

The University of Manchester

## **BOARD OF GOVERNORS**

Wednesday 24 July 2024

*Present:* Philippa Hird (Chair), President and Vice-Chancellor (until item 15), Ann Barnes (Deputy Chair), David Buckley, Gary Buxton, Anna Dawe, Deirdre Evans, Prof Danielle George, Guy Grainger, Dr Reinmar Hager, Nick Hillman, Tom Jirat, Caroline Johnstone, Prof Paul Mativenga, Hannah Mortimer, Jatin Patel, Robin Phillips (from item 10), Dr Hema Radhakrishnan, Tony Raven, and Prof Fiona Smyth (20 members)

*Apologies:* Tesnime Safraou and Natasha Traynor (Associate Member)

*In attendance:* Prof Duncan Ivison, Incoming President and Vice-Chancellor, Patrick Hackett, Registrar, Secretary and Chief Operating Officer (RSCOO), Prof Luke Georghiou, Deputy President and Deputy Vice-Chancellor, Carol Prokopyszyn, Chief Financial Officer, Lexie Baynes, Incoming UMSU Union Affairs Officer, Diana Hampson, Director of Estates and Facilities (item 5 only), Dr Simon Merrywest, Director for the Student Experience (item 5 only), Russell Dyson, Director of Residences Redevelopment Project (item 5 only), Gemma Mossop, Head of Corporate Finance (item 5 only), Ben Ward, Chief Executive, University of Manchester Students Union (item 8 only) and Mark Rollinson, Deputy Secretary.

### **1. Welcome and thanks to members retiring from the Board**

#### **Noted:**

(1) Thanks were given to Gary Buxton, Caroline Johnstone, Hannah Mortimer, Tesnime Safraou and Professor Dame Nancy Rothwell for their service to the Board. Gifts were given to mark their departure from the Board.

(2) Lexie Baynes, the incoming Students Union, Union Affairs Officer was in attendance and welcomed to Board membership for 2024-25.

### **2. Declarations of Interest**

**Noted:** Nick Hillman declared an interest in UPP and Mills and Reeve (both referenced in the report under item 5, Residences Redevelopment Programme) given partnership of both organisations with his employer, the Higher Education Policy Institute.

### **3. Minutes and report from Board Strategy Day**

**Agreed:** the report from the Board Strategy Day held on 22 May 2024 and minutes of the meeting held on 23 May 2024.

### **4. Matters arising from the minutes**

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

**Noted:** the recent [update from University College London](#) on the group litigation brought on behalf of current and former students in connection with Covid and industrial action. The University continued to respond to individual student complaints in a timely manner in accordance with agreed process.

## 5. Residences Redevelopment Programme

**Received:** following Outline Business Case (OBC) approval in July 2023, a Full Business Case (FBC) report seeking approval for the Preferred Bidder for the Residences Redevelopment Programme at the Fallowfield campus, allowing the project to advance to the next phase, leading to Financial Close in June 2025. The next stage involved finalising designs and contractual negotiations, with the goal of commencing construction delivering phases in 2027 and 2028 and achieving final practical completion by September 2029.

### **Reported:**

(1) The Board had benefitted from a briefing by the Project Team immediately before the meeting which covered:

- Purpose, vision and benefits
- Accommodation Overview and Rental Impact
- Confirmation of the scope for redevelopment
- Procurement and bid evaluation process
- An overview of the preferred bidder, Viridis, including strengths, challenges and design strategy, a summary of its financial bid submission, and its track record in the sector
- The model for investment in the Special Purpose Vehicle (SPV), noting assumption of University investment of a [REDACTED] **Redacted – restricted information** (with potential to withdraw this during preferred bidder stage)
- Risk and sensitivity analyses
- Key milestones

(2) As previously agreed by the Board (in July 2023), the preferred bidder will undertake the Design, Build, Finance, and Operate (DBFO) responsibilities for the new residential scheme on the Fallowfield campus with a Special Purpose Vehicle (SPV) managing project delivery and operations over a long-term concession period exceeding 50 years. This would enable the University to deliver essential improvements to student accommodation without incurring additional debt, with external investment providing necessary capital and debt funding.

