

The University of Manchester

BOARD OF GOVERNORS

Wednesday, 24 November 2010

Present:

Mr Anil Ruia (in the Chair),

President and Vice-Chancellor, Dr Stuart Allan, Mr Stephen Dauncey, Ms Debra Dickson, Mrs Gillian Easson, Professor Peter Eccles, Professor Colette Fagan, Mr Robert Hough, Dame Sue Ion, Councillor Afzal Khan, Mr Paul Lee, Dr Keith Lloyd, Professor Nancy Papalopulu, Mr Peter Readle, Dr Brenda Smith, Dr John Stageman, Ms Kathleen Tattersall, Dr Andrew Walsh and Mr Gerry Yeung.
(20)

By invitation: The Deputy President and Deputy Vice-Chancellor.

For unreserved business: Ms Sarah Wakefield, General Secretary, University Students' Union.

In attendance: The Registrar and Secretary, the Deputy Secretary, the Director of Human Resources, the Director of Finance, the General Counsel and the Vice-President (Teaching and Learning).

1. Minutes

Confirmed: The minutes of the meeting held on 22 September 2010.

2. Matters arising from the minutes

Received: A report summarising actions consequent on decisions taken by the Board.

3. Chairman's report

Noted:

- (1) That the Chairman invited Sarah Wakefield, the General Secretary of the Students' Union, to address the Board on the subject of the Student Union's response to the Browne Report and the Coalition Government's tuition fee proposals.
- (2) That the General Secretary's address to the Board described the anger and restlessness felt among some members of the student body about the changes and proposals outlined. Recognising that a university education provides a unique chance for students to challenge established thinking on academic subjects and allows undergraduates, postgraduates and academics to research into new areas, the General Secretary felt there was a genuine concern that access to this opportunity for future students may be threatened due to cuts, not only to universities, but also through opportunities afforded by the EMA, Aim Higher and adult learning. The General Secretary proposed that concerns about access to education and debt had led many students to vote for MPs, including Liberal Democrats, who had pledged to vote against any rise in fees. Subsequently, she described how many had felt let down by the direction of education policy since the formation of the Coalition.
- (3) That the General Secretary appreciated that the Board would consider in due course what the increase in fees would mean for the institution, but, in the meantime, she urged members of the Board to consider the violence and disorder seen at Millbank Tower

during recent protests in London, some of which was committed by radical anarchists, as a manifestation of frustration at the powerlessness that students of many ages feel. The basis of student concerns was that the cuts would hurt universities and the culture of higher education more than the proposed increase in fees would offset.

- (4) That the General Secretary, at the conclusion of her address, stressed that she wanted the University of Manchester to be a leader in its provision of higher education. Although greatly encouraged by the leadership of the University's senior management team in this area, the General Secretary urged the community as students, academics, management and governors to further consider how it might work collaboratively, to secure this ambition and, in doing so, protect and enhance the strengths and reputation of The University of Manchester for the future.
- (5) That the Chairman highlighted a number of recent appointments made within the University, including the appointment of Professor Rod Coombs as Deputy President and Deputy Vice-President, and of Professor Luke Georghiou as Vice President Research and Innovation. It was also reported that a strong shortlist had been produced following the advertisement of the role of Vice President and Dean of the Medical and Human Sciences Faculty, and that the process of appointing the next Registrar and Secretary of the University, to replace Mr Albert McMenemy who would retire from the University in July 2011, had begun.
- (6) That HEFCE Assurance Service had recently conducted an Assurance Visit to examine how the University exercises accountability for the public funding which it receives. The initial feedback from the review had been very positive, with no significant problems or issues identified. The formal report would be shared with the Board, when available.

4. Secretary's report

Noted: That there were no matters of formal report from the Secretary.

5. Management Letter and Report from the External Auditors

Received: On recommendation from the Audit Committee, the Management Report and Management Letter from the External Auditors (Deloitte LLP) for the year ended 31 July 2010.

Reported:

- (1) That the Management Letter covered issues arising from the audit work with respect to the financial performance and position of the University, internal controls (including risk management) and audit and accounting issues.
- (2) That a review of internal audit arrangements had allowed the External Auditors to reach the view that reliance could be placed on the work of the Universities Internal Audit Consortium (Uniac), meaning that there was no requirement to duplicate this work.
- (3) That, following completion of the external audit and receipt of the Letter of Representation from the Board of Governors, Deloitte LLP would be in a position to provide confirmation that the Accounts of the University complied with the HEFCE Statement of Recommended Practice and gave a true and fair view of the University's affairs as at 31 July 2010.

