

Confirmed minutes

The University of Manchester

BOARD OF GOVERNORS

Monday, 13 October 2008

Present:

Mr Norman Askew (in the Chair),

The President and Vice-Chancellor, Professor Sir Robert Boyd, Ms Debra Dickson, Mrs Gillian Easson, Dr Peter Eccles, Professor Luke Georghiou, Mr Robert Hough, Councillor Afzal Khan, Dr Kamie Kitmitto, Professor Ivan Leudar, Dr Keith Lloyd, Dr Anne McBride, Dr Alison Qualtrough, Mr Peter Readle, Mr Anil Ruia, Dr Brenda Smith, Ms Kathleen Tattersall, Councillor Roy Walters, Professor Steve Williamson and Mr Gerry Yeung. (21)

By invitation: The Deputy President and Deputy Vice-Chancellor, Mr David Barker (Head of Compliance and Risk) (for *actum* 5 (xv)).

In attendance: The Registrar and Secretary, the Deputy Secretary, the Director of Finance and the Director of Human Resources.

1. Minutes

Confirmed: The minutes of the meeting of the Board held on 14 July 2008.

2. Matters arising from the minutes

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

3. Chairman's report

Received: A report from the Chairman on matters relevant to the Board's operation.

Reported:

- (1) That Mr Norman Askew will stand down as Chairman, and as a member of the Board of Governors, on 31 July 2010, having served in that capacity for a period of six years. The University will begin the process to identify a successor in January 2009, as the relevant Statute prescribes that the Chair should be appointed by the Board from among its current membership. Therefore the University must ensure that the individual to be nominated as Chair, if not already a member, is a member of the Board by 1st August 2009 at the latest. The Chairman reminded members that in this instance, the Board, rather than the Nominations Committee, was responsible for the identification of the Chair. In recognition of its role in nominating members of the Board, consultation and communication with the Nominations Committee would continue throughout the process. A proposal, including further details on the process, will be provided at the November meeting of the Committee.
- (2) The Chairman informed the Board that the University held £5million on deposit with Heritable Bank, an Icelandic-owned A-rated bank which operated with a UK Banking Licence under the Financial Services Authority, and which had recently gone into in administration. The

University was working with government and other universities affected to recover these funds, and in the meantime would consult with its financial advisers in order to determine the appropriate accounting treatment. Recognising the current period of national and international financial uncertainty, the Chairman emphasised the overriding priority of the Finance Committee to maintain asset security above asset realisation in its management of the University's finances. In pursuing this priority during the prevailing market conditions, the Chairman indicated that there may be implications for the £10m maximum investment limit currently in operation.

- (3) That in the follow-up to the review of Board effectiveness recently undertaken, the Chairman reminded members of the principle that all members will gain some experience of the Committee work undertaken on its behalf during their period of service. Any resulting movements within the membership of Committees will be reported to the Board.
- (4) That the Board of Governors, in March 2007, had approved the reappointment of Mr Peter Sanderson as Chairman of the University of Manchester Intellectual Property Company (UMIP) to 30 April 2009. It was now proposed that his period of appointment should be extended for a further year to 30 April 2010, in order to provide stability and enable the UMIP Premier Fund to benefit from his considerable experience during the early stages of its development.

Resolved: To approve the proposal that Peter Sanderson be reappointed as Chairman of UMIP for a further year from 1 May 2009.

4. Secretary's report

(1) The University's Public Interest Disclosure ('whistleblowing') procedures

Reported: That, under the provisions of General Regulation VIII.12, the Board of Governors was required to designate, on an annual basis, a lay member to fulfil requisite functions in accordance with the University's Public Interest Disclosure ('whistleblowing') procedures, and in respect of concerns or allegations which might from time to time be raised under those procedures (as detailed in General Regulation VIII.8-11).

Noted: That the Board, having noted that this role could most appropriately be assumed by the Chair of the University's Audit Committee, has designated and thereafter re-designated on an annual basis, Ms Kathleen Tattersall to act in the capacity of 'notified lay member' since 2004.

Resolved: That Ms Kathleen Tattersall be re-designated to act in the capacity of 'notified lay member', for the period from 1 September 2008 to 31 August 2009.

