

BOARD OF GOVERNORSMinutes of the meeting held on 10 July 2017

Present

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| Clive Edwards | Independent member | Chair of the Board |
| Lesley Munro | | Clerk to the Board |
| Roy Bayfield | Support Staff member | Elected |
| Richard Benjamin | Independent member | |
| Julian Bucknall | Independent member | |
| Evelyn Carnegie | Academic staff member | Elected |
| John Cater | Vice-Chancellor | Ex-officio |
| Graeme Collinge | Independent member | Chair: Resources Committee |
| Thomas Dodd | Student member | |
| Christine Donnelly | Independent member | |
| Clive Elliott | Independent member | |
| Rob Green | Independent member | |
| Lisa Greenhalgh | Independent member | Chair: Audit Committee |
| Tony Rankin | Independent member | |
| Mike Rush | Independent member | |
| George Talbot | Academic staff member | Academic Board nominee |
| Denise Walker | Independent member | |
| Ben Whittle | Student member | Students' Union President |

In attendance

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| Lynda Brady | PVC (Student Experience) & University Secretary |
| Steve Igoe | Deputy Vice-Chancellor |
| Conrad Jones | Students' Union Head of Commercial Operations |

Apologies

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| Martin Ainscough | Independent member |
| Mark Allanson | PVC (External Relations) |
| Paul Malone | Students' Union General Manager |
| Louise Robinson | Independent member |

The Chair extended a welcome to Julian Bucknall, Clive Elliott, Tony Rankin and Mike Rush as new independent members, to Ben Whittle and Thomas Dodd who were attending for the first time as full Board members and to Conrad Jones who was attending in place of Paul Malone, Students' Union General Manager.

BG.16.096 Declarations of Interest

There were no Declarations of Interest.

BG.16.097 Chair's Announcements

01. Awards

It was noted that the University had been recognised through a number of awards recently with Human Resources winning the Health and Well-Being category in the HR Excellence Awards and being runner up for Workplace of the Year in the Times Higher Education Leadership and Management Awards. The Academic and Quality Development Unit also won Best Digital Document Management in the Public Sector Paperless awards.

02. HEFCE Assurance Review

The Chair reported that HEFCE had conducted its periodic institutional Assurance Review on 3 July. This had been brought forward by a year to address any remaining concerns arising from two significant incidents which had been fully reported to them by the University. The review team had undertaken interviews with a range of senior staff and governors with an apparent focus on the operation of the governance function. Initial feedback had been positive but a formal report was awaited.

03. Graduation

The Chair reminded members that Graduation ceremonies would be taking place throughout the week commencing 17 July and that governor attendance was welcomed.

04. Principles of Public Life

Attention was drawn to the pro-forma circulated to all members for signature which highlighted governors' commitment to the seven principles of public life and the maintenance of appropriate confidentiality in respect of Board business. It was noted that this had been approved by Nominations Committee and incorporated in the standard recruitment process.

BG.16.098 Chair's Action

There was no Chair's Action to report.

BG.16.099 Minutes of the previous meeting

Received: Document BG/088/16

The minutes of the meeting held on 15 May 2017 were agreed and signed by the Chair as a correct record.

BG.16.100 Action Log

Received: Document BG/089/16

The Action Log was received noting all actions as implemented.

BG.16.101 Matters arising not included elsewhere on the agenda

There were no other matters arising.

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| SECTION A ITEMS |
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BG.16.102 Minutes of Committees

01. Audit Committee (5 June 2017)

Received: Document BG/090/16

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

- Receipt of a number of internal Audit reports which were all classed as low risk with no significant recommendations made;
- Discussion around the introduction of the new General Data Protection Regulation (GDPR) and agreement that the overview document should be circulated to all members;

- Approval of the 17/18 Internal Audit Strategy which included some additional days to cover a final review of the issues raised by the RS fraud case as authorised by the Committee.

The Audit Committee minutes were received.