Noted:

- (1) That the Management Letter and accompanying report provided a much improved assessment of the financial control environment than presented in the previous year. The number of observations made had been significantly reduced and that the external auditors had been satisfied that management had responded well to all of their observations. The observations made were of a second or third order, with none classed at the highest priority level.

- (2) That the improved position was a result of the diligent follow-up the University had engaged in since the audit of the previous year. Although much of this work had been undertaken in Finance, it had been strongly supported by the Deans, faculties, and by senior management. All had worked hard to improve and strengthen the control environment. Communication between the centre, faculties and schools had improved and strong leadership had transformed the situation.
- (3) That the University, through the Office of the General Counsel, was developing proposals to ensure compliance and improve procedures in readiness for the introduction of the Bribery Act.
- (4) That in the previous audit year, one of the observations made by the external auditors had concerned the quality and quantity of staffing within the finance function. Since that audit, the University had taken action to improve quality, including the creation of new support roles at faculty level. The audit letter in 2010 provides some comfort that the situation in this respect has significantly improved, However the University does recognise that not all the issues identified in the previous year are yet resolved. There remain some issues with the operation of the Finance System and the strength of controls, and work would continue to move towards a control based audit as improvements are made in this area.
- (5) That the University, through the Audit Committee, received regular reports of any instances of fraud. The system of control has been made more robust in recent years, and efforts have been undertaken to reduce cash handling on campus and reduce opportunities for fraudulent activity.

Resolved: To approve, as required by the HEFCE Code of Practice on Audit and Accountability, the onward transmission of the Management Letter to the HEFCE Assurance Service.

6. Financial Statements

Received: On reference from the Finance Committee, the audited Financial Statements for the year ended 31 July 2010, and the recommendation that they be approved.

Reported:

- (1) That the objectives of the University were to deliver a financial surplus, achieve year on year growth in income, and to generate and conserve cash as it entered a challenging funding environment. The results for the year were generally good, building on the improvements made in 2008/09, The University had achieved an operating surplus of £23.5m against an equivalent prior year surplus of £16.8m and surplus of £0.2m in 2007/08, and delivered like for like income growth of 4.4%, up £33.3m to £787.9m. This was a satisfactory financial performance but there was widespread recognition that there were significant and difficult challenges facing the University in the future.
- (2) That the operating surplus was below the HEFCE target of 4%. This would not enable the University to continue to support Long Term Maintenance at required levels.
- (3) That the cost of defined benefit pension schemes was an issue as the twin pressures of increased longevity and decreased asset performance implied increased contributions from employers and staff and raised concerns about the future affordability of such schemes. The proposed changes to National Insurance, VAT, and the Carbon Reduction Charge were similarly all adverse, however, at the time of report, the University remained on track to deliver a budgeted surplus outturn in 2010/11.

Noted:

- (1) That the University has modest reserves and seeks to deliver a surplus in each year to preserve them, and would not normally expect to draw on them as part of normal operations other than in exceptional circumstances for the funding of major strategic investments.

- (2) That the costs of departures under the ERVS schemes will be split across this year, 2009/10 and the next financial year 2010/11, with the majority taken in this financial year. These figures are consolidated and therefore incorporate savings made across the whole of the University, including subsidiaries.
- (3) That the Chairman of the Finance Committee sought representation from the President and Vice-Chancellor and the Registrar and Secretary regarding any actual or potential non-compliance with laws and regulations that could have a material effect on the ability of the University to conduct its business, and therefore on the financial results as presented. This confirmation was provided, referencing the written representations received from the five primary budget holders within the University.

Resolved: That the Board confirmed:

- (1) That it was not aware of any actual or potential non-compliance with law and regulations that could have a material effect on the ability of the University to conduct its business and, therefore, on the results and financial position to be disclosed in the Financial Statements for the period ended 31 July 2010.
- (2) That the Financial Statements for the period ended 31 July 2010 be approved for onward transmission to the Higher Education Funding Council for England (HEFCE), and that they be also forwarded to the General Assembly for comment in accordance with Statute IX.8(b).

Forwarded to the General Assembly

7. Board Monitoring Group

Received: A report from the President and Vice-Chancellor on the matters discussed at the Board Monitoring Group, held immediately prior to the meeting of the Board of Governors.

