

**BOARD OF GOVERNORS**  
**RESOURCES COMMITTEE**

Minutes of the meeting held on 28 October 2013

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**Present**

Bernard Laverty	Independent member	Committee Chair & Deputy Chair of the Board Clerk
Lesley Munro	PVC (University Secretary)	
Martin Ainscough	Independent member	
Richard Benjamin	Independent member	
John Cater	Vice-Chancellor	Ex-officio
Rob Green	Independent member	
Michael Pinfold	Independent member	Chair of the Board

**Officers in attendance**

Ann Collins	Director of Human Resources
Carl Gibson	Director of Finance
Steve Igoe	Deputy Vice-Chancellor (Resources)
David Oldham	Director of Capital Projects

**Observers**

Lynnette Turner	Elected academic staff representative
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**Apologies**

John Maxwell	Independent member
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The Chair welcomed Richard Benjamin to his first meeting.

**RE.13.001 Declarations of Interest**

There were no declarations of interest specific to the meeting.

**RE.13.002 Chair's Announcements**

There were no announcements.

**RE.13.003 Chair's Action**

There was no Chair's Action to report.

**RE.13.004 Minutes of the previous meeting**

*Received: Document RE/001/13*

The minutes of the meeting held on 24 June 2013 were agreed and signed by the Chair as a correct record.

**RE.13.005 Action Log**

*Received: Document RE/002/13*

Members received the Action Log, noting the Annual Sustainability Statement was no longer a requirement but that a trial version was included as part of the agenda for this meeting.

**RE.13.006 Matters Arising**

There were no matters arising.

<b>SECTION A ITEMS</b>
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**RE.13.007 Committee Effectiveness Evaluation**

*Received: Document RE/003/13*

Members received documentation outlining the operation of the committee during 12/13, business conducted and a schedule of business for 13/14. It was noted that, as a new committee formed from the merger of the previous Finance and Resources and Human Resources Committees, the Terms of Reference (TOR) had been drawn up and agreed at the commencement of the 2012/13 cycle. The business conducted had been in line with the TOR and there were no suggestions for further change at this stage. Whilst there had been

some concern that the volume of business might be excessive, this had not proved problematic. Attendance levels were good.

In terms of membership, it was noted that Malcolm Jones should have been identified as the retiring Chair for Finance and Resources and that Andrew Foster, Marion Cheesbrough and Christine Wynne had been the retiring members from the Human Resources Committee.

The Deputy Vice-Chancellor (Resources) indicated that, in order to balance the business of the committee, annual reports from the Directors of Facilities Management and Information and Communications Technology had been scheduled for the February meeting. He also noted there would be no further updates on the Local Plan which was now agreed.

Members concluded that the committee had operated effectively with the Chair noting that the Board had demonstrated trust and confidence through ratification of the committee's recommendations.

#### **RE.13.008 Treasury Management Update**

*Received: Document RE/004/13*

The Director of Finance introduced the report highlighting the cashflow challenges caused by the payment arrangements under the new fees regime and the consequent need to hold higher levels of temporary cash balances. He indicated that the weighted average return from investments was likely to fall below 1% over the next period with money from a number of fixed term loans that were coming to maturity being used to supplement cash balances for capital spend. The current policy of holding no more than £8 million in any one institution was being maintained but would be reviewed as cash balances were rebuilt.

In discussion, the following points were noted:

- In the current climate, the rate of return from accommodation build was better than from interest rate returns;
- The ability to spread build costs over the year was helpful in accommodating the peaks and troughs of the new cashflow environment;

- Maintaining flexibility in determining future capital spend was important given continuing political and economic uncertainties;
- Continued growth in student numbers would provide additional headroom.

The Treasury Management paper was received.

### **RE.13.009 People Strategy**

*Received: Document RE/005/13*

The Director of Human Resources introduced the strategy which had been previously presented as a draft and had been subject to extensive consultation across the University and with the Trade Unions. She drew attention to the new focus on Leadership and Management as the principal vehicle for ensuring the highest levels of staff engagement, commitment and performance. It was noted that the strategy would be underpinned by a new Management Development Programme and that an annual Action Plan would ensure delivery.

**The Committee approved the People Strategy.**

**Action: Director of Human Resources**

### **RE.13.010 Trade Union Recognition Agreements**

*Received: Document RE/006/13*

It was noted that the University operated Union Recognition Agreements as a matter of good practice although Union membership was not at a level where these were statutorily required. Although the Agreement with the University and Colleges Union (UCU) was still awaiting signature and was therefore not presented in the papers, the University continued to offer the same facilities for consultation and negotiation.

In relation to the upcoming Day of Action, it was reported that a small picket was likely to support the national position but significant local activity was not expected.