02. **Resources Committee** (19 June 2017)

Received: Document BG/091/16

The Chair of Resources introduced the minutes highlighting the following points:

- The new Library had been the subject of a positive consultation with the Students' Union in terms of design and would be offering 24/7 facilities;
- Negotiations on partnership developments at Alder Hey and Wrightington Hospitals were progressing with any final agreements subject to Board approval. Discussions on the future of the Chorley Woodlands site were also ongoing with Lancashire County Council and it was noted that the University would have contractual entitlements should the site be subject to disposal or closure.
- The projected surplus on the 16/17 accounts had risen by £3.593 million to £21.345 million which was likely to be a reliable indicator of the end-of-year position;
- The Committee had received the **HEFCE report on the financial health of the sector** and the **KPMG Benchmarking report** based on 15/16 financial results both of which provided a useful insight into current issues. Edge Hill performed strongly on most measures. **It was agreed that the reports should be circulated to new members for information.**

Action: Clerk

- The Committee had approved a new Donations Policy which addressed potential ethical issues and provided for Board approval for donations above £50,000.

- The Committee had received the Students' Union 17/18 budget proposal which incorporated agreement of an increase in the University's block grant from 0.386% to 0.41% of University turnover;
- In terms of Treasury Management arrangements, it was noted that the Committee had recommended approval of investment arrangements with Close Brothers subject to a check on clause 12 of the Terms and Conditions which was confirmed by the Deputy Vice-Chancellor.

Noting the Committee's discussion and positive recommendation, **the Board approved the Financial Forecasts 2016/17 to 2019/20 for submission to HEFCE.**

Action: Deputy Vice-Chancellor

In response to a member's question concerning any issues around the use of cladding on University buildings it was noted that this was decorative only but had been subject to inspection following the Grenfell Tower incident. It was also noted that the University had responded to a request for information from HEFCE indicating that the estate did not include any buildings above 18 metres in height.

The Resources Committee minutes were received.

03. Nominations Committee (15 May 2017)

Received: Document BG/091a/17

It was noted that the Board had received a verbal report from the Committee at the last meeting.

The Nominations Committee minutes were received.

04. Remunerations Committee (10 July 2017)

The Chair reported that a meeting had been held earlier that day to discuss senior staff salaries and that a full report would be made to the September meeting of the Board.

BG.16.103 Reports from Link Governors

01. Learning and Teaching Committee

This item was deferred to the next meeting.

02. Academic Planning Committee

CD reported that she had attended her first meeting of the Committee on 14 June which she had found interesting and informative. The Committee had given detailed consideration to a number of new course proposals and the meeting had demonstrated a clear link between academic strategy and process.

BG.16.104 Academic Quality and Standards: Governors' Report Template

Received: Document BG/092/16

The Pro Vice-Chancellor (Student Experience) introduced the document which offered a template, developed by the Director of Quality Assurance, for the full report due to be received and approved by the Board later in the year. It was noted that Part 1 of the report described the various quality processes operated by the University and was largely complete whilst Part 2, which would focus on the outcomes of the processes, was shown in outline. Provision of this report would enable the Board to confirm the new Academic Assurance statements included in HEFCE's Annual Assurance Return.

Attention was drawn to Appendix 1, compiled by the Clerk, which highlighted the significant level of information on the academic and student experience already received by the Board which provided further security for members in confirming the new assurance statements.

In discussion, it was agreed that the new template provided an effective approach to this new area of responsibility and **it was agreed that the Director of Quality Assurance should be invited to the September meeting** to guide members through Part 2 of the report. It was also suggested that likely areas for discussion should be highlighted in the document.

Action: Clerk

SECTION B ITEMS

**BG.16.105 Edge Hill University and its subsidiaries: Operating Budget
2017/18**

Received: Document BG/093/16

The Deputy Vice-Chancellor introduced the 17/18 budget proposal which was prudently based and indicated a projected surplus of £16.3 million. Whilst still providing a healthy position, this represented a reduction on the previous year acknowledging the increasingly challenging higher education environment.

In relation to income and expenditure, he highlighted the following points:

- A static income line reflecting the inflation increase in tuition fees, increased returns from residences and catering and a rise in Health-based student numbers set against continuing reductions in the Faculty of Education and a more competitive recruitment environment for the Faculty of Arts and Sciences;
- Increased expenditure reflecting rises in pay and pension costs, the application of the apprenticeship levy and investment in new posts, though these were balanced to some extent by reductions in less productive areas.

