to deliver additional teaching and learning capacity.

(8) The Committee had recommended approval of the Long-Term Maintenance (LTM) and Zero Carbon Masterplan (ZCM) works to the Zochonis Building: the project was necessary to replace life-expired existing systems within the building and the proposed scope of works would result in an 80% reduction in carbon emissions, reducing energy consumption by 31%, generating an anticipated saving of £48,000 per annum. The building would be vacated in full for the construction period (enabling other works to be considered), with plans in place to provide alternative accommodation for displaced activities (any implications for central timetabling would be factored in). Completion of the works would ensure compliance with ventilation regulations and improve space utilisation and energy efficiency and as such was an exemplar for future LTM projects.

(9) In approving the principle of the 10-year LTM plan, Finance Committee had agreed that opportunities to combine maintenance and Zero Carbon work should be taken wherever possible. The disruption and costs incurred by decanting spaces was noted, with necessary works being combined as much as possible. The Committee had agreed that the scale of the residences LTM should be considered as part of the full review of the Residences Strategy, noting that LTM on the retained stock within the residences was not included in the new Residences Programme approved by the Board. The Committee had noted that significant capital funding was necessary over the next ten years to redevelop the Main Library and Stopford Buildings, and this was not accounted for within the LTM capital plan presented.

(10) The Committee had not received a substantive update on Major Projects, with a scoping paper (including future reporting rhythm and content) to be presented for initial discussion with the Chairs of Finance and Audit and Risk Committees shortly. The Committee had endorsed the decision to discontinue the Finance Transformation Programme, noting the importance of factoring in lessons learned to future major strategic change programmes: work would continue to ensure that completion of the required technical upgrade to the finance system by the end of 2024.

Agreed:

(1) That it was appropriate for the Financial Statements to be prepared on a going concern basis and following a meeting of Audit and Risk Committee (in joint session with Finance Committee) and on the recommendation of Audit and Risk Committee to approve the Financial Statements for the year ending 31 July 2023, for submission to the OfS, the London Stock Exchange and publication.

(2) To approve the draft OfS Annual Financial Return 2022 Workbook.

(3) To delegate authority to the Accountable Officer (the President and Vice-Chancellor) to finalise submission of the Annual Financial Return Workbook to the OfS, with any significant amendments to be noted at Finance Committee in February 2024.

(4) To approve the full business case for the Humanities Size and Shape Project

Redacted – restricted information

(5) To approve LTM and ZCM works to the Zochonis Building

Redacted – restricted information

Action: Chief Financial Officer

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

Noted: the Board forward look for 2023-24 (and that the February 2024 meeting was likely to take place at Jodrell Bank).

9. Research presentation: Professor Dame Nicky Cullum, Health Equity

Received: a presentation from Prof Dame Nicky Cullum on Health Equity.

Reported:

(1) The Healthier Futures Research Platform was mobilising research across disciplines to address health inequalities and ensure healthier futures for all, through building capacity and communities, showcasing groundbreaking interdisciplinary collaborations and developing solutions in partnership with practitioners, policy makers and the public.

(2) Greater Manchester's diverse population, the significant local political appetite to address challenges and the devolved approach to health and social care provided a propitious environment for the research, which was a priority for the University, given expertise was both broad and deep, spanning disciplines, topics and methods, and was local, regional, national and global.

(3) Themes covered were children and young people: employment and productivity: environment: ethnicity and racism: health and social care resourcing, access and delivery: and poverty and deprivation.

Noted:

(1) Work on differences in life expectancy across the Greater Manchester region, noting the significant differences between the most and least affluent districts: research also focused on quality of life.

(2) Health inequality was a significant contributor to the 30% gap in productivity between the North West and the South East, emphasising the economic (as well as social) importance of research and consequent action in this area. Research findings were indicating a correlation between devolution of health and social care and improvements in life expectancy.

(3) The potential for this area of research to benefit from future philanthropic activity.

10. Objectives 2023-24

Received: objectives for the Chair of the Board and the President and Vice-Chancellor for 2023-24.

Noted:

(1) The challenge in aligning success measures with the Optimising Staff Performance metric (for the President and Vice-Chancellor), noting that an effective Performance and Development process was an essential contributor.

(2) The potential to add to listed objectives, by reference to the Bicentenary (for the President and Vice-Chancellor and for the Chair).