(2) Associate Vice-President for Compliance, Risk and Sustainability

Reported: That Professor Maynard Case had been re-appointed as Associate Vice-President for Compliance, Risk and Sustainability to 31 July 2010.

5. President and Vice-Chancellor's report

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

Received:

- (a) A report of the President and Vice-Chancellor to the Board of Governors, which was ordered to be bound for reference.

- (b) A recommendation that the Board of Governors delegate to Finance Committee authority to authorise the release of the “best estimate” Five-Year Forecasts to HEFCE.
- (c) A recommendation that any queries arising from the discussion at Finance Committee on 7 November 2008 be resolved to the satisfaction of the Chair of the Finance Committee and the President and Vice-Chancellor prior to submission of the Five-Year Forecasts to HEFCE.
- (d) A recommendation that the fuller package of forecasting estimates and analysis be considered by the Board of Governors at its November meeting.
- (e) A recommendation that the Board note the renewal of the teaming Agreement with Serco PLC and Batalle Memorial Institute under which the University will, should the bid to manage the proposed National Nuclear Laboratory (NNL) succeed, play a major role in developing and implementing the national nuclear research agenda in relation to civil nuclear power generation and nuclear decommissioning.
- (f) A recommendation that Blocks Two and Three of the three blocks within University Place, be named in honour of Baroness Professor Jean McFarlane and the late Sir George Kenyon, respectively.

Reported:

- (i) The President and Vice-Chancellor made a series of observations in relation to the financial position and prospects of the University. In regard to the financial statements at 31 July 2008, the overall position of the University was sound and the statements demonstrated the significant achievements made by the University in its implementation of its Budget Management and Control Action Plan, which was agreed by the Board in February 2007. The Plan set three targets for the process of managing the University into surplus following the deficit-funding strategies pursued for important strategic reasons following 2004 merger. It had been reported to the Finance Committee that the University had achieved a balanced “running rate” by the end of the 2007-08 financial year. In addition, the Finance Committee had noted that the Board had adopted a University Budget for 2008-09 that was expected to provide an end of year surplus, both pre- and post- exceptional items. In relation to the third target, the establishment of sound, strategically informed five-year forecasting, management was close to finalising a set of Five-Year Forecasts for submission to the Board of Governors, via Finance Committee, at its November meeting. The forecasts were based on financial assumptions, control mechanisms and income and expenditure strategies designed to deliver growing surpluses, pre- and post-exceptionals, year-on-year, between 2009-10 and 2013-14. Thereafter, the forecasts will be rolled forward each year, and will be considered by the Board at the annual November meeting.
- (ii) In reporting the welcome results presented in the year-end position of the University, the President and Vice-Chancellor advised the Board of an issue concerning the University’s financial management and control, and which related to the monthly accounts at 31 July. The accounts contained a number of adverse variances between budgeted and actual expenditure levels compared with the situation at the end of June. Further analysis was underway to determine where and why the variances emerged, but it was clear that this demonstrated a weakness in the accuracy of the monthly report and undermined confidence in the ability of the University to plan and manage strategically. The annual opinion of the internal auditors, Uniac, also identified issues in respect of the control environment. Although the internal auditors recognised that the University had made major improvements over the past twenty months in relation to central finance functions of budget and management control, they also highlighted the need for major improvements at School and Faculty levels over the year ahead. The President and Vice-Chancellor assured the Board that management was committed to taking this advice seriously, and advised the Board that the University

would take the necessary steps to avoid a repetition of the significant adverse variances that were evident in the 31 July accounts.