Reported:

- (1) That the University had considered over 850 applications for voluntary severance and early retirement. Of this total, and to date, 306 applications with net (recurrent) savings of £12m anticipated incurring total one-off costs of £13.5m (although the costs would fall across more than one financial year). It was proposed that the scheme would remain open until 31 January 2011.
- (2) That the flexible working scheme had not been popular among staff, however sufficient savings had been identified through voluntary severance and early retirement.
- (3) That the campus trade unions had previously indicated informally that they had been content with the operation of the scheme, noting that the unions were currently focussed on actively campaigning against proposed changes to pension schemes.
- (4) That the Grant Letter issued from the Department of Business Innovation and Skills to HEFCE was expected to be published before the end of the year, with universities unlikely to receive their individual grant letters from HEFCE until February / March. The Government had announced that research funding would remain at current levels, but the impact of other cuts, including those previously announced, would remove in the region of £1bn of funding from the sector. There would be additional pressure on University finances through the combination of increased pension costs, the introduction of new rates of VAT and National Insurance, and via the restriction of regional funding opportunities through the closure of NWDA.
- (5) That the Government had agreed that the minimum and maximum UG fee levels from 2012 would fall between £6k and £9k per annum. However, there were a number of unknowns and uncertainties surrounding the headline agreement to set fees between these levels, which were unlikely to be clarified until the publication of the grant letters and the anticipated White Paper on Higher Education. These include: the criteria that

would be set to determine the fee level set by an institution, provisions concerning student access, HEFCE T subject allocations, and the QR funding formula, the impact of student choice, the affect upon recruitment from the EU, and upon PGT and PGR recruitment.

- (6) That, regardless of the impact of these funding pressures, the University must increase investment in the student experience. As an institution, the University had previously agreed to cut back its student intake, recognising the negative impact large recruitment has in certain areas on NSS scores. This was particularly acute across the Humanities, where the impact of the changes within the funding landscape was likely to be severe.
- (7) That although the University had made a small surplus in the previous year, and it anticipated a similar position for year-end 2012, capital funding sources would be severely restricted in future years. The surpluses made and anticipated were below the level required to adequately invest in the University and support long term maintenance properly.
- (8) That the University, in its recent internal communications, had stressed the difficulties anticipated within the funding climate, and the additional pressure anticipated through increased pension costs, additional taxation, and wider austerity in funding. The President and Vice-Chancellor, had through weekly updates, provided an ongoing update for staff on the challenging financial environment and the implications for the University.

8. President and Vice-Chancellor's report

(1) The Report of the President and Vice-Chancellor to the Board of Governors

Received: The report of the President and Vice-Chancellor to the Board of Governors in July 2010, which was ordered to be bound for reference.

Reported:

- (a) That the President and Vice-Chancellor reported that it was well appreciated that universities would certainly face a challenging future. In facing this, The University of Manchester was in a relatively strong position financially, but there must be realism about the challenges ahead. The University's reactions to financial adversity would be strategic, not *ad hoc*. If it must get smaller as a University (which may be the fate of all UK universities) it was determined to do so in a strategic, targeted way that simultaneously made it stronger, rejecting *pro rata* approaches to cutting costs.
- (b) That given the rapidly changing and challenging external environment, the President and Vice-Chancellor was pleased to advise Board members that considerable progress was being made in the development of three key strategies (research, social responsibility, and internationalisation). The environment meant that the University must prioritise, and critically examine the value of all its activities The President also indicated that there was a real imperative to increase income from non-government sources in order to offset some of the most damaging consequences of cuts in Government funding.
- (c) That throughout the admissions cycle the focus had been to maximise the quality of the student intake and the associated fee income, and to take account of the student experience. At the time of last report to the Board it was noted that early indications suggested positive student recruitment outcomes for 2010-11 against targets. While the final registration data would not be known until after 1st December 2010, the official HESES snapshot date, the current registration data suggested the University would hit undergraduate (home and international), international Postgraduate Taught (PGT) and home Postgraduate Research (PGR) targets.

