

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

Minutes of the meeting held on 17 October 2016

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**Present**

Martin Ainscough	Independent member	Committee Chair
Lesley Munro	Clerk to the Board	
Richard Benjamin	Independent member	
John Cater	Vice-Chancellor	
Graeme Collinge	Independent member	
Clive Edwards	Independent member	
Rob Green	Independent member	
Bernard Laverty	Independent member	Chair of the Board
Denise Walker	Independent member	

**Officers in attendance**

Ann Collins	Director of Human Resources
David Diggle	Director, Turley Planning Consultancy
Carl Gibson	Director of Finance
Steve Igoe	Deputy Vice-Chancellor
Alison Mackenzie	Dean of Learning Services
David Oldham	Director of Capital Projects
Fay Sherrington	Director of Student Services

**Observers**

Matthew Greenhalgh	Students' Union President
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**Apologies**

Andrew Brown	ABW Architects
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It was noted that Clive Edwards had transferred committee membership from Audit to Resources.

**RE.16.001    Declarations of Interest**

Clive Edwards drew attention to a friendship with one of the University sub-contractors used for building projects.

**RE.16.002    Chair's Announcements**

There were no announcements.

**RE.16.003    Chair's Action**

There was no Chair's Action to report.

**RE.16.004    Minutes of the previous meeting**

*Received:    Document RE/001/16*

The minutes of the meeting held on 20 June 2016 were agreed and signed by the Chair as a correct record.

**RE.16.005    Action Log**

*Received:    Document RE/002/16*

The Action Log was received noting that the outstanding action in relation to UCU agreement to the Trades Union Recognition Agreement was likely to be resolved over the next year.

**RE.16.006    Matters Arising**

There were no other matters arising.

<b>SECTION A ITEMS</b>
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**RE.16.007    Committee Effectiveness Evaluation**

*Received:    Document RE/003/16*

The Clerk introduced the documentation which confirmed high attendance levels and a good range of items considered over the year that were consistent with the Committee's Terms of Reference. Whilst agendas were heavy following the merger of the old HR and Finance and Resources Committees, it was felt that there was sufficient time for

discussion and noted that additional meetings could be called if necessary.

In terms of future consideration of new governor recruitment, it was recognised that committee membership lacked specific HR expertise.

In reflecting on the Committee's operation over the year, members concluded that the Committee had operated effectively.

#### **RE.16.008 Treasury Management Update**

*Received: Document RE/004/16*

The Director of Finance introduced the report noting the increased cash balances to £36.887 million with £16 million predominantly held in a Barclays sweep account. It was noted that the rate of return for this was due to fall to 0.2% following the reduction in the Bank of England base rate. The £4 million investment with Santander had been allowed to mature and a total of £8 million (the maximum for a single institution) had been invested with Lloyds which offered a better return rate. The continuing low rate of return on investments overall however was highlighted as an important factor in considering future capital development proposals.

The Treasury Management Update was received.

#### **RE.16.009 Capital Projects Update**

*Received: Document RE/005/16*

The Director of Capital Projects introduced the report which highlighted completion of the Tech Hub development, GeoSciences upgrade and Residential Phase 11 within time and budget. Completion of work on Phase 2 of the car park was also noted. Whilst costs for the Tech Hub and GeoSciences had exceeded expectations on some aspects, it had been possible to contain expenditure within the original budgets.

The Vice-Chancellor reported that entrepreneur, Sir Robin Saxby would be opening the Tech Hub on Wednesday 19 October when there would be an opportunity to view the facilities. It was also suggested that a tour for Governors prior to the next Board meeting would be useful for those unable to attend Wednesday's event.

The Capital Projects Update report was received.

**SECTION B ITEMS**

**RE.16.010 HR Annual Report**

*Received: Document RE/006/16*

The Director of Human Resources introduced the Annual Report highlighting its data driven format which was useful in evaluating activity undertaken. She drew attention to the following points:

- The rate and pace of change had a significant impact on HR activity requiring a flexible and adaptable approach;
- Whilst the University maintained a relatively low staff turnover rate, growth allowed for continued recruitment which refreshed the staffing complement;
- There had been a significant rise in the number of vacancies advertised and, whilst the number of applications for posts had decreased, this was largely due to a more selective approach to recruitment using reviewed role criteria which had reduced the number of unsuitable applications received. The number of vacancies filled first time had risen and, at 96.5% was a best-in-sector figure;
- The roll-out of the e-HR system had been welcomed and was achieving considerable savings in terms of staff time;
- The total cost of advertising had been reduced following a media review leading to more effective targeting. The increasing power of social media was also noted;
- The percentage of performance reviews completed (91%) was high in comparison with the sector;
- Engagement with training and well-being activities continued to rise and received positive feedback;
- The importance of equality and diversity was recognised with the University achieving best-in-sector for the percentage of women (49%) on management contracts;

- The objectives for the next year were based on the results of a collaborative planning process drawing on information from across the University.

In discussion, it was noted that although recruitment from minority groups had increased marginally, the overall percentage was still below sector norms suggesting further work was needed to address this. It was agreed it would be useful to see comparator data for the various equality and diversity statistics.

**Action: Director of HR**

The Annual Report from Human Resources was received.

### **RE.16.011 2016 Staff Survey Summary Report**

*Received: Document RE/007/15*

The Director of Human Resources introduced the report which provided high-level information on the outcomes of the 2016 Staff Survey. Whilst still performing well above the sector average, it was noted that a number of scores had slipped a little from the previous year. It was reported that more detailed departmental data was provided to managers in Faculties and Services so that any specific issues could be investigated and consideration given to tailored training where appropriate.