- (iii) The President and Vice-Chancellor apprised the Board of the recent consideration given to the Five-Year Forecasts by the Senior Executive Team (SET). The forecasts served two purposes. At one level they were developed in order to satisfy compliance obligations to HEFCE which requires that Five-Year Forecasts are supplied each December, but it was also the intention of the Senior Executive Team to develop rolling Five-Year Forecasting to the point where it became the foundation upon which the University's medium term planning was based. In tackling this task, the Senior Executive Team was seeking to develop "best estimate" forecasts that acknowledged the financial scenarios most likely to develop, placed within the wider context of aspirational and worst case forecasts. These aspirational and worst case forecasts would recognize both the full exploitation of opportunities available to the University alongside the emergence of any identifiable strategic and operational risks over the five year period. This was especially important in relation to estimations of payroll costs, which represented approximately sixty percent of the University cost base. Payroll growth within the forecasts was limited to annual increases of four percent, and therefore if pay settlements were to raise growth above this figure, the University was committed to bringing the figure back within tolerance using the control tools it had put in place. It followed that any rises in payroll costs above this level would only be accepted where they were explicitly associated with opportunities for attracting new sources of increased income. In concluding, the President and Vice-Chancellor recommended the adoption of an approach by the Board to accommodate its compliance requirements and allow the consideration of full set of robust figures at the next meeting of the Board.
- (iv) The President and Vice-Chancellor provided an update on the higher education funding environment, in the context of the global credit crisis and its effect on the level of Government outlay and private sector investments in education, training and research. The impact of these economic developments was likely to be considerable within the sector, and a number of lean years in respect of funding were likely. Universities across the sector have entered this period in a position of relative weakness, in particular in relation to the quality of infrastructure, and also, in respect of their pension obligations which had been adversely affected by the fall in equity values. For the University, the economic downturn would have immediate implications for Phase 3 of the Capital Development Programme, and should the economic situation worsen, it could also affect commitments to long term maintenance expenditure and the further development of teaching and learning. The recent experience of the University in respect of the Science and Technology Facilities Council could be repeated across other Research Councils, and funding from charities, which are particularly dependant on the performance of endowments invested in equity markets. The University of Manchester had requested an independent report on its pension liabilities, and more widely, universities were under pressure to reassure its members of the sustainability and funding of their schemes. These considerations would undoubtedly affect future pay negotiations. Therefore the University of Manchester must take steps to ensure that it does not waste any of its scarce resources and that it continues to seek to further its own strategic priorities during this period of financial stringency.
- (v) The report of the President and Vice-Chancellor made reference to applications to university programmes and registrations, and highlighted the significance of the figures in demonstrating that consistent enrolment growth was likely to continue. In regard to widening participation, the University's programmes were widely regarded and following consideration of the University's report to the Office for Fair Access (OFFA), both the Director for Fair Access and the Minister for Further and Higher Education had commended the University for the scope of its equity and merit scholarships and outreach work targeted at outstanding students from disadvantaged backgrounds.

- (vi) The report of the President and Vice-Chancellor also provided information on the detailed preparation underway within the University to determine, in the advance of the release of Research Assessment Exercise (RAE) findings, precisely how The University of Manchester would wish to analyse its performance and shape any public announcements.
- (vii) The President and Vice-Chancellor reported on fundraising and benefaction activity within the University and the growth of this source of income over recent years, with cash received from benefaction rising from £4.5M in 2004-05 to £13.7M in 2007-08. Thanks were expressed to the Director of Development and Alumni Relations for his efforts and those of his team in positioning The University of Manchester to become a major recipient of philanthropic income in the future.
- (viii) The President and Vice-Chancellor provided further information on developments within the University's ongoing Review of Undergraduate Education. The importance of the Review was emphasized by the University's relatively unsatisfactory evaluations from the National Student Survey, coupled with the objective realities of large class sizes and the difficulties in providing a world class learning experience for the largest student body in the UK. The development of personalised learning remained at the forefront of the Review, and the President and Vice-Chancellor was heartened by the support and engagement of the students of the University in pursuit of this agenda. As part of the Review, the University was developing, through Senate and subject to external support from HEFCE, proposals for a Learning Commons, which would provide a world class learning environment for students, in addition to committing £10M of expenditure to refurbish teaching spaces across the University over 2008-09.
- (ix) The President and Vice-Chancellor briefed the Board on developments within Nuclear and Related research, and the bidding process recently launched by the Government concerning the establishment of a National Nuclear Laboratory (NNL). The University had entered into a teaming agreement with Serco PLC and Batelle Memorial Institute. The agreement provided a basis for international strategic collaboration between the parties in the future, but its specific focus was on joint engagement in the foreshadowed NNL in the UK. Following the departure of Professor Richard Clegg, to join the Atomic Weapons Authority as Chief Scientist, Professor John Perkins had been appointed as the Director of the Dalton Nuclear Institute. Dr Paul Howarth, who was previously Director of Research at the Institute had been appointed as Executive Director, and Professor Francis Livens had been appointed as the Institute's Academic Director. The President and Vice-Chancellor asked the Board to note the renewal of the teaming agreement with Serco PLC and Batelle Memorial Institute and also to note that, should the bid to manage the NNL succeed, the University will play a major role in developing and implementing the national nuclear research agenda in relation to civil nuclear power generation and nuclear decommissioning. The President and Vice-Chancellor also undertook to brief members on this in further detail at an informal meeting of the Board.
- (x) The report of the President and Vice-Chancellor provided information on developments in respect of the Manchester Academic Health Sciences Centre (MAHSC). The partner organisations involved had been taking the proposals for the Centre forward through their respective Boards over recent months. The Board of Governors, at its meeting on 19 May, delegated authority to the President and Vice-Chancellor to sign a Memorandum of Understanding (MOU) on behalf of the University, provided it did not commit the University to details in relation to the powers, structure and governance of the proposed Centre. Pursuant to this, a Transitional Governing Board was established, chaired by Sir David Henshaw, Chairman of the Northwest Strategic Health Authority. This body had been working on the necessary due diligence, and was bringing forward a Members' Agreement and proposed Articles of Association that would establish the MAHSC as an incorporated body limited by guarantee. It was anticipated that these documents would be available for consideration by the Board at the meeting on 20 November 2008.