(3) Whilst the preferred partner would receive most of the rental income, the University would retain control over critical aspects such as services supporting the student experience, rental charges, and a portion of the income, maintaining strategic oversight.

### **Noted:**

(1) The redevelopment of the student residences was an important component in the overall approach to improvement of the student experience.

(2) Finance Committee had reviewed the proposed approach extensively, including discussion with the University's external professional advisors on the project: the Chair of the Committee confirmed the Committee's satisfaction with the thoroughness of the process, including due diligenc [REDACTED]

**edacted – restricted information**

(3) Student engagement and challenge had been a crucial element in considering the scheme and in recognition of concerns about affordability (and the relatively modest price differential between standard and premium accommodation in the new development), an accommodation discount scheme was being established to provide financial assistance to students in need, so that an increase in the average price point of University owned

accommodation did not create a barrier to entry for those students. The efficacy of this would be kept under review.

(4) Other benefits of University accommodation included: round the clock Residential Life and Campus Security support, integrated University services (eg counselling and mental health support, discounted gym and fitness membership, access to green spaces and (from September 2027) a new student amenity hub).

(4) Commitment to zero carbon operation and environmental sustainability was a significant strength of the Viridis bid.

(5) The Viridis approach to construction (modular and much of it off site) helped to mitigate risk and impact of construction delay and to reduce impact on students who would be in residence during the construction phase.

(6) Whilst it was helpful to see the prominence given to risk assessment in the presentation and documentation, the risk profile would inevitably evolve and mature during the project and the Board would be regularly updated.

(7) Whilst the new accommodation would not be suitable for families, suitable provision was available elsewhere in the residential estate.

(8) As the refresh of the University strategy developed over the next 12 months, further consideration would be given to the role of the residences redevelopment in contributing to and enabling delivery of the strategy.

**Agreed to:**

(1) Approve the FBC, noting that this will be updated before Financial Close (June 2025)

(2) Re-endorse the DBFO approach, funded through an income strip (funder provides capital in return for an annual lease payment from the SPV, which is responsible for designing, building, and operating the residences).

(3) Approve the recommended preferred bidder, Viridis Consortium.

(4) In principle, approve the University taking a [REDACTED] **Redacted – restricted information** in the SPV.

**Action: Residences Redevelopment Programme Project Team**

**6. President and Vice-Chancellor's report**

**Received:** a report from the President and Vice-Chancellor with a brief, further verbal update

**Reported:**

(1) Graduation ceremonies had now concluded successfully (thanks were offered to Board members who had attended).

(2) As outlined in the report, the recent student encampment and occupation of Whitworth Hall had concluded peacefully, and thanks were offered to university staff as well as the Students' Union and its officers for the careful and thoughtful approach which had minimised disruptive impact. Building on this partnership work planned with the Students' Union was essential going forward into the autumn.

(3) The latest student intake and insight report reflected sector wide issues in the Postgraduate Taught market. Undergraduate recruitment was healthy and broadly on track (noting the need to ensure acceptances were converted into attendance): the University was likely to make more extensive use of the Confirmation and Clearing process than in recent years.

(4) Whilst the University's position remained comparatively strong, concerns about the financial health of the sector, with some institutions reportedly in a precarious position.

(5) The newly appointed government included several local MPs, including Angela Rayner as Deputy Prime Minister and lead for housing and levelling up, Lucy Powell as Lord President of Council and Leader of the House of Commons and Jonathan Reynolds (a Manchester alumnus) as Secretary of State for Business and Trade. In addition, Sir Patrick Vallance, who holds an honorary chair with the University had been appointed as Science Minister.

(6) The [Patterson Building had now been officially reopened](#).

(7) The [outcomes from the National Student Survey](#) had now been released. The University's overall positivity score (measure of overall satisfaction) was 75%, unchanged from the previous year-this was hugely disappointing given the effort that had gone into improving the student experience. Whilst there were improvements in some areas, further consistent and sustained improvement was important, noting that institutions which had achieved this had reduced the amount of assessment and improved the quality of feedback.