- (d) That it was disappointing that the University may miss the PGT home targets in a year when applications from this group of students increased by 22% on the previous year, albeit offers declined by 15%. Accordingly, the President and Vice-Chancellor had asked the Vice-President for Teaching and Learning, as chair of the Intake Management Group, to investigate why offers have declined so dramatically when there has been a significant growth in demand.
- (e) That the President and Vice-Chancellor was pleased to report that University has hit its PGR home target this year; but expressed disappointment that the University was likely to miss its international PGR target by nearly 20%, noting that students do join later in the annual cycle so the figure might yet improve. Demand for PGR programmes had continued to be positive with a 4% increase in applications, and success in this area was strongly linked to the availability of funding opportunities. As part of the new internationalisation strategy the University would explore the best ways to work with international sponsors to support PGR recruitment, recognising that recruiting high quality PGR students in future years, with decline funding opportunities, would be a challenge and also a potential threat to the 2015 Agenda.
- (f) That as Board members were aware, the improvement in the overall satisfaction score for this University from 77% in 2009 to 79% in 2010 in the National Student Survey was welcomed. However, the University's current standing in this survey remained unacceptably low. While the University had many competing priorities, the President and Vice-Chancellor assured the Board that none was higher than the quality of the education, support and wider experience The University of Manchester offers to its students. Though progress had been made on the personalisation of student learning and curriculum review, the 2010 scores show demonstrated there was still much to do. The President and Vice-Chancellor was therefore committed to implementing all the recommendations contained in the Review of Undergraduate Education, instigated by Professor Alan Gilbert in 2007 and which were now being taken forward by Professor Colin Stirling.
- (g) That the President and Vice-Chancellor reminded Board members of the Review recently undertaken by the University Librarian, Jan Wilkinson, into the student experience. In May 2010 the Registrar and Secretary had asked her to lead an initial brainstorming exercise on the student life cycle. The objectives were to identify:
- i) aspects of current provision during the student life cycle which colleagues believe are performed well
 - ii) aspects which could be improved
 - iii) any omissions from existing provision, and
 - iv) to come forward with ideas on the approach we might take to the student life cycle were the existing structures not in place.

The most immediate recommendations of the review group were that consideration should be given to the creation of two senior roles (one academic and one administrative) to work together to provide leadership and overall strategic responsibility of the student experience. These two individuals should be asked to develop and implement a student experience strategy. In addition, there should be a review of the current structure of support for the student experience which would be carried out once the two post holders have taken up their positions. These recommendations were being taken forward and an internal recruitment process was underway to appoint an Associate Vice-President to support Professor Colin Stirling to provide the academic leadership for transforming the student experience. This is to be accompanied by the reconfiguration of student focused services within the PSS into one Directorate and the position of Director for the Student Experience has also been advertised internally.

A report from Professor Stirling had been submitted to the Senate which sets out more fully the actions that were being taken to address the vitally important issue

of the student experience. It also reported on recent developments in relation to Teaching and Learning, including the concept of the Undergraduate College.

- (h) That the President and Vice-Chancellor reported that the OPR discussions with the four Faculties and the Professional Support Services had been proceeding well. Professor Rod Coombs oversaw the OPRs dealing with the University's cultural assets (the Whitworth Art Gallery and the Manchester Museum) and with the John Rylands University Library. In each OPR the spirit has been frank yet collegial, and in terms of both relevance and accuracy the data on operational performance are now of a quality that allows confident analysis of performance against plan. As a result, the 2010 round of OPRs has been effective in mapping areas of good practice and poor performance across the University, and in providing a basis for evaluating performance against the key priorities identified in the strategic and operational plans of the activity centres concerned. This has allowed serious discussions about strategies for future performance improvement. An important aspect of the 2010 OPRs has been the canvassing in each OPR of the threats and opportunities likely to confront the University as a result of a deteriorating public funding environment following the Comprehensive Spending Review. The OPRs had also provided an opportunity for substantive discussion of the steps being taken to secure improvements in the student experience
- (i) That the Board of Christie NHS Foundation Trust at its meeting in September approved proposals for the building on Kinnaird Road. The President and Vice-Chancellor expected the University to submit a bid to the Wolfson Foundation for funding to supplement the £10 million to be provided by CRUK, matched by £10 million of University funds.
- (j) That Dame Sue Ion, as Chair of the Risk Committee, briefed the Board on the accident statistics for the 3rd quarter of 2010, produced by the Compliance and Risk Office.

Noted:

- (a) That, as further details on future funding and the criteria by which fee levels would be agreed nationally had not yet been produced, the University was not in a position to determine the level of fees for 2012. The Board would further consider this matter as part of the Planning and Accountability Conference. It was recognised that, in determining the fee level set, the University would need to assess the whole balance across widening participation and in terms of support available through bursaries and scholarships.
- (b) That the Board noted, on advice and information received from the General Counsel, the risk that universities may discuss or disclose between themselves details of their future intentions in relation to certain issues that might affect the intensity of price or non-price competition between them. The level of future tuition fees (for both UK and foreign students) that universities intend to charge is the most obvious but not the only issue in this respect. The Board duly noted that universities were subject to the full rigours of EU and UK competition law because it was likely they would be deemed to be "undertakings" when they supply goods or services on a given market and that there was a clear precedent for this view, as evidenced by action taken against independent schools in 2006. In that instance, the OFT had considered that this exchange of confidential information had an anti-competitive object, distorted price competition and resulted in higher fees than would otherwise have been the case. Therefore, the University should take due care to ensure that, in determining its fee levels, it acts entirely independently. It should also take steps to ensure that staff members do not discuss with or disclose to each other any data or documents that might be regarded as commercially sensitive.
- (c) That the accident statistics might be presented in future with a denominator, or a frequency rate, so that they can be properly assessed in context. In common with other organisations, the University must take steps to remove any barriers to the

reporting of accidents and near misses (the current level seems low) through training and raising awareness and this matter is being followed up by the University Safety Advisor.

Resolved: To endorse the principles in the Report to the Senate of 27 October 2010 on developments within Teaching and Learning.

(2) Report to the Board of Governors on exercise of delegations

Reported:

(a) Vice-President

The following appointment had been approved on behalf of Senate and the Board of Governors:

Professor Luke Georghiou, as Vice-President for Research and Innovation from 1 October 2010.

(b) Associate Dean

The following appointment had been approved on behalf of Senate and the Board of Governors:

Professor Colette Fagan, as Associate Dean for Research in the Faculty of Humanities from 8 November 2010 to 30 September 2014.

(c) Professorial appointments

The following appointments had been approved on behalf of Senate and the Board of Governors:

***Ad Personam* Promotional Chair in Neurogastroenterology**

Shaheen Hamdy, MB ChB (Manchester, MRCP (Royal College of Physicians, London), previously Senior Lecturer with Honorary Consultant Status at this University, as Professor of Neurogastroenterology in the Faculty of Medical and Human Sciences from 1 August 2010.

***Ad Personam* Promotional Chair in Rheumatology**

Anne Barton, BSc (Manchester), MB ChB (Manchester), MRCP (Manchester), previously Reader at this University, as Professor of Rheumatology in the Faculty of Medical and Human Sciences from 1 August 2010.

***Ad Personam* Promotional Chair in Genetic Epidemiology**

Wendy Thomson, BSc (Manchester), PhD (Manchester), previously Reader at this University, as Professor of Genetic Epidemiology in the Faculty of Medical and Human Sciences from 1 August 2010.

***Ad Personam* Promotional Chair in Neurogenetics**

Stuart Pickering-Brown, BSc (Manchester), PhD (Manchester), previously Research Fellow at this University, as Professor of Neurogenetics in the Faculty of Medical and Human Sciences from 1 August 2010.

***Ad Personam* Promotional Chair in Gastroenterology and Nutrition**

John McLaughlin, BSc (Manchester), MB ChB (Manchester), PhD (Manchester), previously Clinical Senior Lecturer at this University, as Professor of Gastroenterology and Nutrition in the Faculty of Medical and Human Sciences from 1 August 2010.

Ad Personam Promotional Chair in Pharmacoepidemiology

Darren Ashcroft, BPharm (Nottingham), MSc (Belfast), PhD (Birmingham), previously Reader at this University, as Professor of Pharmacoepidemiology in the Faculty of Medical and Human Sciences from 1 August 2010.

Ad Personam Promotional Chair in Vascular Cell Biology

Ann Cranfield, BSc (Manchester), PhD (Manchester), previously Senior Lecturer at this University, as Professor of Vascular Cell Biology in the Faculty of Medical and Human Sciences from 1 August 2010.

Ad Personam Promotional Chair in Medical Education

Gerard Byrne, MB ChB (Manchester), FRCS (Royal College of Surgeons (Edinburgh)), previously Senior Lecturer at this University, as Professor of Medical Education in the Faculty of Medical and Human Sciences from 1 August 2010.

Ad Personam Promotional Chair in Nursing History

Christine Hallett, BNurs (Manchester), previously Reader at this University, as Professor of Nursing History in the Faculty of Medical and Human Sciences from 1 August 2010.

Ad Personam Promotional Chair in Health Economics

Katherine Payne, BSc (Bath), MSc (York), PhD (Manchester), previously Reader at this University, as Professor of Health Economics in the Faculty of Medical and Human Sciences from 1 August 2010.

