

BOARD OF GOVERNORS
RESOURCES COMMITTEE

Edge Hill
University

Minutes of the meeting held on 25 February 2013

Present

Bernard Laverty	Independent member	Committee Chair
Sara Ainscow	PA to PVC (University Secretary)	Secretary
Martin Ainscough	Independent member	
Rob Green	Independent member	
Michael Pinfold	Independent member	Chair of the Board

Officers in attendance

Mark Allinson	Director of IT Services
Anne Collins	Director of Human Resources
Bill Hancox	Director of Facilities Management
Steve Igoe	Deputy Vice-Chancellor (Resources)
David Oldham	Director of Capital Projects

Observers

Elliott Hodgeon	Students' Union President
Paul Malone	Chief Executive, Students' Union

Apologies

John Cater	Vice-Chancellor	Ex-officio
Carl Gibson	Director of Finance	
John Maxwell	Independent member	
Lesley Munro	Pro Vice-Chancellor & University Secretary	Clerk to the Board
Lynnette Turner	Elected academic staff representative	

The Chair welcomed members to the meeting.

RE.12.022 Declarations of Interest

There were no declarations of interest specific to the meeting.

RE.12.023 Chair's Announcements

There were no announcements.

RE.12.024 Chair's Action

There was no Chair's Action to report.

RE.12.025 Minutes of the previous meeting

Received: Document RE/017/12

The minutes of the meeting held on 15 October 2012 were agreed and signed by the Chair as a correct record.

RE.12.026 Action Log

Received: Document RE/018/12

Members received the Action Log, noting all as complete with the exception of two actions due for report at the June 2013 meeting.

RE.12.027 Matters Arising

There were no matters arising.

SECTION A ITEMS

RE.12.028 Dissolution of Group Companies

Received: Document RE/019/12

Members received the Dissolution of Group Companies report and a detailed rationale behind the proposal for dissolution was provided.

The Committee recommended the proposal for the Dissolution of the EHU Group Companies to the Board for approval.

Action: Chair

It was agreed that the necessary processes could now be put in place to move forward with the dissolution and repatriation of monies, which would both simplify the organisational structure of the University and save on fees at the same time.

**Action: Deputy Vice-Chancellor (Resources)
Director of Finance**

RE.12.029 Treasury Management Update

Received: Document RE/020/12

The Deputy Vice-Chancellor (Resources) introduced the report and highlighted a number of key points for consideration. The report demonstrated the need to carefully consider the rate of spending on large Capital projects in order to ensure that the available free cash did not fall below £25 million threshold. The repayment of two loans to prevent any covenant breach was noted by members following discussions and agreement by the Board in November 2012. It was anticipated that the early repayment of these two loans by the end of 2012/13 would effectively manage the risk potential of a covenant breach.

It was stressed that investment would continue to be made but efforts would be made to re-build the cash balance.

The report was received.

RE.12.030 Facilities Management Report

Received: Document RE/021/12

The Director of Facilities Management introduced the report and commented on a number of key themes. It was highlighted that the recent achievement of the Customer Service Excellence (CSE) award was the beginning of a desire to attain further recognition of the quality of the University's customer service provision. Facilities Management (FM) will continue to benchmark itself, particularly outside the HE sector, as well as listening to customer feedback to ensure an excellent service is continually delivered. The report reflected the high aspirations of the FM Department in striving to achieve outstanding customer service. It was noted that while the staffing overheads are

large, the costs are well managed and the service provides good value for money.

In response to a member's question on the maintenance of the 'Back' Halls of Residence and Forest Court, it was noted that this had been identified as an on-going issue and would be re-visited at an appropriate point in the future. Overall, the University's estate was in excellent condition as evidenced by the data submitted to HESA in the 'Estates Management statistics'.

In relation to a question on the topical issue of horsemeat contamination, the Director of Facilities Management was confident in reassuring the Board on the quality of produce from its designated suppliers. It was noted that a lot of work had been carried out regarding the procurement of products, ensuring both value for money and product quality.

The Chair thanked the Director of Facilities Management for the comprehensive report.

Members received the report.

RE.12.031 Customer Service Excellence Report

Received: Document RE/022/12

The Director of Human Resources introduced the paper which reflected on the recent achievement of the Customer Service Excellence (CSE) award, the future aspirations of the FM & HR Departments and the drive to disseminate best practice with colleagues across campus.

