

**BOARD OF GOVERNORS**Minutes of the meeting held on 1 December 2014

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**Present**

Bernard Laverty	Independent member	Chair of the Board
Lesley Munro		Clerk to the Board
Martin Ainscough	Independent member	
John Cater	Vice-Chancellor	Ex-officio
Clive Edwards	Independent member	
Lisa Greenhalgh	Independent member	Chair: Audit Committee
Rob Green	Independent member	
Stephen Hesford	Independent member	
Bill Johnson	Support staff member	Elected
David Owen	Independent member	Deputy Chair & Chair of Resources Committee
Simon Pope	Independent member	
Connor Richmond	Student member	Elected
George Talbot	Academic staff member	Academic Board nominee

**In attendance**

Mark Allanson	PVC (External Relations)
Lynda Brady	PVC (Student Affairs) & University Secretary
Steve Igoe	Deputy Vice-Chancellor
Paul Malone	Students' Union General Manager

**Observer**

Thomas Hurdsfield	Students' Union Vice-President (Health)
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**Apologies**

Richard Benjamin	Independent member	
John Maxwell	Independent member	
Lynnette Turner	Academic staff member	Elected
Denise Walker	Independent member	
Kayley Wilson	Student member	SU President

The Chair extended a welcome to Mark Allanson who was attending his first meeting and to George Talbot as the new Academic Board nominee. He also welcomed Thomas Hurdsfield who was attending as an observer in the absence of the Students' Union President.

**BG.14.024 Declarations of Interest**

There were no Declarations of Interest specific to the meeting.

**BG.14.025 Chair's Announcements**

The Chair reported his attendance at recent regional and national CUC meetings noting that the issue of diversity within Board membership had been a significant area of discussion. He also highlighted the University's success in being named University of the Year by the Times Higher Education at their Awards evening on 27 November.

**BG.14.026 Chair's Action**

There was no Chair's Action to report.

**BG.14.027 Minutes of the previous meeting**

*Received: Document BG/017/14*

The minutes of the meeting held on 29 September 2014 were agreed and signed by the Chair as a correct record.

**BG.14.027 Action Log**

*Received: Document BG/018/14*

Members received the Action Log noting that the issue of facilities for VIBE Media remained outstanding. The Vice-Chancellor indicated that licensing costs were likely to be a relevant factor in the discussion but that Executive members were happy to explore options with the Student Governor.

**BG.14.028 Matters arising not included elsewhere on the agenda**

There were no matters arising.

**SECTION A ITEMS**

**BG.14.029 Minutes of Committees**

*.01 Nominations Committee (20 October 2014)*

*Received: Document BG/019/14*

The Chair introduced the minutes noting that the issue of increasing diversity within Board membership had been discussed and that this would be borne in mind in the next recruitment round which would take place in the New Year.

The Clerk agreed to circulate details to members so that they could arrange distribution within their own networks as appropriate.

**Action: Clerk**

The Nominations Committee minutes were received.

*.02 Resources Committee (20 October 2014)*

*Received: Document BG/020/14*

The Chair of Resources introduced the minutes drawing attention to the following points:

- Arising from the Committee's Effectiveness Evaluation, the lack of HR experience within the Committee had been noted;
- The continuing poor investment return rates highlighted through the Treasury Management report;
- Active management of the ongoing VAT issue with Turners (contractors);
- Plans for further residential development;
- Commendable outcomes from the Investors in People (IIP) assessment and the recent Staff Survey;
- The excellent surplus noted in the Financial Statements and confirmation that debt repayment levels were well within covenant limits;
- The speed and efficiency of the audit process.

The Resources Committee minutes were received.

*.03 Audit Committee (10 November 2014)*

*Received: Document BG/021/14*

The Chair of Audit introduced the minutes highlighting the detailed discussion of the Financial Statements along with other end-of-year documentation. She drew particular attention to the unqualified opinion offered by the External Auditors.

The Chair of the Board noted that an audit which had no corrected or uncorrected differences to report was extremely unusual and was a tribute to the internal finance team.

The Audit Committee minutes were received.

**BG.14.030 WLBC/EHU Forum (7 November 2014)**

*Received: Document BG/022/14*

The Chair reported that, despite a number of important items on the agenda, WLBC members were again particularly drawn to issues around parking although no solutions were offered. The Vice-Chancellor indicated that the Council had yet to spend the Section 106 monies which had been levied against building development on campus and that the proposals for more cycleways and re-phasing the traffic lights did not address the main problem in any event. Some reconsideration of the green belt boundary would allow the University to make additional parking provision and could resolve the position but this was unlikely to be agreed.

In discussion, members expressed disappointment with the recent Economic Study undertaken by the Council and the lack of focus on skills development as the main driver for economic regeneration. It was also felt that the economic impact of the University was insufficiently recognised. It was acknowledged that the University had a role to play in providing information, advice and expertise to influence local plans but that this needed careful management to ensure it did not unduly detract staff from mainstream University business.