- (xi) That University Place was a magnificent new facility, proving very popular with students, staff and visitors. During the first six months of its use it has become clear that to assist with orientation around the building it would be helpful to name individually the three distinct blocks which together make up University Place. It is proposed that Block One of University Place, which fronts Oxford Road and contains the main lecture theatre, Visitors Centre and catering facilities will continue to be known as University Place. Block Two, which contains the School of Nursing and various health science academic activities, will be named in honour of Professor Baroness Jean McFarlane of Llandaff. Professor Baroness McFarlane is best known for her pioneering work in establishing clinical nursing research and university education whilst employed at this University. Block Three, which contains student residential accommodation and a student computer cluster, to be named in honour of the late Sir George Kenyon, former Chair of Council of the Victoria University of Manchester and a key figure in the development of the University campus, in particular, in the 1970s. Informal soundings have been held, both within the University and externally, on the proposals for the naming of Blocks Two and Three. Subject to the consent of Baroness McFarlane and of the family of Sir George Kenyon the Board was asked to approve these recommendations.
- (xii) The President and Vice-Chancellor was pleased to bring to the attention of Board members the continuing improvement in the University's ranking within the 2008 Shanghai Jian Tong Academic Ranking of World Universities. The University had improved its position in the rankings to 40th in the world, up from 78th (VUM only) in 2004, 53rd in 2005, 50th in 2006 and 48th in 2007.
- (xiii) The President and Vice-Chancellor alerted members of the Board to an article in Student Direct, which is produced by the Students' Union, regarding a series of allegations about irregularities in expenditure by the former administration of the Union during the previous year. In recognising the University's obligations in respect of the public funds it provides to the Union, the President and Vice-Chancellor had requested that the Union should conduct an appropriate investigation, and should seek assurances from its auditors in relation to this expenditure.
- (xiv) The President and Vice-Chancellor briefed the Board on developments in respect of the independent investigation launched by the University, following the report it had received concerning possible contamination within the Rutherford Building. The University of Manchester had subsequently engaged Professor David Coggan to lead an independent review into possible health risks associated with ionising radiation in the Rutherford Building. In terms of the current occupation and use of the Building, the University was satisfied, through the monitoring and remediation undertaken in 1999 and in 2004, and noting that at no point were levels of ionising radiation above occupational exposure limits, that the Building provided a safe working environment and so there was no imperative to move staff. Following receipt of the original report that raised concerns about radiation levels and the health of a number of former members of staff, the University had been in regular contact with the relevant agencies from the outset, and would continue to work sensitively with all those concerned. It was anticipated that the review would take a number of months to complete its work, and regular reports would continue to be provided to the Board while it was underway, via the Risk Committee. Thanks were expressed on behalf of the Board to the Head of Compliance and Risk, Dr David Barker and the Head of Radiation Safety, Dr Steve Bidey for their work on this since the report had been received by the University.
- (xv) The Head of Risk and Compliance, Dr David Barker, provided an update for members of the Board on operational risk within the University. The report noted that accident statistics had not been presented to the Board on this occasion, reflecting the low level of reports received during the summer period. Dr Barker also informed the Board of the University's Emergency Incident processes and the new training regime that had been introduced for Emergency Incident Managers. The team of managers provide cover for all reports of emergency incidents affecting staff and students on campus,