It was reported that a Customer Service Excellence Group had been established with an aim to provide mutual support and guidance to other teams who wished to achieve the CSE award. It was announced that the IT Services team, Sporting Edge and two Faculty Administration teams were currently going through this process. This information was welcomed by the Board and it was hoped that, as well as contributing to increased staff morale and service excellence, achieving CSE in Departments across the University would also have a positive impact on NSS returns.

The report was received.

RE.12.032 Students' Union Audited Accounts

Received: Document RE/023/12

The Chief Executive of the Students' Union presented the Audited Accounts for the year to 31 July 2012. It was noted that 2011/12 had been a successful year in budgetary terms. The main challenge had been consideration of re-investment opportunities and the generation of other sources of income. Investment this year has been focused on employment of staff to facilitate the establishment of the Advice Centre. It was highlighted that the Students' Union needed to diversify to increase its revenue. As from July 2013 the Students' Union will take control of the license of the Edge Hill 'College Club'. It was anticipated that the income generated from this would offset the financial investment in staff.

In receiving the report, a number of typographical errors were highlighted and the Chief Executive and the Students' Union President were advised to check through and amend where necessary. It was also suggested that further research be undertaken with respect to auditors' fees as these were felt to be very high.

RE.12.033 Loan Repayment: Covenant Monitoring

Received Document RE/024/12

Members noted the content of the loan repayment covenant monitoring letter from Barclays that the Governors approved at the November Board meeting.

SECTION B ITEMS

RE.12.034 Early Mid-Year Reforecast (December Management Accounts)

Received: Document RE/025/12

The Deputy Vice-Chancellor (Resources) introduced the Early Mid-Year Reforecast Report. In broad terms, it was reported that the repercussions of not fully achieving our target conversion rates were manageable and in line with figures previously reported.

It was noted that there was a reduction of £3.1 million in overall income for the year explained largely by a decrease in tuition fee receipts as a

result of lower than budgeted recruitment levels although there were a number of other movements both positive and negative. In particular, the Deputy Vice-Chancellor (Resources) highlighted:

- Further funding from Co-funded Employer Engagement (CFEE) activity and National Scholarship Programme income amounting to £845,000.
- Further funding from the Training Agency for Schools for continuers of £505,000.
- A reduction in international income of £245,000.

The net effect of the reduced income on profits was however more than mitigated by:

- Gap savings of £4.25 million
- A reduction in expected depreciation costs of £400 thousand

As a result, the University was now forecasting an increase in retained surplus for re-investment of £1.4 million to £15.67 million, or 14.9% of income.

The report was received.

RE.12.035 HEFCE Student Number Control (SNC) and 2013/14 potential income analysis

Received: Document RE/026/12

The Deputy Vice-Chancellor (Resources) introduced the paper which served to update the Governors on the new changes to the funding regime for universities in 2013/14 and confirmed the instructions from HEFCE in relation to the cap on student numbers (SNC) and the “unregulated Market” (AAB/ABB and other agreed equivalent qualification grades). The report highlighted that, with the addition of a 3% tolerance band, the University could recruit up to a maximum of 2065 students within the SNC for 2013/14 entry. Assuming the recruitment of similar numbers of AAB and ABB students as for 2012 entry, this would bring potential recruitment to 2569.

Discussions then took place around the projected intake number and the financial projection of a net increase in income of £8.8m which, net of associated and other costs, would assist the University in enhancing its surplus for re-investment.

Governors noted the report and confirmed their support for the strategy of continued growth in surplus for re-investment to underpin the University's capital investment strategy.

The report was received.

RE.12.036 Draft People Strategy

Received: Document RE/027/12

The first draft of the People Strategy was introduced by the Director of HR. The strategy highlighted the aspiration of the University to be recognised as an outstanding place to work and study. Members were asked for comments and feedback.

In discussion, it was noted that continuous staff development was key to the strategy and Human Resources now have the ability to tailor events to specific departments ensuring that the training is directly relevant to that area.

The Director of Human Resources indicated that an Action Plan would be drawn up each year along with the relevant performance measures to ensure the delivery of the People Strategy. The Plan would be available to relevant committees.