The Vice-Chancellor indicated that national bargaining provided a level of protection for Universities in terms of affordable settlements but that

the continued erosion of pay against a backdrop of record surpluses inevitably caused some tensions. In this environment, it was important to communicate the protection surpluses afforded against long-term uncertainty, especially in relation to jobs.

The Deputy Vice-Chancellor (Resources) highlighted that all Consultative and Negotiating Committee (CNC) meetings with the Unions commenced with a business briefing to ensure open communication. It was further noted that the budgetary controls operated by the University had helped to minimise redundancy situations and that, where these did occur, redeployment was often possible especially in relation to groups of staff represented through UNISON.

Noting the UCU Agreement was outstanding, The Committee received the Recognition Agreement between the University and UNISON.

#### **RE.13.11 Capital Projects – Update**

*Received: Document RE/007/13*

The Director of Capital Projects reported completion of the Creative Edge, Biosciences and residential developments in time for the start of term and, noting some variation on individual projects, within the total Capital Projects budget. Some work remained outstanding in relation to Phase 2 of the Sports Development but this was expected to be delivered by November.

Members received the report and congratulated the team on an outstanding effort in bringing the projects to completion and for the high standard of workmanship achieved.

#### **RE.13.012 Renewal of Insurance**

*Received: Document RE/008/13*

The Director of Finance introduced the paper which provided an analysis of institutional performance in terms of the management of insurance costs. He highlighted the benefits in rates obtained through membership of the Universities and Colleges Buying Group (UCBG) which had kept price rises to a minimum.

It was noted that a new product covering cyber liability was available and, although no other institutions had yet taken up this option, a review was being undertaken to assess whether this would be appropriate for the University.

The report on the Renewal of Insurance was received.

<b>SECTION B ITEMS</b>
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**RE.13.013 2013 Financial Statements**

*Received: Document RE/009/13*

The Deputy Vice-Chancellor (Resources) introduced the statements indicating this was a final draft and requesting that any minor amendments to be forwarded to him direct. He drew attention to the Key Performance Indicators at the front of the report highlighting the reduction in total student numbers which reflected the decrease in part-time students, especially in the Faculty of Education, as the removal of national in-service training contracts worked through. The Vice-Chancellor noted that such provision was not likely to be re-instated and he pointed to the increased focus of the University on full-time provision which provided a more viable model in times of uncertainty.

The Deputy Vice-Chancellor (Resources) indicated the audit had achieved an early closedown with no issues raised and he thanked the Director of Finance and the team for their work in achieving this.

The Chair of the Board reported that accounts for the three subsidiaries had also been approved and would be incorporated in the final documentation.

**Noting the record surplus achieved, the committee recommended the 2013 Financial Statements to the Board for approval.**

**Action: Chair**

**RE.13.014 Auditor's Letter of Representation**

*Received: Document RE/010/13*

The Director of Finance introduced the Auditor's Letter noting that it followed a standard format confirming compliance and disclosure. There were no issues raised.

**The committee recommended the Auditor's Letter of Representation to the Board for approval.**

**Action: Chair**

**RE.13.015 External Audit 2012/13 KPMG Draft Letter**

*Received: Document RE/011/13*

The Director of Finance introduced the KPMG Draft Letter which outlined the main findings from the audit and he indicated that there were no audit differences to report. He indicated that the University would be reviewing its equipment capitalisation policy during the year but that this would remain set at a prudently low level in order to maintain an appropriate level of control.

The committee received the KPMG Draft Letter.

**RE.13.016 Going Concern Statement**

*Received: Document RE/012/13*

The Deputy Vice-Chancellor (Resources) introduced this item noting that the report trialled the adoption of the principles of the HEFCE Annual Sustainability Report which was likely to be a requirement in 2014. He drew attention to the indicators which supported the report and the ongoing discussion in the Committee of University Chairs (CUC) around the sensitivities in the publication of such data.

The Committee received the Going Concern Statement.

**RE.13.017 2013 Annual Accountability Return**

*Received: Document RE/013/13*

The Deputy Vice-Chancellor (Resources) introduced the return noting that the figures used were taken from the budget. He reminded members that the budget included provision for a full staffing establishment and the final position would therefore benefit from vacancy savings made through the year. He also noted that the reserves figure had risen significantly from the previous forecast following the improved 2012/13 end of year position.

The committee recommended the 2013 Annual Accountability Return to the Board for approval and submission to HEFCE.

**Action: Chair**

**RE.13.018 HR Annual Report**

*Received: Document RE/014/13*

The Director of Human Resources introduced the report noting that benchmark data had been obtained wherever possible. She indicated that future reports would base KPIs around the People Strategy approved earlier in the meeting. Feedback showing the success of the Business Partner model operated in Human Resources was highlighted as a particular strength of the Service in meeting the needs of managers and providing good business intelligence.