and their dedication has been acknowledged by the Registrar and Secretary and the Associate Vice-President for Compliance, Risk and Sustainability. Dr Barker also briefed the Board on the Safeguarding Children on Campus Group, established earlier in the year and which has met on two occasions over the summer. The Group was working on specific guidance notes and associated training to ensure the University meets its obligations and provides a safe environment for children on campus. In concluding, Dr Barker advised the Board that plans were being brought forward to undertake a full scale emergency exercise in order to assess emergency response management systems.

Resolved:

- (a) The recommendation that the Board of Governors delegate to Finance Committee authority to authorise the release of the “best estimate” Five-Year Forecasts to HEFCE.
- (b) The recommendation that any queries arising from the discussion at Finance Committee on 7 November 2008 be resolved to the satisfaction of the Chair of the Finance Committee and the President and Vice-Chancellor prior to submission of the Five-Year Forecasts to HEFCE.
- (c) The recommendation that the fuller package of forecasting estimates and analysis be considered by the Board of Governors at its November meeting.
- (d) The recommendation that the Board note the renewal of the teaming Agreement with Serco PLC and Batalle Memorial Institute and also note that, should the bid to manage the proposed National Nuclear Laboratory (NNL) succeed, the University will play a major role in developing and implementing the national nuclear research agenda in relation to civil nuclear power generation and nuclear decommissioning.
- (e) The recommendation that Blocks Two and Three of the three blocks within University Place, be named in honour of Baroness Professor Jean McFarlane and the late Sir George Kenyon, respectively.

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

Reported:

(a) Professorial appointments

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

Chair of Health Economics

Matthew Sutton, PhD Economics (York), MSc Health Economics (York), BA (Hons) Economics and Econometrics (Leeds), previously Chair of Health Economics at the University of Aberdeen, as Professor of Health Economics (School of Community Based Medicine) from 1 April 2008.

Chair of Medical Education

Karen Mann, PhD (Education) Dalhousie University, MSc (Health Education) Dalhousie University, BSc (Nursing) Dalhousie University, Diploma in Teaching in Schools of Nursing Dalhousie University, previously Professor of Nursing at Dalhousie University, as Professor of Medical Education in the School of Medicine from 1 September 2008.

Chair of Midwifery

Tina Lavender, PhD (John Moores), PgDip Practitioner Research (MMU), Registered General Nurse (Liverpool School of Nursing), Registered Midwife (Liverpool School of Midwifery), Royal College of Midwives (Honorary Fellow), Honorary Lecturer (Liverpool University), previously Professor of Midwifery and Women's Health at the University of Central Lancashire, as Professor of Midwifery (in the School of Nursing, Midwifery and Social Work) from 1 October 2008.

Chair of Molecular Pathology

Göran Landberg, MD (Umeå), PhD Pathology (Umeå), previously Research Strategist at the Department of Laboratory Medicine, UMAS, Sweden, as Professor of Molecular Pathology (in the School of Medicine) from 1 October 2008.

***Ad Personam* Chair in Nuclear Fuel Technology**

Timothy James Abram, BSc(UMIST), MSc(Brunel), previously Senior Fellow in Fuels and Reactor Systems at Nexia Solutions Limited in Preston, as Professor of Nuclear Fuel Technology in the School of Mechanical, Aerospace and Civil Engineering from 1 September 2008.

***Ad Personam* Promotional Chair in Organic Chemistry**

David Procter, BSc, PhD(Leeds), previously Reader in Organic Chemistry in the School of Chemistry, at this University, as Professor of Organic Chemistry in the School of Chemistry from 1 October 2008.

***Ad Personam* Promotional Professor of Restorative Dentistry**

Hugh Devlin BDS (Bristol), BSc (Bristol), MSc (Manchester), PhD (Manchester), previously Reader at this University, as Professor of Restorative Dentistry in the School of Dentistry from 1 August 2008.