The following general points were also noted:

- General operating expenses were projected to fall with decreases in student travel and agency fees which were affected by the reduction in partnership activity;
- The budget was based on the costs for a full staffing establishment giving some further flexibility;
- Having regard to the need to maintain quality and standards, the University did not intend to drop entry requirements as a means of maintaining student numbers at current levels.

In terms of cash-flow, the University benefited from strong exit velocity from the previous year with cash balances ahead of projections. This

provided a cushion against the committed capital expenditure in 17/18 to complete the new Library building. The sensitivity analysis offered further reassurance even accounting for a worst-case scenario.

The Deputy Vice-Chancellor thanked all those involved in the budget-setting process for their commitment and contribution.

In discussion, the following points were noted:

- The current public debate on tuition fees was gaining traction although alternative solutions at this stage were difficult to envisage. It was unlikely that student grants would be re-instated but possible that differentiated fees could be introduced based on subject discipline although this would require HEFCE to pay a higher premium for high-cost courses. Some reduction in the pernicious interest rate charged on student loans would certainly be welcome;
- The majority of University income came from residences and catering and tuition fees generated by the three Faculties with a rough split of 53% (FAS), 24% (Health) and 23% (Education). The Vice-Chancellor pointed out that Faculty staff expenditure was impacted by staff/student ratios which varied significantly and were sometimes subject to regulation as in some professional areas. Members expressed an interest in further understanding Faculty financial profiles;
- HEFCE Research grant income was set at £1.2 million but this was noted as a development area which was expected to deliver a stronger performance in the future;
- Demand for the competitively priced on-site accommodation remained high with most of the new residences already let to second and third year students. In response to a question from a student member, it was noted that prices had been adjusted, and in some cases reduced, to reflect the variation in facilities provided.

In the light of discussion, and noting the positive recommendation from Resources Committee, **the Board approved the 2017/18 Operating Budget for EHU and its subsidiaries.**

Action: Deputy Vice-Chancellor

BG.16.106 Vice-Chancellor's Report

Received: Document BG/094/16

The Vice-Chancellor introduced his report and highlighted the following points:

- The TEF Gold award was important for the University in further promoting reputation and had added benefits in being government backed, simple to understand and quoted in the UCAS handbook. Whilst the scheme was based on metrics, the associated institutional commentary had been important in shaping the final judgement and the work of Lynda Brady, Pro Vice-Chancellor (Student Experience) and Lana Orr, Head of Directorate Office, was particularly acknowledged in this regard;
- Recruitment to HEFCE courses remained challenging with a continuation of the age-cohort decline, increasingly aggressive competitor behaviour, hostile press coverage and growing support for apprenticeship options. Increased recruitment in Health was dependent on government resources for the placement costs of the additional student numbers which had been approved. The position for Teacher Training places appeared to have revived in terms of Primary and Early Years but the precipitous decline in Secondary routes continued. Given this context, the work of Education Liaison staff in schools and the development of strong school partnerships could not be underestimated.
- Six redundancies in the Faculty of Education had been necessary to provide a more effective management and delivery structure for an area of reducing activity. Of the six, two staff had already been redeployed and one case was subject to appeal. Whilst any redundancy position was recognised as regrettable, it was noted that a number of other Universities had announced major redundancy programmes involving between 100 and 200 staff;
- The University's percentage of good degrees (1st and 2.1s) had shown another improvement whilst the early results from the First Destination graduate survey were also up on the previous year with a particularly pleasing improvement in 3-year mean for the percentage of graduates obtaining graduate level jobs.

In relation to satellite site provision, it was noted that:

- Some activity was being maintained at the Woodlands campus in order to retain a strong negotiating position with Lancashire County Council in terms of the future of the facility;
- Work on the collaborative proposal with Alder Hey Hospital to provide on-site facilities was continuing to make slow progress;
- The Deputy Vice-Chancellor confirmed that the potential facilities collaboration with Wrightington Hospital was making good progress and it was hoped to bring a formal Statement of Intent to the Board in September. This would represent a prestigious partnership which would enhance the University's brand and reputation as well as offering additional student placements.

The Vice-Chancellor's report was received.

