

## BOARD OF GOVERNORS

Minutes of the meeting held on 2 December 2013

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### Present

Michael Pinfold	Independent member	Chair of the Board
Lesley Munro	PVC & University Secretary	Clerk to the Board
Martin Ainscough	Independent member	
Hilary Anslow	Independent member	
Richard Benjamin	Independent member	
John Cater	Vice-Chancellor	Ex-officio
Gareth Dowling	Student member	Students' Union President
Clive Edwards	Independent member	
Rob Green	Independent member	
Lisa Greenhalgh	Independent member	
Stephen Hesford	Independent member	
Bernard Laverty	Independent member	Deputy Chair & Chair Resources Committee
John Maxwell	Independent member	
David Owen	Independent member	Chair: Audit Committee
Simon Pope	Independent member	
Robert Smedley	PVC & Dean of Education	Academic Board representative
Lynnette Turner	Academic staff member	Elected
Alice Walker	Student member	Elected

### In attendance

Steve Igoe	Deputy Vice-Chancellor (Resources)
Ian Jones	Academic Registrar (for agenda item 2)
Paul Malone	Students' Union General Manager

### Apologies

Bill Johnson	Support staff member	Elected
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**BG.13.026 Presentation: Academic Registry: What does it do?**

*Received: Document BG/019/13 (tabled)*

The Academic Registrar gave a presentation outlining the main functions of the Registry with respect to student records, data management, fees and bursaries, assessment and awards (including certification and graduation) and space management. He drew particular attention to the extensive nature of these activities with over 28,000 live student registrations and the increasing importance of the fees function reflecting the transfer of funding from HEFCE grant to student tuition fees. He also highlighted the high levels of interaction with other services and departments internally and externally and the role of the student record system as an essential feed to other major University systems.

In response to members' questions, the following points were noted:

- Student Services was a separate service offering personal advice and support to students;
- The number of rooms booked for teaching after 5.00 pm was reflective of the significant level of professional development work;
- The number of academic appeals was within sector norms;
- The Office of the Independent Adjudicator (OIA) provided a final opportunity for students to seek resolution to complaints and appeals where they had exhausted internal procedures and remained dissatisfied. The number of students from the University accessing this service was very small and, to date, only one case had been upheld.

Members thanked the Academic Registrar for an informative presentation.

**BG.13.027 Declarations of Interest**

There were no Declarations of Interest specific to the meeting.

**BG.13.028 Chair's Announcements**

*.01 Honorary Awards and Graduation*

The Chair reported that a number of new nominations had been agreed at a meeting of the Honorary Awards Committee held

earlier in the day. He also reminded members of the upcoming Graduation Ceremonies on 9 December at which an Honorary Doctorate would be awarded to the writer Heidi Thomas.

*.02 New Governor*

The Chair reported that, following discussion at Nominations Committee and subsequent interview, he was recommending the appointment of Denise Walker, partner at Brabners LLP, as a Board member.

Members agreed the appointment, to be effective from 1 January 2014.

**Action: Clerk**

**BG.13.029 Chair's Action**

There was no Chair's Action to report.

**BG.13.030 Minutes of the previous meeting**

*Received: Document BG/020/13*

The minutes of the meeting held on 30 September 2013 were agreed and signed by the Chair as a correct record.

**BG.13.031 Action Log**

*Received: Document BG/021/13*

The Clerk drew attention to the request for student profile details made at the last meeting indicating that this information was included with the Key Performance Indicator report at agenda item 24.

The Action Log was received.

**BG.13.032 Matters arising not included elsewhere on the agenda**

There were no matters arising.

<b>SECTION A ITEMS</b>
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**BG.13.033 Minutes of Committees**

*.01 Resources Committee (28 October 2013)*

*Received: Document BG/022/13*

The Chair of Resources Committee introduced the minutes highlighting the discussions around Treasury Management and approval of the new People Strategy. The committee had undertaken detailed discussion of the end of year Financial Statements, Estates Strategy and Capital Bid proposals which had all been recommended for approval by the Board.

The Resources Committee minutes were received.