***Ad Personam* Promotional Professor in Surgery**

Ajith Siriwardena MBChB, FRCSEd, FRCSEng, MD, FRCS Gen (Manchester), previously Honorary Reader at this University, as Honorary Professor of Surgery in the School of Medicine from 1 August 2008.

***Ad Personam* Promotional Professor in Radiation Biology**

Catherine West BA, PhD (London), previously Senior Lecturer in Radiation Oncology at this University, as Professor of Radiation Biology in the School of Medicine from 1 August 2008.

***Ad Personam* Promotional Chair in Health Economics**

Linda Davies BA, MSc, previously Reader in Health Economics Research at this University, as Professor of Health Economics in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Medicine

Rayaz Malik BSc, MSc, MB ChB, MRCP, PhD (Manchester), CCST, FRCP, previously Reader in Medicine at this University, as Professor of Medicine in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Psychiatry

Ian Anderson BA, MA, MB.BS, MRCP (UK), MRCPsych, MD, FRCPsych, previously Senior Lecturer in Psychiatry at this University, as Professor of Psychiatry in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Public Health Informatics

Iain Buchan FFHP, CCST, MFPHM, MD, DPH, MB ChB, BSc, previously Senior Lecturer in Public Health Informatics at this University, as Professor of Public Health Informatics in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Genetics

Gillian Wallis BSc, PhD (Cape Town), MA, previously Senior Lecturer in Genetics at this University, as Professor of Genetics in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Medical Education

Caroline Boggis MB, BS, FRCR, PGCTHE, MRCP, at present Associate Director for the Curriculum at this University, as Professor of Medical Education in the School of Medicine from 1 August 2008.

Ad Personam Promotional Chair in Psychiatry and Population Health

Navneet Kapur MB, ChB, MRCPsych, MMedSc, MD, previously Reader in Psychiatry at this University, as Professor of Psychiatry and Population Health in the School of Medicine from 1 August 2008.

(b) 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 on the following:

Professor Peter Heggs, Professor of Chemical Engineering (in the School of Chemical Engineering and Analytical Science) (*from 1 August 2008*).

(c) Representatives on outside institutions

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

Buxton Community School

Mr David Swain, for a further period from 30 August 2008 to 29 August 2012

(d) 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 Medical and Human Sciences

Research School of Translational Medicine	Professor Ashley Woodcock, for the period 1 September 2008 to 31 July 2013
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(e) Other authorisations

Acting on behalf of the Board of Governors, the President and Vice-Chancellor had approved the revision to the composition of the Board of the School of Chemical Engineering and Analytical Science:

“The core membership of the School Board comprises all members of the School holding an academic post or contract exceeding one year. The core membership should remain the majority of the total membership. Subject to this condition, members will include:

School staff holding positions of significant responsibility in the management of the School, including the Head of School Administration, Information Services Manager, School Safety Advisor, Research Administrator, Finance Manager and elected representatives from each of the following:

- research staff (maximum 2; maximum such that ratio of research staff representatives to academic staff is no greater than 1:4);
- administrative staff (2);
- technical staff (2)
- undergraduate students (3)
- postgraduate (taught) students (3)
- postgraduate (research) students (3).”

(f) Seal orders

Pursuant to General Regulation VII.4, the Common Seal of the University has been affixed to the instruments recorded in entries no. 761-812, Seal Register 1.

6. Registrar’s report

Reported: The Registrar and Secretary provided an update on the work of the administration, its role in support of the University’s *Toward’s Manchester 2015* agenda and its continuing responsibilities in respect of changing statutory and regulatory developments. In highlighting the complexity of some aspects of the latter, the Registrar and Secretary provided information on the obligations that were due to fall on the University following the introduction of stricter immigration controls for international students entering the United Kingdom.

7. Board committee reports**(1) Resolution from the Chair of the Finance Committee****Noted:**

- (a)** That on 31 July 2008 the University had entered into an amendment and restatement agreement (the “**Amendment Agreement**”) amending and restating the facility agreement dated 9 November 2005 (as amended from time to time) and made between The Royal Bank of Scotland plc acting as agent for National Westminster Bank plc (the “**Bank**”) and the

University, relating to the provision by the Bank of a guarantee facility of up to £40,000,000 to the University (the “**Facility Agreement**”).