**Noted:**

(1) UCU had currently rejected the proposed 2024-25 UCEA pay offer: [REDACTED]

[REDACTED] *edacted – restricted information*

(2) In response to a question, financial instability increased the potential for mergers between institutions. This could not be imposed by the Office for Students.

(3) The link between Teaching Excellence Framework (TEF) score and National Student Survey outcomes (as one factor considered by the TEF Panel).

## 7. Student Context - Issues Challenging the Student Experience

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

**Reported:**

(1) The incoming Executive Officers had identified the following priorities for 2024-25:

- Spaces and housing
- Belonging and inclusivity on campus
- Financial support
- Political education

(2) in relation to the student encampment and protest, thanks from the Students Union for the close working partnership with the University which had resulted in a peaceful end to the encampment and graduation ceremonies going ahead without disruption. In a joint statement between the University and the Students' Union, [written answers to questions](#) posed about issues relating to the protest had been published.

(3) Further student open meetings involving Students' Union officers and relevant University staff would be held in 2024-25 to enable topical and potentially contentious issues to be discussed in a transparent and respectful manner,

(4) The Students' Union welcomed the uplift to Manchester Access Bursaries and Undergraduate Access Scholarships. A proposal to increase the residual income thresholds defined as low-income households remained would be considered again early

in 2024-25 to assess the feasibility of implementation in 2025-26. The Students' Union was keen to revisit this given their significant concerns over the extent of financial challenge on the "squeezed middle" of the student body.

**Noted:**

(1) The importance of documenting evident good practice in responding to student protest.

**Action: RSCOO and Director for the Student Experience**

(2) The importance of clear and effective communication about the extent of available financial support, maximising eligible student take-up.

**Action: Director for the Student Experience**

## **8. Annual Report from the Chief Executive of the Students' Union**

**Received:** the annual report of the University of Manchester Students' Union, provided to the Board to exercise its duties as the responsible body under the Education Act, 1994. The report enabled the Board to fulfil its oversight function (including oversight of the block grant provided by the University), providing assurance of overall effective monitoring and control of the Students' Union as the official representative body of students of the University.

**Noted:**

(1) The Board's thanks for a comprehensive and accessible report, covering the extent of the Students' Union's activity: the Board was impressed by the scale and quality of the Union's work.

(2) In response to a question, since the pandemic there had been a marked increase in demand for academic related clubs and societies, an increase in volunteering activity (particularly from international students) and greater offer and take-up of casual "have a go" sessions. At national level, there were concerns about loneliness in young people and to counter this and facilitate a greater sense of engagement and belonging, consideration was being given to offering automatic membership of relevant academic societies to all students.

(3) There was a multifaceted approach to engagement with students, ranging from programme and school level to participation in focus groups, and to more substantive, remunerated roles.

(4) The potential to extend quality, part-time work opportunities for students on campus (through the Job Shop) and to enable recognition of these (for example, through [Stellify](#), and noting that some US universities enabled academic credit for relevant part-time study). Some universities had adopted an agency model for their equivalent to the Job Shop, enabling placement of students into relevant job opportunities and the Students' Union was exploring the feasibility of this.

(5) In response to a question about developments which would help to improve the student experience, there was reference to greater use of learner analytics, enhancements to module selection, and improvement of some hygiene factors, such as the process for submitting Personal Mitigating Circumstances claims in relation to assessment.

(6) Whilst most current students would not experience the benefit of the Residences Redevelopment (with resulting disruption during construction), there was understanding

and recognition of the importance of investment to improve the experience for future generations of students (this had been the case for example in the Engineering (now Nancy Rothwell) Building development).

(7) Thanks from the Students Union for the constructive working relationship with the Senior Leadership Team and in particular to the President and Vice-Chancellor for her supportive approach to the work of the Students' Union throughout her tenure.