It was further noted that West Lancashire was not an important part of the Lancashire Strategy which centred on Preston and that it was excluded from Merseyside plans by boundary lines.

Members received the report on the WLBC/EHU Forum.

**BG.14.031 CUC Code of Governance: Final Draft**

*Received: Document BG/023/14*

The Clerk introduced the final draft of the new Higher Education Code of Governance sponsored by the Committee of University Chairs (CUC). It was noted that this had been significantly revised following an earlier consultation and now provided a clear and unambiguous guide to Governing Bodies in terms of responsibilities. New aspects of the Code included specific references to external collaborations, ethical operation and a renewed emphasis on equality and diversity issues.

The Clerk indicated that initial mapping suggested few changes to current processes would be necessary but that a full gap analysis would be undertaken when the published document was received.

**Action: Clerk**

The CUC Code of Governance: Final Draft was received.

**BG.14.032 Management Information October 2014**

*Received: Document BG/024/14*

The Deputy Vice-Chancellor introduced the October Management Information drawing attention to the prudent assumptions which formed the basis of the budget. He highlighted the recent progress on fee collection and the positive impact of gap savings on the expenditure line. Although early in the budget cycle, the overall bottom line position was ahead of the forecast with further improvement anticipated.

In discussion, the following points were noted:

- The underspend on staffing was largely attributable to vacancy savings (the budget is based on a full staff complement throughout the year) and changes to the profile of activity in the Faculty of Education;
- The adverse variance for residences and catering was partly due to the inclusion of accommodation fees within the total fee charged to USA study abroad students and should be offset by higher international fee income. Occupation rates remained high at 99%.

The Deputy Vice-Chancellor agreed to provide further detail at a subsequent meeting;

**Action: Deputy Vice-Chancellor**

- The positive cash variance was a result of increased recruitment (2,700 against 2,500 for budget purposes) and more effective fee collection processes;
- The confirmation of the improved position provided by the management information supported the completion of the Sports development and a further accommodation build to come on stream for September 2015. In this regard, it was noted that the level of residential provision was sufficient to guarantee accommodation to all but the most local applicants but that additional rooms were important in supporting recruitment through Clearing and for international students.

The Management Information report for October 2014 was received.

**BG.14.033 Financial Health of the Higher Education Sector: 13/14 – 16/17 forecasts**

*Received: Document BG/025/14*

The Deputy Vice-Chancellor introduced the HEFCE report which outlined the current and projected financial position of the sector based on institutional reports. He highlighted the projected falls in surpluses and liquid funds alongside significant increases in borrowing – a position which was not sustainable in the long term especially given increasing cost pressures and capped tuition fees. The increasing reliance on international recruitment was also a vulnerability given government policy and the general volatility of this market. The report masked considerable variation in institutional performance and the Deputy Vice-Chancellor drew attention to the strength of Edge Hill's position in relation to the key financial indicators.

In discussion it was noted that, whilst the removal of the student number cap might not have a major impact on government spend given the fall in the 18 year old cohort, it would have the effect of increasing competition between institutions. The Vice-Chancellor indicated that this was a key issue for the University and he emphasised the importance of brand and reputation in generating more applications to sustain growth.

In facing a particularly challenging environment, it was noted that the decision to grow the institution some years ago had proved a wise one providing some room for manoeuvre if necessary.

The report on the Financial Health of the Higher Education Sector was received.

<b>SECTION B ITEMS</b>
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**BG.14.034 Vice-Chancellor's Report**

*Received: Document BG/026/14*

The Vice-Chancellor introduced his report drawing attention to the following points:

- Overall, 2014 entry student numbers were satisfactory although the shifting balance in the Faculty of Education from three year undergraduate to one year PGCE programmes held longer term funding implications and had caused some parking problems at the start of term;
- A committed effort from University staff and the Students' Union (SU) had ensured Freshers' week had gone well and students were also benefiting from the SU's revitalisation of the bar facility;
- The University's financial position remained strong allowing completion of the Sports Development and other capital works;
- The applicant market was becoming more competitive and early figures for 2015 indicated applications to the University were slightly below the previous year. Any reduction in applications increased the University's vulnerability and would place additional pressure on conversion rates in order to maintain student numbers. The University was encouraging portfolio innovation to support market relevance and a stronger emphasis on employability to add value to the student experience;
- Government policy towards teacher training continued to present challenges for recruitment in the Faculty of Education. The Vice-Chancellor had attended a number of meetings at the Department for Education recently and, whilst there were some indications that

sector concerns were beginning to be heard, the real position was unlikely to be clear until after the General Election;

- In this environment, enhancing brand and reputation remained critical in driving market awareness. An improved performance in the Research Evaluation Framework (REF) would be important in this respect whilst the University of the Year award was particularly timely.