- (b) That on 31 July 2008 the University had also granted a counter indemnity in favour of the Bank (the “**Counter Indemnity**”).
- (c) That it was a condition of the Facility Agreement (as amended and restated by the Amendment Agreement) that the University execute legal charges over the following properties:
 - (i) the Martin Harris School of Music and Drama, Coupland Street, Manchester;
 - (ii) land and buildings known as Coupland Three, Coupland Street, Manchester;
 - (iii) land and buildings known as The Beyer Building off Burlington Street, Manchester;
 - (iv) land and buildings known as John Owens Building and Eddie Newcomb Student Services Centre, Burlington Street, Manchester;
 - (v) land and buildings known as the Christie Building, Burlington Street, Manchester;
 - (vi) land and buildings known as the Pharmacy Building off Coupland Street, Manchester;
 - (vii) land and buildings known as the Dover Street Building, Dover Street, Manchester;
 - (viii) land and buildings and known as the Chancellors Hotel and Conference Centre, Fallowfield, Manchester;
 - (ix) land and buildings and known as the Sackville Street Building, Sackville Street, Manchester; and
 - (x) land and buildings comprising a Multi Storey Car Park off Booth Street West, Manchester,

(together, the “**Properties**”), as security for certain of the University’s obligations to the Bank (the “**Legal Charges**”).

- (d) That under the terms of the Legal Charges, the University would create first legal mortgages over the Properties together with, inter alia, all fixtures and fittings thereon; the Legal Charges secured all of the University’s obligations under the Facility Agreement and the Counter Indemnity from time to time; and the Legal Charges imposed obligations on the University in relation to, inter alia, the upkeep of the Properties and restrictions in relation to, inter alia, the disposal of the Properties.
- (e) That the Chair of the Finance Committee had confirmed his full understanding of the effect and implications for the University of the Legal Charges.

Resolved:

- (a) That on the recommendation of the Chair of the Finance Committee, the execution and delivery by the University of the Legal Charges and the performance by the University of its obligations under the Legal Charges be approved and the terms and conditions of the Legal Charges be approved.
- (b) To delegate to the Chair of the Finance Committee and to the President and Vice-Chancellor authority jointly to execute on behalf of the University the Legal Charges and any notices, communications or other documents in connection therewith.

(2) Finance Committee

Reported: That although the Committee had not met formally since the last meeting of the Board, the Chairman of the Finance Committee informed members of the Board that, following assurances received from the NWDA, the issue concerning the potential “clawback” of funds from future disposals raised at the meeting of the Board held on 14 July 2008, had been resolved to the satisfaction of the University.

(3) Audit Committee (2 October)**Received:**

- (i) A summary report and minutes from the meeting of the Audit Committee held on 2 October 2008.
- (ii) The University's Statement on Corporate Governance, for approval by the Board of Governors, and for presentation alongside the financial statements.
- (iii) The Internal Audit Annual Report, for approval by the Board of Governors, and onward transmission to HEFCE.

Noted:

- (a) That the Committee had received a paper on the provision of data assurances to HEFCE. The HEFCE Accountability and Audit Code of Practice had been updated, and included new responsibilities for audit committees in relation to the management and quality assurance arrangements for data submitted to HESA. While not mandatory in the current year, HEFCE had indicated that they would welcome attempts to incorporate this requirement within reporting over 2007-08. The report provided to the Committee outlined the data collection procedures in place for each of the main HESA returns, and the Committee agreed that although the report was welcomed, it did not provide the necessary assurance to enable a report to HEFCE in the current financial year. Further discussions between management and the internal auditors would be required to determine how the Committee might receive and provide assurances over 2008-09.
- (b) The Committee had received an oral report on the external audit where it was reported that good progress was being made and that no major issues had been reported. The Committee noted that the progress described represented a significant improvement on the position in 2006, and congratulated the Finance Team and external Auditors for their work in reaching this position. It was also reported that the University was on schedule to meet all deadlines concerned with the approval and sign-off of the financial statements ahead of their submission to HEFCE in early December.
- (c) That the Committee had considered the Draft Statement on Corporate Governance, which will be presented alongside the financial statements. The statement is largely unchanged from the previous year, although the section on the effectiveness of risk management over 2007-08 has been updated. The Audit Committee approved the draft Statement, subject to minor amendment, and a copy of the latest draft was provided for consideration by the Board of Governors.
- (d) That the Committee had received a progress report from the Director of Uniac on the reviews of the School of Physics and Astronomy, Risk Management, Authorised Signatories, the Finance Function Follow-up, and Energy Cost Accruals.
- (e) That the Committee had received and considered Uniac's annual opinion and noted that they had reported that internal control had improved substantially on the previous year and that the further embedding of responsibilities across the University should lead to an effective control environment. Subject to further consideration of the wording employed within Section 3, the Committee recommended the Annual Opinion of the internal auditors to the Board of Governors for onward transmission to HEFCE.
- (f) That the Committee had considered the Draft Internal Audit Needs Assessment Programme and noted that Uniac would undertake 550 audit days over the course of 2008-09, and that the programme would continue to focus upon the internal control environment.