*.02 Audit Committee (11 November 2013)*

*Received: Document BG/023/13*

The Chair of Audit Committee introduced the minutes highlighting an interesting discussion around risk management and noting that the newly appointed Internal Auditors (PWC) had commenced work and would be presenting their first reports at the next meeting. The committee had undertaken detailed discussion of the end of year Financial Statements which were recommended to the Board for approval along with the External Auditors' Management Letter.

The Audit Committee minutes were received.

*.03 Nominations Committee (28 October 2013)*

*Received: Document BG/024/13*

The Chair introduced the minutes noting the re-election of Simon Pope for a further 3 year term of office and the revised membership of Special Panels.

The Nominations Committee minutes were received.

**BG.13.034 WLBC/EHU Forum: 22 November 2013**

The Chair gave a verbal report of the meeting highlighting the continuing perception by some members that students were largely responsible for issues of disorderly behaviour in the town despite contrary evidence from the police and the University.

The General Manager of the Students' Union reported that a specific meeting with Council representatives was to be held in the next couple of days and that the University and the Union would be adopting a joint approach to ensure the position was better understood.

The Deputy Vice-Chancellor (Resources) noted that responsibility for issues of disorder outside the campus lay with the police and that it would be inappropriate for the University to intervene in such matters.

The Vice-Chancellor drew attention to statistics which showed that students were more often the victims of crime and that it was important that issues raised were kept in proportion.

In conclusion, it was agreed that whilst Forum meetings rarely had a direct or measurable impact, it was important that this avenue of communication remained open.

The report of the meeting of the WLBC/EHU Forum was received.

**BG.13.035 Update on the Office of Fair Trading (OFT) Investigations**

*Received: Document BG/025/13*

The Clerk introduced the report from sgh|Martineau which outlined the issues around two ongoing investigations instigated by the OFT to consider potential aspects of unfair practice by Universities in relation to student debt and whether Universities were acting contrary to competition law in matters such as fee setting. Both investigations were at the consultative stage but would be likely to result in recommendations which would have national impact.

The Vice-Chancellor reported that, whilst government would like to see more differentiation between institutions on price, Universities did not operate in a free market but were highly regulated both in terms of

price (through the fee cap) and numbers (through the Student Number Control) making fee differentiation much less likely. He indicated that Universities UK would be submitting evidence on behalf of the sector and that an institutional response was not appropriate at this stage.

The report on the OFT investigations was received.

**BG.13.036 Management Information October 2013**

*Received: Document BG/026/13*

The Deputy Vice-Chancellor (Resources) introduced the document which outlined the early year income and expenditure position. Whilst tuition fee income was lower than predicted, this was largely a timing issue and he highlighted the ongoing monitoring activity in place to ensure payments were made. He also paid tribute to the support provided by the Students' Union through individual student casework. It was noted that the adverse position for residences and catering was due to implementation of the policy to provide for all debt greater than 3 months old.

In terms of expenditure, the staffing underpend was higher than expected and it was noted that a significant number of staff, especially Associate Tutors had opted out of auto-enrolment, thereby reducing employer pension contributions. Further gains in this area were anticipated as gap savings came through during the year.

Overall, the Deputy Vice-Chancellor (Resources) indicated confidence in the predicted final outturn for the year.

The Management Information report was received.

**BG.13.037 Financial Health of the Higher Education Sector**

*Received: Document BG/027/13*

The Deputy Vice-Chancellor (Resources) introduced the document noting that whilst this was generally positive, predicted performance for 12/13 was not as good as the actual performance recorded for 11/12. Whilst the report encompassed a lot of diversity in the performance of individual institutions, he drew attention to weaknesses in the sector-wide results with continued high levels of capital spend against low operating surpluses at 2.7% and the overall reduction in liquidity rates.

The report emphasised the future uncertainties which were likely to further widen institutional performance levels.

In response to a member's question, it was noted that staff costs were likely to rise significantly over the next few years with additional pressure on pay awards and considerably increased pension costs.

The report on the Financial Health of the HE Sector was received.