**Agreed:** to approve the Annual Report.

## 9. Approval of Budget and Plan

### **Received:**

(1) The 2024-25 Budget and Five-Year Plan to 2028-29

(2) Budget and Five-Year Plan Analysis and Scenario Planning

### **Reported:**

(1) The reports had been prepared in recognition of increased risk in the HE sector, with evidence of significant financial sustainability challenges in over 60 UK institutions.

(2) Student demand remained strong, but there was no room for complacency.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

*Redacted – restricted information*

(10) The planning environment remained uncertain, with a funding model which no longer supported the sector to thrive, noting that the University was in a much stronger position than many in the sector.

(11) Reliance on overseas recruitment was becoming riskier, given recent prevailing political narrative (including actions having a negative impact on student immigration) and turbulent geopolitical events.

[Redacted]

[Redacted]

[Redacted]

*Redacted – restricted information*

**Noted:**

(1) The budget and plan needed to be viewed in the context of the imminent strategic review, and given this, a summary of currently unfunded investment priorities (including investment in the asset base and investment in zero carbon transition to achieve carbon target) would be helpful. **Action: Chief Financial Officer**

[Redacted]

[Redacted]

[Redacted]

*Redacted – restricted information*

**Agreed:**

(1) The budget for 2024/25 and five-year plan to 2028/29.

[Redacted]

*Redacted – restricted information*

**Action: Chief Financial Officer**

**10. Other finance matters: report from Finance Committee (3 July 2024)**

**Received:** a report on other matters considered and decisions made by Finance Committee at its 3 July 2024 meeting (in addition to matters covered in 5 and 7 above).

**Noted:**

(1) This was the final Board meeting attended by the outgoing Chair of Finance Committee, Caroline Johnstone who paid tribute to the leadership of the Chief Financial Officer, Carol Prokopyszyn and the positive transformation of the Finance Directorate under her leadership.

(2) The outgoing Chair also thanked all members of the Committee for the support during her time in the role, noting in particular the valuable input from the student members and the regular, consistent attendance of, and contribution from, the President and Vice-Chancellor.

(3) The outgoing Chair noted the potential to enhance further the reporting on strategic projects to the Board and its committees, building on recent improvements, and commented on the continued importance of prioritisation given competing demands.

**Agreed:**

(1) The methodology to release capital under total return for endowments as set out in the report noting that relevant resolutions will go to Finance Committee and onwards to the Board in the Autumn.

(2) That the University continues to operate outside the Public Procurement Regulations for a further year.

(3) To approve Proposed Private Placement Financial Covenant Amendments as set out in the report [REDACTED] **Redacted – restricted information**

**Action: Chief Financial Officer**

**11. Operational Priorities 2024-25**

**Received:**

(1) A report setting out a more streamlined approach to defining the University Operational Priorities (OPs) for 2024/25. The approach reflected both:

- a) the need to maintain focus on key areas for improvement during a year of transition and:
- b) the value in prioritising more than in recent years to reflect the current load and resource constraints on the University while retaining some flexibility in the current complex and evolving external landscape.

(2) Each priority had been selected for its alignment with strategic goals and Board scorecard.

(3) A new priority, 'Develop our new strategic plan out to 2035', had been added alongside seven priorities which map to areas of amber/ red performance within the current strategic plan. Relevant metrics and targets either already exist (within the Board Scorecard or 5-year financial plan) or will be developed from more granular operational plans.

**Noted:**

(1) Whilst there were other potential additions, the priorities listed were a comprehensive and accurate summary of current issues.

(2) Ongoing staff and student engagement would be an essential element of the review of strategy as it evolved during the forthcoming academic year.



(3) Objectives for the Chair and President and Vice-Chancellor would reflect the OPs.

(4) That OP iii) below applied to all students (UG, PGT and PGR).

(5) That OP viii) below should be viewed in the context of continued efforts to diversity international student recruitment.