Resolved: To approve the Statement on Corporate Governance, and the Annual Opinion of the Internal Auditors.

(4) Risk Committee (2 October)

Received: A summary report and minutes from the meeting of the Risk Committee held on 2 October 2008.

- (a) That the Risk Committee had noted that progress was being made with the establishment of a Safeguarding Children's Group and the formulation of a comprehensive Child Protection Policy, taking into account the new Independent Safeguarding Authority.
- (b) That the Committee had noted that a Major Incident Response Plan and a Major Incident Management Team had been set up to provide a framework and an operational team to deal with any major incident that might affect the running of the University.
- (c) That the Committee had received an interim report on the 2008 Compliance Exercise and noted that there was a high level of positive reporting.
- (d) That the Committee had received a detailed report on the actions taken in response to a report submitted concerning possible contamination in the Rutherford Building.

8. Report from the Planning and Resources Committee

Received: A summary of matters discussed at the meeting of the Committee held on 30 September 2008.

Noted:

- (1) That PRC had considered a report on the National Student Survey (NSS) 2008, the fourth year of the survey of final year undergraduate students, and whose primary purpose was to provide information to students on the process of applying to university in order to inform their choices. Further information on the results of the survey would be provided at an informal meeting of the Board.
- (2) That a Time Allocation Survey Briefing Document, prepared by the Vice-President and Dean of the Faculty of Humanities, had been considered by the Committee. The Committee noted that during 2008-09 the University would ask members of academic staff to complete a simple form to record how they spent time during a particular week.
- (3) That the summary report on the third biannual staff survey, which was conducted in May 2008, was considered by PRC and was provided for the information of Board members.
- (4) That the Committee had considered a paper prepared by the Director of Student Recruitment, Admissions and International Development. The Paper provided an analysis of the use of educational advisers in maximising the University's potential to recruit international students.
- (5) That a summary report of the management accounts as at 31 July 2008 was considered by the Committee. In addition the Director of Finance provided an update for the Board on the Pension Guarantee, Investment Management, and the progress of the year-end audit.

9. Report from the Senate (from the meeting held on 22 July)

Reported: That Senate had, since the last meeting of the Board, met on one occasion: on 22 July 2008. This additional meeting was called in order to enable Senate to consider a paper entitled Personalised Learning – Core principles underpinning the *Manchester Experience*. The paper was introduced by the Vice-President (Teaching and Learning), Professor Colin Stirling. In placing the paper within the context of the wider *Review of Undergraduate Education*, the Vice-President emphasised that the success of the University's commitment to excellence in teaching and learning would be measured in part by progressive improvements in the level of student satisfaction. Senate noted that personalised learning was one of the three core priorities for change in the student experience to emerge from the *Review of Undergraduate Education* (the other two priority areas concerned curriculum design and online learning). Senate also noted that the principles were not intended closely to prescribe operational matters but to provide a more general guide to the University's approach to this aspect of the student experience - an approach which was likely to take different forms in different parts of the University. After discussion, Senate agreed to endorse the recommendations set out in the paper.

10. Any Other Business

Noted: That the glass frontage of the new University Place building on Oxford Road provided a valuable cultural opportunity for the University to display artwork produced within the University or by local artists.

Confirmed as read and signed as a correct record on 20 November 2008