It was noted that the activities of the Service were focussed on the delivery of the People Strategy.

In response to a member's question it was reported that whilst efforts were made to recruit from a wide pool, the majority of staff were drawn from the local area which did not have high levels of ethnic diversity and impeded performance in this area.

The committee received the HR Annual Report.



**RE.13.019 2013 Staff Survey Report**

*Received: Document RE/015/13*

The Director of Human Resources introduced the survey noting that it had been run through Capita this year which had provided a more efficient delivery and allowed for more granular analysis. It was intended to make further use of this next year to get a better informed picture of strengths and weaknesses.

The committee received the 2013 Staff Survey Report noting the very positive results achieved.

**RE.13.020 Estates Strategy 2013-2020**

*Received: Document RE/016/13*

The Deputy Vice-Chancellor (Resources) introduced this item noting that the new strategy had been developed with reference to the University's Strategic Plan, the new Local Plan adopted by West Lancashire and the projected financial position. It incorporated the principles for continued growth of the estate and the type of build to support the University's objectives. Priorities had moved away from additional teaching buildings to the need for a new Library, increased residential provision, a new Students' Union facility, completion of the Sports Development and Central Campus redevelopment. He emphasised that this was a live document that would need regular review given the uncertain operating environment and the need to build back cash balances to meet this.

In terms of the timescales outlined for new development priorities, it was noted that there was an ongoing discussion about the detailed phasing of the projects given the need to retain flexibility to respond to changing circumstances and this would need to be clarified in the final document.

In relation to the categorisation of the existing estate it was noted that Forest Court and the residential areas of the main building would need refurbishment work but that this would be set against the minor works budget whilst the Back Halls offered a number of options either for upgrade or new build.

**Following discussion and agreement of the importance of maintaining a flexible approach, the committee recommended the Estates Strategy 2013-2020 to the Board for approval.**

**Action: Chair**

**RE.13.021 Capital Bids**

*Received: Document RE/017/13*

The Deputy Vice-Chancellor (Resources) introduced the bid document which outlined the proposal for two major build projects in 2013/14; the final phase of the Sports Development and an additional 256 residential units. It was noted that there remained significant unmet residential demand as demonstrated by the need to house over one hundred first year students at UNITE in Liverpool this year. It was further noted that additional units would allow a number of more locally based first year students to be housed on campus and provide sufficient headroom to consider requests from some final year students which would not only meet student demand but would also offer a more settling influence on the residential community. The additional units would bring the total residential places on campus to around 2,000.

The residential build, sited as an extension to Chancellor's Court, would require planning permission but the proposal was in line with the local spatial strategy which had been approved by West Lancs Borough Council. The proposal for completion of the new Sports Complex had received planning permission in 2012 as part of the Sports Development project and was consistent with the Campus Masterplan and the updated Estates Strategy already approved.

In discussion, it was acknowledged that residential accommodation provided a valuable income stream to the University and represented a high value return on investment whilst the completion of the Sports Development would significantly enhance the facilities available to students, staff and the local community. Recent academic builds had not eliminated but had significantly reduced the pressure for additional teaching space and supported the prioritisation of these two proposals. It would not be necessary to start work on the residential build until the New Year therefore providing a review point to consider the financial position prior to commencement.

In response to a member's question, it was noted that the quality of recent build projects such as Creative Edge, was high but was also structurally flexible to allow for external refurbishment/alteration over time as demand and inevitable wear and tear dictated.

**Following discussion the Committee agreed to recommend the proposals to the Board for approval with a budget of £14 million for the Sports Development and £12 million for Phases 8A and 8B residential build.**

**Action: Chair/Deputy Vice-Chancellor (Resources)**

**RE.13.022 Employment Issues**

*Restricted Item*

The Deputy Vice-Chancellor (Resources) drew attention to the upcoming Day of Action and reported one claim of unfair dismissal at pre-tribunal stage and one dismissal case at the appeal stage.

The report was received.

**RE.13.023 Any Other Business**

There was no other business.

<b>SECTION C ITEMS</b>
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**RE.13.024 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 10 July 2013**

*Received: Document RE/018/13*

The minutes were received.

**RE.13.025 Minutes of the Support Staff Consultative and Negotiating Committee dated 9 July 2013**

*Received: Document RE/019/13*

The minutes were received.

**RE.13.026 Minutes of the Health, Safety & Environment Committee dated 26 July 2013**

*Received Document RE/020/13*

The minutes were received.

**RE.13.027 Date and Time of next Meeting**

The next meeting is scheduled for 24 February 2014.