(d) Grant of the title of Professor Emeritus

Acting on behalf of Senate and the Board of Governors, the President and Vice-Chancellor had approved the conferment of the title of Professor Emeritus/a on the following:

Professor Roger Bryant, Professorial fellow in the School of Mathematics (*from 1 November 2010*)

Professor Angela Dale, Professor of Quantitative Social Research (in the School of Social Sciences) (*from 1 October 2010*)

Professor Roger Ling, Professor of Classical Art and Archaeology in the School of Arts, Histories and Cultures (*from 1 October 2010*)

Professor Ann Thomson, Professor of Midwifery (in the School of Nursing, Midwifery and Social Work) (*from 1 November 2010*)

Professor William (Wes) Sharrock, Professor of Sociology in the School of Social Sciences (*from 1 October 2011*)

Professor Dorothy Trump, Professor of Human Molecular Genetics (in the School of Biomedicine) (*from 1 November 2010*)

(e) Appointments of Head of School

Acting on behalf of the Board of Governors, the President and Vice-Chancellor had approved the appointment of the following:

Faculty of Engineering and Physical Sciences

School of Chemical Engineering and Analytical Science	Professor Mike Sutcliffe, for a further period of three years from 1 January 2011.
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School of Earth, Atmospheric and Environmental Sciences	Professor Hugh Coe, for a period of three years from 1 December 2010 (<i>vice</i> Professor Tom Choularton).
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(f) Representatives on outside institutions

Acting on behalf of the Board of Governors, the President and Vice-Chancellor had approved the appointment of the following:

Lancaster Royal Grammar School	Mrs Gill Manklow, for a period of four years from 1 October 2010.
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(g) Other authorisations

Acting on behalf of Senate and the Board of Governors, and on the recommendation of the University's Awards and Honours Group, the President and Vice-Chancellor had approved the conferment, at a ceremony to be held during 2011, of the following degree *honoris causa*:

Sir Alex Ferguson, CBE

LLD

Sir Alex Ferguson has been recommended to receive the Honorary Degree of Doctor of Laws, in recognition of his achievements as the most successful manager in British football history.

(h) Seal orders

Pursuant to General Regulation VII.4, the Common Seal of the University has been affixed to the instruments recorded in entries no 985-1005 Seal Register 1.

9. Board committee reports

(a) Finance Committee (11 November)

Reported:

- (1)** That the Director of Estates presented an update on Phase 3 of the University's capital programme. All projects were progressing to plan, within budget and on time, although the Director of Estates had noted some concern in relation to the financial health of the sub contractor providing the steelwork for the CEAS project. This situation was being closely monitored. Agreement had also been reached on the VAT treatment in relation to the MCRC project, following resolution of land issues and the Building Development Committee had now been reconvened.
- (2)** That the Registrar and Secretary reported that the consultation period had started in respect of the USS scheme, to conclude on 22 December 2010. The main recommendations were the abandonment of the final salary scheme for new starters (in favour of a CARE scheme) and changes to employer and employee contributions. If agreed, the intention was to implement these changes in April 2011.

- (3) That discussions had taken place with the representatives of the Campus Trade Union and with the Trustees of UMSS. A consultation process on proposed changes will commence once the latest valuation had been confirmed.
- (4) That Dr Keith Lloyd (chairman of SUSC) reported that the annual accounts for the University's subsidiary companies had been approved at its meeting on 14 October.

Noted: That it was reported by a member of the Board, in her capacity as a staff representative and officer of a trade union, that the consultation period for the USS scheme was judged extremely tight, and that this had led to some dissatisfaction among members of the relevant campus trade unions.

Resolved

- (1) That the Finance Committee approved the establishment of (i) a limited liability company in Singapore to facilitate the provision of a degree course in collaboration with the Singapore Institute of Technology; and (ii) and limited by guarantee charitable company in Hong Kong for the purpose of raising funds from the University's alumni in the Far East.
 - (2) That the Finance Committee approved the sale of the University's outstanding claim with Heritable Bank, which equated to £1.75m cash payable within a few weeks and the release of a provision in the accounts for 2009/10.
 - (3) That the Finance Committee received the financial statements for the year ended 31 July 2010. The accounts were recommended for acceptance by the Board of Governors and the President and Vice Chancellor and the Chairman of the Board of Governors would sign them on behalf of the University prior to submission to the Funding Council.
 - (4) That following notification from the Funding Council that universities may delay the submission of Five Year Forecasts until 15 April 2011, Finance Committee reviewed a commentary on the 2009/10 to 2010/11 figures. The Finance Committee approved the Financial Commentary 2009/10 to 2010/11 and recommended them for acceptance by the Board and submission to the Funding Council in December 2010.
- (b) **Audit Committee** (14 October and 16 November)