Agreed: noting the above comments, to approve the Objectives for the Chair and the President and Vice-Chancellor for 2023-24.

11. Prevent Annual Report

Received: the Prevent Annual Report, which described the University's approach to fulfilling the Prevent Duty, for the period 1 August 2022 to 31 July 2023.

Reported: the Chair was asked to sign the document on behalf of the Board in the form of a Declaration (for the purpose of the Office for Students (OfS) submission), included as an appendix to the report. The purpose of the main body of this report was to provide the assurance and evidence for the Chair to be able to sign the Declaration on behalf of the Board.

Noted:

(1) As reported in previous years, all external speaker events had been approved with a very small minority approved subject to conditions: this involved liaison with event organisers and agreeing conditions that mitigated any potential risk (e.g in relation to venue, ticketing etc).

(2) The report included reference to the Shawcross Review of Prevent (published in February 2023) and relevant sector specific guidance was expected, covering management and assessment of risk and challenging disinformation about Prevent.

[Redacted – restricted information]

Agreed: that the report be noted and the Chair sign the declaration for return to OfS.

Action: Director of Compliance and Risk

12. Academic Governance Annual Assurance Reports

Received: the annual Academic Governance Assurance Reviews for Teaching, Learning and Students and Research.

Reported:

(1) In response to the recommendations of the 2021 Governance Effectiveness Review an Academic Governance Protocol was agreed by the Board of Governors and Senate which detailed the way the Board receives assurance on academic governance. The

Protocol enables the Board to test, with Senate, that academic governance is robust, adequate, and effective, as required by the sector regulator, the OfS.

(2) Following earlier consideration by the respective Academic Quality and Standards Committees, Senate had considered both annual reviews, at its meeting on 1 November 2023, and had recommended them to the Board.

(3) At its meeting on 8 November 2023, Audit and Risk Committee had considered both reviews and commended the rigour and quality of the assurance process, noting the extensive amount of supporting material made available in the Diligent Reading Room (also made available to the Board, for reasons of transparency) and endorsed Senate's recommendation that the report be approved by the Board.

(4) Following consideration by the Board, there would be a joint meeting of the Board and Senate on 13 December, as the final element of the agreed annual academic governance assurance review.

Noted:

(1) The important assurance role played by the Academic Quality and Standards Committees of Senate, which had carried out the detailed process of scrutiny and review on Senate's behalf, meaning relatively few issues had been raised directly at the November Senate meeting. This had been the second year of operation of the committees which were proving their value.

(2) The supporting material in the Diligent Reading Room included the deep dive annual performance review data set and notes of the deep dive meetings.

(3) The annual report on innovation activity would be presented to the Board in February 2024.

(4) As noted in item 13 below, there had been considerable discussion about the Student Experience Programme (SEP) at the 1 November meeting: this had included discussion of several issues which had impacted the start of the academic year (see item 13 below). Senate would return to SEP at a special meeting on 20 December, which would enable Senate to be consulted on and discuss the proposed scope, composition and terms of reference of the SEP evaluation.

(5) Whilst it did not form part of the agenda for the joint meeting with Senate, it was likely that SEP and concerns about its impact would be raised by members of Senate.

(6) Notwithstanding the above, the lens for discussion at the joint meeting should be academic assurance, with the meeting providing a further opportunity for the Board to assure itself, through questions of Senate, about the efficacy of academic governance. The meeting would also provide an opportunity for the Board to get early sight of issues emerging in 2023-24, which would feature in the next round of academic governance assurance reports.

(7) To ensure members were briefed on the scope and extent of SEP an information briefing note would be circulated to the Board before the joint meeting on 13 December.

Action: Director for the Student Experience

Agreed: to approve the academic governance assurance reports, noting that this approval would be conveyed to the joint meeting with Senate on 13 December 2023,

which provided an opportunity for further engagement with Senate.

Action: Deputy Secretary

13. Senate

Received: a report from the meeting of Senate held on 1 November 2023, including a recommendation from the Awards and Honours Group.

Noted:

(1) As noted in 12 above, discussion had focused on SEP and there was recognition that the start of the academic year had been challenging. These challenges had resulted from a range of factors, including the ongoing impact of the cyber incident, the Marking and Assessment Boycott and significant vacancy rates in some key areas of Professional Services activity (a national, sector wide issue). Some of the changes associated with SEP had exacerbated these problems due to the need to provide induction and training to staff who were new to roles and new systems.