BG.16.107 Students' Union Report

Received: Document BG/095/16

The Students' Union President introduced the report which outlined activities and achievements over the past year and identified future plans derived from the current strategic plan. The following points were noted:

- The increase in the block grant had been welcomed and would be used to further support front-line services for students;
- Plans for Welcome Week were progressing well and were being undertaken in consultation with the University to ensure a co-ordinated approach;
- The Subway outlet and shop redevelopment were on target to open by the beginning of the new term;
- The *Rate your Landlord* scheme allowed the identification of the best and worst private landlords and could be linked to the University's list of approved providers.

Members received the report from the Students' Union.

BG.16.108 Capital Projects Update

Received: Document BG/096/16

The Deputy Vice-Chancellor introduced the paper noting good progress on current projects. It was noted that a revision to the original proposal for the Phase 12 residences had allowed for the development of additional units but that there was a corresponding rise in costs. Whilst this was partly mitigated by receipt of a HEFCE capital grant, a further vote of £1.15 million was required.

In relation to the new Library development, work was underway in terms of the initial steelwork and a number of internal teams were working together on internal design and systems requirements. There had been some difficulty in identifying a Principal Contractor however with only 2 tenders received from an initial pool of 26. Consideration was being given to re-tendering for this.

The size of these two major developments had given rise to a significant requirement for landscaping and it was proposed that this would be best addressed through a separate project at a cost of £415,000 which was within the Vice-Chancellor's authority to approve.

In discussion, the following points were noted:

- The speed of construction was exceptional but did not impact adversely on quality;
- All new build projects were required to meet exacting energy efficiency targets and were assessed for environmental impact. It was suggested that this could be a useful marketing message;
- There was a big price differential for students between old and new accommodation providing a broad range of options. It was recognised however that the catered package attached to some of the older accommodation was less popular and arrangements were being made to improve the kitchen facilities so that self-catering could be offered as an option;
- In principle approval had already been given to the development of Phase 13 residences but further phases may be dependent on obtaining release of new land.

Following discussion, and in the light of the positive recommendation from Resources Committee, **the Board approved an additional £1.15 million for the Phase 12 residences and noted the £415,000 budget for Public Realm External Works.**

Action: Deputy Vice-Chancellor

The report on Capital Projects was received.

BG.16.109 TEF Outcome

Received: Document BG/097/16

The Pro Vice-Chancellor (Student Experience) introduced the document which provided a more detailed outline of the process underlying the TEF process. The three aspects of teaching excellence against which judgements were made were noted as Teaching Quality, the Learning Environment and Student Outcomes and Learning Gain. Based on the metrics for these measures, the University's initial categorisation was silver but this had been uprated to gold following consideration of the provider submission which pointed to the strong trendlines and direction of travel demonstrated by the metrics as well as highlighting the impact of institutional culture and ethos and the collective approach adopted to improving the student experience.

In terms of reputational advantage, it was noted that Edge Hill was one of only three Universities in the North West to achieve gold status.

In discussion the following points were noted:

- Whilst the gold rating would remain in place for three years, the University would be undertaking an annual internal exercise to track any shifts in performance and to ensure the best preparation for the next exercise;
- Initial indications that differential fee levels would be applied based on TEF ratings appeared to have been put on hold;
- Consultation was continuing in relation to the possibility of applying the TEF at individual subject level although this was acknowledged as a complicated exercise with many uncertainties. The findings from current pilot projects would be important in determining the final position.

In response to a member's question, it was reported that the University made good use of social media for recruitment purposes and the outcome from the TEF would feed into this.

Members congratulated the University on the excellent result achieved.

BG.16.110 Equality and Diversity: Annual Report

Received: Document BG/098/16

This item was deferred to the next meeting.

BG.16.111 KPI Report

Received: Document BG/099/16

Members received the Key Performance Indicator update noting this was a subset of the full range of indicators received at the last meeting. It was suggested that application rates should more realistically be shown as amber reflecting the increasingly challenging position.

BG.16.112 Any other Business

There was no other business.

BG.16.113 Reserved Item: Updates

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| SECTION C ITEMS |
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BG.16.114 Calendar of Meetings 2017/18

Received: Document BG/101/16

The revised calendar was received.

BG.16.115 Students' Union Code of Practice

Received: Document BG/102/16

The Code of Practice was received noting no amendments from the previous year.

BG.16.116 General Data Protection Regulation: Overview

Received: Document BG/103/16

The GDPR overview document was received.

BG.16.117 Date and time of next meeting

The next meeting is scheduled for 25 September 2017.