<b>SECTION B ITEMS</b>
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**BG.13.038 Vice-Chancellor's Report**

*Received: Document BG/028/13*

The Vice-Chancellor introduced his report by outlining a number of recent government policy announcements and comments from recent meetings he had attended reflecting concerns around the increasing cost of the student loan book and the need for further cost savings across all Departments:

- A significant reduction of government financial support for the National Scholarship Programme for 14/15;
- Increased regulation for private providers including the introduction of student number controls and a ban on any additional EU recruitment (recognising the poor loan repayment rate from EU students);
- A ban on access to the student loan book for Romanian and Bulgarian students;
- Increased pressure on the unit of funding for DoH programmes and an output based payment model;
- Maintenance of the fee cap at £9,000.

In terms of the withdrawal of financial support for the National Scholarship Programme, Universities were required to review their scholarship arrangements for 14/15 and notify revised terms to HEFCE by 16 December. Initial discussions internally and with the Students' Union indicated a preference to support the same number of students but at a lower level (£2,000 instead of £3,000) with some further support made available to students on lower cost provision for activities which supported retention such as course-related trips/visits.

The Vice-Chancellor highlighted the growing government realisation that student loan book costs were at risk of running out of control and that initial estimates of repayment levels had been poorly modelled using an average fee of £7,500 and an unrealistic assumption of graduate income levels. Increases in EU student recruitment had further exacerbated the problem. Given a desire to maintain participation rates and grant support, it was likely that loan repayment levels would have to rise and that a renewed push to increase part-time provision would be evident.

Turning to his written report, the Vice-Chancellor drew attention to the early applications data which indicated further increases for Health professional programmes, a slight drop for Arts and Sciences but a continuing decline in Initial Teacher Training Primary provision. Whilst the application cycle was still at an early point, the figures outlined the increasing challenges in maintaining recruitment levels.

In discussion of the position for Initial Teacher Training, it was noted that the government was continuing to support the Schools Direct model with increased allocations despite significant under-recruitment. The University was currently protected in terms of allocations by 'outstanding' OFSTED ratings but a new inspection was likely over the next twelve months and maintaining these ratings would be extremely testing. University involvement with Schools Direct carried significant challenges in relation to quality management but attracted a much lower level of resource.

In response to a member's question, it was noted that employment prospects were no better from Schools Direct but that this might not be the general perception.

In conclusion, the Vice-Chancellor indicated that current policy was not evidence driven and that, if the market did not respond well to the Schools Direct model, some accommodation with those Universities with the best OFSTED ratings would be more likely.

The Board received the Vice-Chancellor's report.

**BG.13.039 Going Concern Statement**

*Received: Document BG/029/13*



The Deputy Vice-Chancellor (Resources) introduced the statement which trialled a model for demonstrating institutional sustainability likely to be introduced as an annual requirement by HEFCE in future.

The Going Concern Statement was received and approved.

**BG.13.040 Auditors' Letter of Representation**

*Received: Document BG/030/13*

Noting that this letter followed a standard format and that there were no issues arising, **the Board approved the Auditors' Letter of Representation.**

**Action: DVC Resources**

**BG.12.041 Audit Committee Report for the Year ended 31 July 2013 and External Audit Management Letter**

*Received: Document BG/031/13*

The Chair of Audit Committee introduced the annual report indicating that the Board could take substantial assurance from the results of both internal and external audit reports over the year which confirmed appropriate controls were in place.

The Board received the Audit Committee Report for the Year ended 31 July 2013 and External Audit Management Letter noting that these would be submitted to HEFCE.

**Action: DVC Resources**

**BG.13.042 Report and Financial Statements for the Year ended 31 July 2013**

*Received: Document BG/032/13*

Noting the positive recommendations from both Resources and Audit Committees following detailed examination of the Statements, **the Board approved the Report and Financial Statements for the year ended 31 July 2013 for submission to HEFCE.**

**Action: DVC Resources**

The Chair congratulated the University on the excellent results achieved and asked for these to be passed on to the whole team.

**Action: Vice-Chancellor**

**BG.13.043 Edge Hill University Annual Monitoring Report to HEFCE**

*Received: Document BG/033/13*

The Board approved the Annual Monitoring Report to HEFCE.