(2) As part of ongoing senior leadership engagement, the President and Vice-Chancellor (supported by the Deputy President and Deputy Vice Chancellor and the Registrar, Secretary and Chief Operating Officer) had met with Heads of Departments in each of the three faculties, which had resulted in constructive discussion and suggestions. More generally, work was ongoing to monitor the quality of service delivery across Professional Services informed by constructive feedback from the academic community, and this included the establishment of a temporary [Task and Finish Group](#).

Agreed: to approve the recommendation of the Awards and Honours Group for the award of an honorary degree (Doctor of Letters (LittD)) to Michael D Higgins.

14. Planning and Resources Committee

Received: the report from the meeting held on 31 October 2023.

Noted: all items requiring approval were dealt with elsewhere on the Board agenda, and the report provided an update on bicentenary activity.

15. Board Committee reports

i) Audit and Risk Committee (8 November 2023), including consideration of the Annual Health, Safety and Wellbeing Committee report

Received: the report from the Audit and Risk Committee meeting held on 8 November 2023, which included reference to the joint meeting with Finance Committee on the same day.

Reported:

(1) in addition to the annual Health, Safety and Wellbeing Committee report, the Committee had received the latest Uniac internal audit progress report, which included a focus on a review of Health and Safety, requested by the RSCOO and Director of

Compliance and Risk given a rise in number and significance of health and safety events, including near misses.

(2) The review provided limited assurance in relation to effectiveness of design, effectiveness of implementation and economy and efficiency. The reason for the limited assurance was multi-factorial and followed a review of structures, governance arrangements, documentary evidence and meetings with a range of staff across the institution. The review had raised high risk findings relating to clarity of roles and responsibilities for health and safety management and mandatory health and safety training. Health, Safety and Wellbeing Committee and the Occupational Health, Safety and Training Advisory Group would monitor implementation of the actions in the review, with the Committee being regularly updated on progress. The sector briefing circulated from Uniac included a Health and Safety benchmarking assessment which would be reviewed.

(3) Discovery of Reinforced Autoclaved Aerated Concrete (RAAC) in the Schuster Building during planned works. An independent structural engineer had inspected the RAAC and concluded that the condition was generally good with no critical risk matters, meaning that the space can continue to be occupied while further surveys and remedial work were actioned. Longer term mitigation measures involved either the incorporation of enhanced structural supports or full replacement of the concrete structure. There was currently no indication of RAAC elsewhere on campus and the Committee agreed to receive regular updates.

Agreed: (noting that Financial Statements and Academic Governance Assurance reports had been approved under discrete agenda items)

(1) To approve the annual report from the Health, Safety and Wellbeing Committee.

(2) To approve the annual report from the Committee, which included reference to the Internal audit opinion from Uniac.

(3) To approve the Modern Slavery and Human Trafficking Statement for publication.

Action: Deputy Secretary

ii) People Committee (1 November 2023)

Received: the report from the People Committee meeting held on 1 November 2023.

Reported:

(1) Metrics related to the People and Organisational Development Strategy would be considered by February meeting of the Committee, for recommendation to the Board.

(2) The University had received [a Silver Race Equality Charter Award](#), one of only two HEIs to receive this award.

Agreed:

(1) To proceed 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 from 1 July 2024 to 31 December 2024.

(2) That the University continues to take all steps outlined in the report to avoid the need for redundancy wherever this is possible.

Action: Director of People and OD

iii) Nominations and Governance Committee (11 October 2023)

Received: a written report from the Nominations and Governance Committee meeting held on 11 October 2023, confirming the verbal report and recommendations agreed by the Board at its October meeting.

iv) Remuneration Committee (2 November 2023)

Received: the report from the meeting of Remuneration Committee held on 2 November 2023, which had agreed recommendations from the Senior Staff Salaries Review Group.

16. Secretary's report

Received:

- (1) The report on Exercise of Delegations covering the recent award of Emeritus Professorships, and the use of the Seal.
- (2) Latest Reportable Event submissions to the Office for Students

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

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

18. Any other business

Noted: the Deputy President and Deputy Vice-Chancellor thanked the Board for their recent acknowledgement of his 50 year association with the University.

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)

- 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).