**Agreed:** the following OPs:

- i) Develop the new strategic plan out to 2035.
- ii) Increase research funding led by a focus on generating successful large-scale funding applications
- iii) Improve assessment and feedback and student voice.
- iv) Reduce the gap to student access and participation targets
- v) Improve key services via continuous improvement.
- vi) Close gaps to EDI target
- vii) Deliver the budgeted Zero Carbon Masterplan activity
- viii) Deliver the overseas tuition fee income budget

**Action: Director of Planning**

## 12. Freedom of Speech and Academic Freedom

**Received:** a report summarising the key aspects of the Higher Education (Freedom of Speech) Act, 2023 for Universities in England, and how the University was responding to those changes. This included development of an overarching Policy and a revised Code of Practice to ensure consistency with the new legislation.

**Agreed:**

(1) To approve to approve the Policy and Code (which incorporated review and comment from Senate and Planning and Resources Committee).

(2) Should the implementation of the Higher Education (Freedom of Speech) Act, 2023 be paused by the new government, the approval of the Policy and Code would be in principle, subject to further review as required if there was change in legislation and/or guidance.

(Secretary's note: on 26 July 2024, the Secretary of State for Education confirmed that she had stopped further commencement of the Higher Education (Freedom of Speech) Act, 2023 in order to consider options (including possible repeal).

**Action: Deputy Secretary**

## 13. Senate

**Received:** a report from the meeting of Senate held on 5 June 2024

**Agreed:**

(1) To approve to approve the recommendations of the Awards and Honours Group

(2) In relation to the Intellectual Property (IP) Policy, to approve the adoption of a revised model for spin-out reward sharing with IP Creators.

**Action: Deputy Secretary**

## 14. Planning and Resources Committee

**Received:** the report from the meetings of the Committee held on 21 May, 25 June and 16 July 2024.

**Agreed:**

- (1) To approve to approve the naming of the Marian Miller Building
- (2) To approve the updated Health and Safety Policy Statement and Organisation Document.

**Action: Deputy Secretary**

**15. Chair's report**

**i) Board forward agenda 2024-25**

**Received:** a report which provided the basis for further, iterative work over the summer to produce a forward agenda for the Board in 2024-25.

**Reported:**

- (1) The principles behind the work to date included:
  - i) Enabling greater Board focus on a smaller number of key, strategic issues, with more routine items taken as read as not requiring further discussion. This would be facilitated by the regular sharing of information with the Board by email, outside the Board timetable.
  - ii) Constructing Board agendas around three key themes (with a fourth element being fulfilment of legal and compliance obligations and requirements):
    - a. Strategy
    - b. Accountability/Performance
    - c. Listening and Stakeholder Engagement
  - iii) Wherever possible and as a default, adopting a "rule of three" for key decisions required by the Board, ie:
    - a. Initial, exploratory, formative discussion, either in a Board briefing or Board meeting
    - b. Detailed and iterative work to finalise the proposed course of action (potentially carried out by a Board Committee)
    - c. Formal Board sign-off of proposal
  - iv) Potential to make greater use of a slightly smaller number of Board dinners as an integral part of the Board meeting for exploratory, formative discussion.
  - v) Continuing the practice of Board briefings before Board meetings, noting the potential to allocate time more flexibly between the two, depending on business thereby also making this time a more integral part of the meeting.
  - vi) Engaging with strategic matters throughout the year, creating the possibility (to be discussed during the course of the year) to move away from a single Board strategy day in May and to allocate that time more flexibly.
  - vii) Building on 1 i) above and reflecting that 2024-25 will be a year of transition, taking the opportunity to streamline reporting and the potential to flex to meet new and emerging requirements.

(2) The outline forward agenda was organised on the basis of the themes outlined in 1 ii) above and included:

- i) Regular reports to each/most Board(s)
- ii) Annual reports or regular updates to the Board which were not time-specific, with some flexibility around scheduling.
- iii) Items to be scheduled for specific Board meetings.

**Noted:**

(1) The importance of regular engagement with students and staff, both on scheduled Board days and outside (e.g. engaging with scheduled meetings at School and Professional Services level, and with student representatives)

(2) As noted previously, the need to develop further institutional understanding of interaction with the broad range of stakeholders.