**Action: DVC Resources**

**BG.13.044 Report on the final REF submission**

The Vice-Chancellor gave a verbal report on the final submission which demonstrated significant progress since the previous return five years ago with 151 staff submitted over 12 units of assessment. All staff submitted were undertaking research to at least 2\* level (internationally recognised) with some at 4\* (world leading). Some of the impact studies had been particularly positive. Given the low starting level from the previous assessment, whilst an improved ranking was expected, it was unrealistic to anticipate any major income growth in an environment which was geared to the support of a small number of elite research institutions. An improved position was important in terms of reputation however and would provide a stronger base to work from in relation to the next exercise due in 2019 provided momentum was maintained.

The Vice-Chancellor recorded his thanks to the Director of Research and the Pro Vice-Chancellor and Dean of Arts and Sciences for their work in co-ordinating the submission.

It was noted that the results from the submission would not be available until December 2014 given the time required for expert panels to undertake the necessary assessment.

The report on the final REF submission was received.

**BG.13.045 Estates Strategy 2013-2020**

*Received: Document BG/034/13*

The Deputy Vice-Chancellor (Resources) introduced the strategy which identified priorities for the period building on the achievements of the previous strategy. He highlighted the importance of the strategy as a living document with flexibility to respond to changing circumstances and the continuing requirement for a business case to be made to the Board for each individual project.

Noting the positive recommendation from Resources Committee, the Board approved the Estates Strategy 2013-2020.

**Action: DVC Resources**

**BG.13.046 Capital Projects Bid**

*Received: Document BG/035/13*

Noting the positive recommendations from Resources Committee, the Deputy Vice-Chancellor (Resources) briefly presented the case for additional residential provision and completion of the Sports Development. In relation to residential provision (256 bed spaces), this provided a good return on investment and supported retention whilst completion of the Sports Development scheme would free up space for other identified projects such as a new Library. Both projects would have a significant beneficial impact on the student experience and could be financed from surpluses.

In response to a member's question, it was noted that the procurement route should allow any inflationary impact to be minimised.

Following discussion, **the Board approved a £12 million budget for student accommodation phases 8A and 8B and £14 million for the construction of the new Sports Building.**

**Action: DVC Resources**

**BG.13.047 Student Report**

*Received: Document BG/036/13*

The President of the Students' Union introduced his report which outlined progress in relation to a number of projects. He drew particular attention to the recent award of a grant from the National Union of Students in conjunction with the Higher Education Academy to support the Student Led Teaching Awards and the success of the Children in Need activities which had raised £1,500. He also

highlighted the upcoming Annual General Meeting on 5 December noting that the Director of Facilities Management had agreed to field questions. An invitation was extended to Governors to attend the AGM.

In response to a member's question, it was noted that bar figures were ahead of expectations and that the food offer was also proving popular. It was recognised that containing costs would be challenging however requiring maintenance of customer levels throughout the year.

The Board received the Student Report.

#### **BG.13.048 Key Performance Indicators**

*Received: Document BG/037/13*

The Clerk introduced the new style Performance Indicator report which concentrated on current business critical activity around applications, conversions and enrolments. The report also offered a risk analysis and link to the Strategic Risk Register. The student profile data attached to the report was also noted.

The Board received the Key Performance Indicator report.

#### **BG.13.049 Any other Business**

##### *.01 Extension of Membership*

In consideration of the benefits of a handover period and in order to allow for the completion of outstanding business, it was noted that independent members had agreed that the period of office of the current Chair of the Board should be extended to the end of January 2014 or until the completion of outstanding business and run concurrently with the new Chair who would take up his term of office with effect from 1 January 2014.

**Action: Clerk**

##### *.02 Activities in China*

The Board noted ongoing discussions sponsored by the Department of Health in relation to the potential for the provision of training for Nursing Home staff in China. Talks were at an early

stage and a further report would be made to the Board should matters progress.

At the conclusion of the meeting, the Deputy Chair recorded the thanks of the Board to retiring member Hilary Anslow for her wise counsel over many years and to

Michael Pinfold who was also retiring after 12 years' service and who had steered the Board judiciously as Chair since 2008.

<b>SECTION C ITEMS</b>
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**BG.13.050 Date and time of next meeting**

The next meeting is scheduled for 27 January 2014.