In a lively discussion, members were keen to see the University exploit the benefits to be gained from the University of the Year award and they encouraged a proactive Public Relations approach across a wide range of communities and networks in order to maximise exposure. There was also support for additional expenditure to take full advantage of the position. Members of the Executive indicated that work was already underway and, whilst recognising the need to reach the widest audience, also emphasised the importance of nuanced and targeted activity using the most appropriate media.

It was agreed to circulate the University's strategy and the Vice-Chancellor invited members to provide direct feedback.

**Action: Pro Vice-Chancellor (External Relations)**

The Vice-Chancellor's report was received.

**BG.14.035 Going Concern Statement**

*Received: Document BG/027/14*

Noting this was an optional exercise, **the Board approved the HEFCE Annual Sustainability and Assurance Report** for submission.

**Action: Chair/Deputy Vice-Chancellor**

**BG.14.036 Auditors' Letter of Representation**

*Received: Document BG/028/14*

Noting there were no issues arising, **the Board approved the Auditors' Letter of Representation for signature.**

**Action: Chair/Vice-Chancellor**

**BG.14.037 Audit Committee Report for the Year ended 31 July 2014 and External Audit Letter**

*Received: Document BG/029/14*

The Chair of Audit introduced the report which outlined the work of the Audit Committee over the year. She highlighted the positive outcomes of internal audit reports and the unqualified external audit opinion in relation to the Financial Statements. On the basis of the work undertaken over the year, the Audit Committee was able to confirm the statements included in the Financial Statements relating to Governance, Risk Management and Internal Control.

The 2014 Audit Committee report was received.

**BG.14.038 Report and Financial Statements for the Year ended 31 July 2014**

*Received: Document BG/030/14*

Noting the recommendations from both Audit and Resources Committees, the Financial Statements were proposed for approval.

In response to a member's question, it was noted that the University would continue to support activity to further reduce staff absence rates.

The Vice-Chancellor indicated that the results suggested the University would be in the top 5% for financial performance.

**Following consideration, the Board approved the Report and Financial Statements for the Year ended 31 July 2014.**

**Action: Deputy Vice-Chancellor**

**BG.14.039 2014 Annual Accountability Return to HEFCE**

*Received: Document BG/031/14*

The Deputy Vice-Chancellor introduced the return drawing attention to the narrative and the tables which demonstrated the strength of the University's position. It was noted that this return provided general assurance as well as financial data, recognising HEFCE's role both as Regulator for the Charities Commission and Government Funding Agency.

In discussion, it was suggested that retention and diversity data might be included in the key performance metrics in future years.

**The Board approved the Annual Accountability Return for signature and submission to HEFCE.**

**Action: Deputy Vice-Chancellor**

**BG.14.040 Capital Projects Update**

*Received: Document BG/032/14*

The Deputy Vice-Chancellor introduced the report indicating that a planning application had been submitted to West Lancs for the Phase 10 residential development and a bid would be put to the next Resources Committee with a view to completion for September 2015. It was also noted that the university was in the process of acquiring the Hawthorns and Slack House cottages following protracted negotiations. The footprint of these properties would be the subject of a future residential development project.

It was further noted that the VAT issue notified to previous meetings was still under discussion.

The Capital Projects Update was received.

**BG.14.041 Student Report**

*Received: Document BG/033/14*

The observer from the Students' Union (TH) introduced the Student report drawing attention to the recent elections for part-time officers noting that not all positions had been filled and a further bye-election would be held later in December. The report also highlighted the launch of SPEAK, a student-led lecture series, and plans for student engagement with the General Election in May. Other events included the 5 November fireworks display, the EHSU <3 Consent campaign against sexual assault/harassment, the drink awareness campaign and the upcoming Accommodation Fair where this year's Rate Your Landlord survey would be launched.

In discussion, the General Manager of the Students' Union reported that a Head of Student Engagement had recently been appointed and would be reviewing all student engagement plans.

In response to a member's question, it was noted that the Students' Union encouraged electoral roll registration. It was suggested that the possibility of introducing an automated process should be investigated.

The Student Report was received.

**BG.14.042 Key Performance Indicators**

*Received: Document BG/034/14*

The Deputy Vice-Chancellor introduced the report which concentrated on the key business areas of applications, conversions and enrolments.

In discussion, it was noted that, whilst the Student Number Control (SNC) had been lifted for 2015 entry, some other measure of control on recruitment was likely to be introduced in order to manage the Government's financial commitment through the Loanbook.

In relation to Risk 4, it was noted that, whilst the confirmation of increased pre-registration nursing contracted student numbers was to be welcomed, there would be no increase in the benchmark fees.

The Key Performance Indicator report was received.

**BG.14.044 Any other Business**

There was no other business.

<b>SECTION C ITEMS</b>
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**BG.14.045 Date and time of next meeting**

The next meeting is scheduled for 26 January 2015.