Reported

- (1) That the meeting on the 14 October 2010 provided an opportunity to assess progress in relation to the external audit and to consider the main observations arising from it. The Committee also received oral reports on the implementation of the Charities Act, and changes introduced to the Financial Memorandum between HEFCE and higher education institutions.
- (2) That the Committee received a written report on the work of the Procurement Office in negotiating group contracts on behalf of the University over 2009-2010 and Mr Kevin Casey, Head of Procurement, attended to deliver a presentation and answer questions from the Committee. On the basis of this information and the value for money assessment presented within each internal audit review, the Committee concluded that it was broadly satisfied with the level of attention focused on obtaining value for money within the University.
- (3) That the Committee considered the Annual Report of the Audit Committee to the Board of Governors and the Accountable Officer (the President and Vice-Chancellor). The Report had been compiled in a form that was consistent with the guidelines issued by HEFCE in its Audit Code of Practice and included a resumé of the work of the Internal and External Auditors to date, and of other significant matters considered by the Committee. In summary, the Report advised the Board of Governors that the Committee was of the opinion that reasonable reliance

could be placed on the University's internal control systems and that there were adequate arrangements for securing economy, efficiency and effectiveness. The Report, attached at Appendix 1 to the minutes, was commended to the Board of Governors for approval.

- (4) That the Committee considered the Management Report and Accompanying Management Letter from the External Auditors (Deloitte LLP) on the Financial Statements for the year ended 31 July 2010, which recorded the key features of the audit to date, and contained details of specific observations arising, the way they had been treated in the Accounts, and the management responses. The Management Report included the Letter of Representation in relation to the 2009/10 external audit. By way of background information for the Committee, the Financial Statements for the year ended 2009/10, as approved by the Finance Committee at the meeting held on 11 November 2010, were also presented.
- (5) That the external auditors, on satisfactory completion of a small number of outstanding matters, anticipated issuing an unmodified audit opinion as to the truth and fairness of the financial statements.

Resolved:

- (1) That the completed Management Report and Management Letter were recommended for onward transmission to the HEFCE Assurance Service, as required by the HEFCE Code of Practice on Audit and Accountability, and that both documents were commended to the Board of Governors with the Letter of Representation (presented within Appendix 8 of the Management Report).
- (2) That the Committee recommended to the Board of Governors that Deloitte LLP be re-appointed as External Auditors to the University for 2010-11.
- (3) The Committee commended the Annual Opinion of the Internal Auditors to the Board of Governors, and thereafter, for onward transmission to HEFCE as part of the Audit Committee's Annual Report.

(c) Risk Committee (14 October)

Reported:

- (1) That the Committee approved procedures for members of staff who drive a vehicle as part of their employment duties.
- (2) That the Committee approved a revised procedure for Ionising Radiation Safety and received a report on arrangements to appoint a Radiation Protection Adviser on the retirement of Dr Bidey.
- (3) That the Committee agreed that the University Risk Register should be revised to reflect the changing external environment.
- (4) That the Committee discussed the Equality Act 2010 and noted that, although it was largely a consolidation of existing legislation, it did extend the law in a number of areas. It was agreed that this was a matter of some importance and agreed that a briefing note should be brought to the attention of the Board.
- (5) That the Committee received a report on developments concerning the Rutherford Building.

Resolved:

- (1) That the Committee recommended to the Board the approval of a revised Code of Practice on Freedom of Speech (attached as Appendix 2).
- (2) That the Risk Committee recommended that no significant amendments to the existing Health and Safety Policy were needed and commended it to the Board for 2010-11 (attached as Appendix 3).

10. Report from the Senate (from the meeting held on 27 October)

Reported:

- (1) That the potential impact of the Browne Review of Higher Education and the Coalition Government's Comprehensive Spending Review was discussed.
- (2) That the University's performance in the 2010 National Student Survey was discussed at length and the need to improve performance in 2011 was emphasised. The Head of the School of Electrical and Electronic Engineering reported on actions the School had taken in 2009-10 which resulted in an increase in the School's overall satisfaction rating from 67% in 2009 to 98% in 2010. Much of this was down to significant work by key staff to improve two-way communication with students and to change processes and culture.
- (3) That the Vice-President (Research and Innovation) reported on progress being made to develop a research strategy for the University, preparations for the 2010 Research Profiling Exercise, and the merging of the Manchester Doctoral College (MDC) and the Graduate Education Group, under the name of the MDC, to provide a unified structure for managing postgraduate research. He also reported that the review of research finance and administration was close to conclusion and has identified that current arrangements often fall short of meeting the needs of researchers, making it difficult to monitor performance and potentially laying the University open to significant financial risk. A number of recommendations will be made to bring about a holistic approach to research support.
- (4) That the Senate had endorsed the approach being taken by the Timetabling and Shared Learning Spaces Group, chaired by the Vice-President (Teaching and Learning) to develop and implement a new University-wide policy on the timetabling and use of 'shared learning spaces'. This policy will be focused on maximising learning opportunities and the student experience, optimising efficient use of staff time, and maximising usage of the University's estate. Staff and students will be consulted during the development of the policy and it will then come to Senate for approval.
- (5) That the Senate had also endorsed the creation of a University College Taskforce to develop a detailed proposal for consideration in Spring 2011. It is envisaged that the University College (working title) will become home to a series of signature courses taught by leading academics. These courses would not only become integral to our goal of providing a superb, broadly-based education (Goal 2 of 2015) but would also become central to the engagement of our students in Goal 3 making "the University a force for good, locally, nationally and internationally, by bringing knowledge to bear on the great issues facing the world in the 21st century, and by producing graduates prepared to exercise social leadership and environmental responsibility".

11. Report from the Planning and Resources Committee (from the meetings held on 5 October and 9 November)

Reported:

- (1) That the Director of UNIAC attended the PRC meeting on 5 October 2010 to provide an overview of the Internal Audit Annual Report to the Board and the President and Vice-Chancellor. The Committee was pleased to be able to report to the Board that positive progress had been made in the key element of internal control. It also noted that there

was still work to be done, that control issues remained, and the level of senior staff engagement and commitment to ensuring effective internal control needed to continue.

- (2) That at its meeting on 5 October 2010, the Committee considered the draft pre-audit Management Accounts for the year ended 31 July 2010 and changes to the Financial Memorandum. At its meeting on 9 November 2010, the Committee considered the Financial Statements for the year ended 31 July 2010 and the financial forecast for 2010-11 (noting that HEFCE had agreed that institutions could submit the financial forecast to the end of 2010-11 by 1 December with forecasts for the following three years to be submitted by 15 April 2011). The Committee also considered the draft Management Accounts as at 30 September 2010 and guidance for the treatment of individual reserves. The Committee considered the Debt reports for July 2010 (year end) and August 2010 at its meeting on 5 October 2010 and for September 2010 at its meeting on 9 November 2010. At its meeting on 9 November 2010, the Committee considered the Comprehensive Spending Review and the Government response to the Browne Review.
- (3) That the Committee had received regular update reports on voluntary severance applications.
- (4) That the Committee received updates on registration at its meetings on 5 October 2010 and 9 November 2010 and recorded its appreciation and congratulations to all who had been involved in confirmation, clearing, registration and Welcome Week. At its meeting on 5 October 2010, the Committee received a report on the outcome of the National Student Survey 2010, which showed an improvement in the 'overall satisfaction' score for the University of Manchester to 79% (from 77% in 2009), although it would be premature to regard this level of satisfaction as indicative of anything other than 'steady state'. The Committee considered the outcome of the 2010 staff survey at its meeting on 9 November 2010. At its meeting on 5 October 2010, the Committee approved the Planning and Budget Cycle for 2010-11, considered a further report on the latest League Tables to be published and received the IT Strategic Plan. At its meeting on 9 November 2010, the Committee considered a report Review of Research Finance and Administration. The Committee also received updates on the staff and student HESA returns and approved the draft Annual Monitoring Statement and proposal for the Corporate Planning Statement.
- (5) That at its meeting on 5 October 2010, the Associate Vice-President (Graduate Education) presented a report back to the Committee on work undertaken in relation to the recommendations in his original report on delivering high quality researcher development, Towards a Sustainable Roberts Agenda. A final report would be made in December.
- (6) That at its meeting on 5 October 2010, the Committee approved the University's Capital Investment Framework submission to HEFCE.
- (7) That at its meeting on 5 October 2010, the Committee approved the following: University of Manchester and UMIP Sign-Off Process; draft Statement on Corporate Governance; draft Statement on Public Benefit (the latter two documents to be included within the 2010 Financial Statements).
- (8) That at its meeting on 5 October 2010 the Committee recorded its warmest congratulations to Professor Andre Geim and Professor Konstantin Novoselov on being awarded the Nobel Prize for Physics.

Close.

Taken as read and signed as a correct record on 18 May 2011.