Members welcomed the work undertaken in this important area and received the report.

RE.12.037 Employment Issues

Restricted Item

The Deputy Vice-Chancellor (Resources) advised that there was currently one on-going grievance which could have the potential to be taken to employment tribunal. Members were reassured that the situation would be managed to resolve the issue and achieve the best possible outcome.

The report was received.

RE.12.038 Capital Projects Report

Received: Document RE/028/12

The Director of Capital Projects introduced the report. In relation to the 2012 projects he highlighted that a saving of £1.8 million had been achieved on the Residential Development Phases 4 & 5, and this could still increase. These savings had covered the increased costs associated with the Sports Phase 1 development leaving a total saving for the year of £450,000.

Turning to the 2013 projects, it was reported that both the Creative Edge Media Building and Phase 6 residential development projects were progressing, with the appointment of John Turner Construction Group as principal contractor for both developments.

It was noted that a decision to progress on Phase 7 had been deferred until May, whilst uncertainties in relation to student demand and cash availability were further assessed.

In considering the project budgets for each of the 2013 developments, it was reported that additional funds would be required to ensure the technical fit-out of the Creative Edge Media Building was of a high standard and fit for purpose and the Director of IT Services outlined the proposed procurement of equipment. Members were asked to consider an increase in the Creative Edge budget from £15.9 million to £17.55 million to cover this. The Director of IT Services confirmed he was confident that the increase in funds would allow for highly specialist technical equipment to be purchased enabling the University to offer exceptional learning resources to students which mirrored industry provision. It was noted that this was key to enabling the University to compete with other Universities and aid recruitment. In addition, members were asked to agree an uplift of the budget for the NGAS/Biology development from £3.25 million to £3.425 million.

It was highlighted that the savings made from the 2012 projects (£450,000) along with deferral of the car park surfacing project/tennis courts (£1,300,000) and efficiency savings on Residential phases 6&7 (£500,000) would be sufficient to cover the increases requested without additional overall spend.

In discussion, Governors noted:

- the excellent achievement of getting the 2012 capital programme delivered on time generating a saving of £450,000 against the agreed budget;
- the appointment of John Turner Construction Group as principal contractor on the Phase 6 Residences project and the Creative Edge Media Building shell;
- the procurement strategy being utilised across the 2013 programme of capital works.

Following discussion, the Committee approved:

- **the appointment of S&J Charnley Ltd to act as principal contractor for the sports development Phase 2 works;**
- **the appointment of Noble Construction as the principal contractor of the NGAS project on basis of agreed overheads and profile and open book policy for the packages of work.**

Action: Director of Capital Projects

The Committee further recommended an increase in the budget envelope for Creative Edge from £15.9 million to £17.55m and for the Biosciences building from £3.25 million to £3.425m to the Board for approval to be funded from 2012 cost savings, savings from the 2013 residential contracts and the deferral of the car park surfacing and tennis court construction.

Action: Chair

RE.12.039 Annual Sustainability Assessment and TRAC 2011/12

Received: Document RE/029/12

The Deputy Vice-Chancellor (Resources) introduced the report which outlined the requirement for the Board of Governors to review and measure the University's on-going sustainability on an annual basis.

The Deputy Vice-Chancellor (Resources) confirmed that he would request the Director of Strategic Planning to update the University's KPIs to produce a draft of the required sustainability report for the Board to review at its September meeting. It was noted that the enclosed TRAC data was scheduled to go to the next Audit Committee.

The Committee noted the guidance in the report and supported the production of a draft sustainability report for the September meeting.

Action: Director of Strategic Planning

RE.12.040 Any Other Business

There was no other business.

SECTION C ITEMS

RE.12.041 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 13 December 2012

Received: Document RE/030/12

The minutes were received.

RE.12.042 Minutes of the Support Staff Consultative and Negotiating Committee dated 15 November 2013

Received: Document RE/031/12

The minutes were received.

RE.12.043 Minutes of the Staff Partnership Group dated 18 October 2012

Received: Document RE/032/12

The minutes were received.

RE.12.044 Minutes of the Health, Safety & Environment Committee dated 26 October 2012 & 18 January 2013

Received Document RE/033/12

The minutes were received.

RE.12.045 Date and Time of next Meeting

The next meeting is scheduled for 24 June 2013