**Action: Deputy Secretary**

**ii) Update on Lay Member recruitment**

**Received:** a report providing an update on lay member recruitment, noting that interviews with shortlisted candidates would take place on 9 September, with recommendations from the interviews to be circulated to the Board for approval to enable new members to be in place for the first meeting of 2024-25, on 10 October.

**ii) Appointment of Chair of Board**

**Reported:**

(1) By the Deputy Chair of the Board, Nominations and Governance Committee had approved the process to seek nominations for the role of Chair of the Board, with effect from 1 September 2025.

(2) The current Chair of the Board of Governors, Philippa Hird began her first three-year term as Chair on 1 September 2022; this term will therefore come to an end on 31 August 2025. Philippa Hird had been a member of the Board since October 2021.

(3) Statute II of the University stated that the Chair “shall be appointed from the Board from among the members of the Board who hold membership in Category 2” (i.e. lay members). It further stated that “They may be reappointed by the Board, but they shall not serve continually for a total of more than six years, unless, exceptionally, in the interests of the University, the Board approves a further appointment for an additional period of no more than three years.”

(3) Philippa Hird was therefore eligible to stand as Chair for a further term of up to three years and was willing to do so. Other expressions of interest in the role were invited by 12 noon on Monday 5 August, to be sent to the RSCOO:

(4) If any other expressions of interest were received, they will be considered at the end of the meeting of the Nominations and Governance Committee being held on Tuesday 6 August (to consider lay member recruitment shortlisting) with the Chair recusing herself. If no other expressions of interest were received, formal confirmation of the reappointment of Philippa Hird as Chair for a further three-year term (from 1 September 2025 until 31 August 2028) will be sought from the Board by correspondence.

**Action: Deputy Secretary**

## 16. Other Board Committee reports

### i) Audit and Risk Committee (12 June 2024)

**Received:** a report from the meeting of the Committee held on 12 June 2024.

**Reported:** key areas of focus were:

- (1) Risks in the Five-Year Plan and Risk Appetite (see item 9 above)
- (2) Strategic Change Portfolio Overview Report
- (3) Uniac reviews, especially UK Visas and Immigration compliance and development of the 2024-25 programme.
- (4) External audit and approach to the 2023-24 audit
- (5) The Research Compliance Committee annual report.

**Noted:** the Committee had approved the revised Whistleblowing (Public Interest Disclosure) Policy and Procedure.

### ii) People Committee (26 June 2024)

**Received:** a report from the meeting of the Committee held on 26 June 2024.

**Reported:**

(1) The report included a recommendation that Part III of Ordinance XXIII be instituted to effect the proposed compulsory redundancy of a [REDACTED] *Redacted – restricted information* in the event that it was not possible to redeploy the post holder.

(2) Since the meeting, the postholder had agreed to take voluntary severance so a decision by the Board was no longer required.

**Noted:**

(1) The report included an update on the results of the [Wellbeing Survey](#) update, noting the potential for both additional resources and investment in this area, and (business scheduling permitting) a future presentation to the Board.

(2) The EDI Strategy update, noting that interviews for a new Director of EDI were imminent.

(3) An announcement of the appointment of the new Director of People and Organisational Development would be made shortly.

(Secretary's note: the [appointment of Eleanor Morrissey](#) was announced on 29 July.)

**Action: Interim Director of People and Organisational Development**

## 17. Secretary's report

**Received:** a report from the Secretary, setting out a report on the Exercise of Delegations covering the recent award of Emeritus Professorships and the use of the Seal.

## 18. Dates of meetings in 2024-25

(unless stated, lunch from 12pm, briefing 12.30-2.30pm, meeting 3-6pm, supper 6-c7.30pm  
(all meetings in person)

- Thursday 10 October 2024
- Wednesday 20 November 2024 (Accountability Review 9am-2.30pm: meeting 3-6pm)
- Wednesday 11 December 2024 (joint meeting with Senate 4-5pm)
- Wednesday 19 February 2025
- Wednesday 19 March 2025
- Wednesday 21 May 2025 (Board Strategy Day: all day, from 9am)
- Thursday 22 May 2025 (meeting 9am-12pm)
- Wednesday 23 July 2025