In discussion, the following points were noted:

- The data suggested that the slip in results reflected the significant changes affecting staff in the Faculties of Education and Health in particular where there was the highest number of respondents;
- Results from small departments were not published because of the limited number of responses received. It was noted that merging departments for the purposes of this exercise would be considered in future to ensure publishable results were obtained;
- Some negative feedback was to be expected given the pace of change and development in the sector/University.

Members received the Staff Survey report.

**RE.16.012 2015 Financial Statements**

*Received: Document RE/008/16*

The Director of Finance introduced the 2015/16 Financial Statements highlighting the surplus of £24.447 million pre-pension adjustments and capital write-downs – an increase on the previous year. He drew attention to increased actuarial losses in respect of pension schemes and the impact of FRS 102 which had been applied to the main accounts (including a restatement of the 2014/15 accounts for comparative purposes). Whilst the requirement to provide for obligations to fund past deficits on funded multi-employer schemes such as USS within the accounts had a negative impact on the balance sheet, it was noted that the University had limited exposure to this scheme. The changes introduced by FRS 102 were noted in the Statement of Accounting Policies relating particularly to grant funding; accounting for retirement benefits; and provisions, contingent liabilities and contingent assets.

In discussion, the following points were noted:

- The cash flow from operating activities was reported at £31.699 million as against £30.165 million for 2014/15 and it was generally felt that this was increasingly a more relevant performance indicator than the consolidated accounts;
- Whilst the implementation of FRS 102 was effectively a paper transaction, there was a real cost involved through increased employer contributions in relation to pensions.
- Reductions in staff travel costs were largely associated with more efficient organisation of student placements in the Faculty of Education. This had also reduced student travel costs;
- Although publicity and advertising costs had reduced following completion of the campaigns associated with the University of the Year award in the previous year, there had been an additional staffing allocation to this important area.

Members welcomed a strong set of accounts and **recommended the 2015/16 Financial Statements to the Board for approval.**

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

**RE.16.013 Auditor's Letter of Representation**

*Received: Document RE/009/16*

The committee received the Auditor's Letter of Representation noting there were no exceptional items or areas of concern. The letter confirmed that preparation of the Financial Statements accorded with FRS 102 whilst section 15 addressed the treatment of the USS deficit. A final update would be added to section 16 concerning the provision necessary for the ongoing DfE claim.

**RE.16.014 KPMG External Audit Report 2015/16 and Management Letter**

*Received: Document RE/010/16*

The Director of Finance introduced the External Auditor's report noting that this was substantially complete and offered an unqualified opinion. He drew attention to the recommendations which were being addressed and noted particularly that whilst the move to an on-line process for recording annual leave would make the system more robust, it was likely that accruals would be based on a sampling methodology in future. Two minor corrected audit differences were noted but the auditors confirmed that no uncorrected differences had been identified.

In discussion, it was noted that

- Whilst work-related absence within the UK was a complex area to monitor centrally, staff were required to obtain prior authorisation for overseas visits;
- Work to develop more robust systems around purchase ordering had progressed and was important in combating the growing incidences of fraud in this area which was recognised as a national issue.

The Deputy Vice-Chancellor recorded his thanks to all staff involved for a smooth and efficient process with a very fast turnround achieved and members were pleased to acknowledge an excellent report.

The External Audit Report 2015/16 and Management Letter were received.

**RE.16.015 Going Concern Statement (ASSUR)**

*Received: Document RE/011/16*

The Deputy Vice-Chancellor introduced the ASSUR report drawing attention to the indicator for the 5 year average for the Margin for Sustainability and Investment (MSI) which, at 20.7%, was very strong. He also highlighted the range of other indicators included which reflected the breadth necessary to demonstrate sustainability. The strength of the KPIs provided a robust evidence base for the University as a going concern.

The ASSUR statement was received.

**RE.16.016 2016 Annual Accountability Return**

*Received: Document RE/012/16*

The Deputy Vice-Chancellor introduced the financial aspects of the Annual Accountability return noting that this comprised end of year data required for HEFCE analysis purposes. He drew attention to income growth and the strength of the overall position.

**The Committee recommended the financial aspects of the Annual Accountability Return to the Board for submission to HEFCE.**

**Action: Deputy Vice-Chancellor**

**RE.16.017 'Hybrid' Masterplan and Capital Projects Bid**

*(Discussion of these two items was taken together)*

*Received: Documents RE/013/16 and RE/014/16*

The Deputy Vice-Chancellor and the representative from Turley outlined the main principles underpinning the Masterplan which took particular account of:

- Recognition of the importance of the campus experience for students and staff in providing an excellent learning and working environment;
- The importance of landscaping in recognising the University's place in the Public Realm;



- Removing cars to campus extremities to allow pedestrianisation with a clear route through the campus to its central core;

It was also noted that, with the University's sensitive location abutting the green belt, planning permission for building development was dependent on maximising the use of space inside the green belt boundaries in the first instance. The space available on the old running track offered the next most suitable opportunity for new build.

Following on from previous discussions around priorities, the Deputy Vice-Chancellor put forward two proposals for development on this site; a new Library at £25.681 million and a further residential development at £10 million.

#### *.01 New Library*

The proposal for the new Library envisaged a state of the art facility configured to meet demand for more private and group study spaces and consultation areas and it was noted that, despite the move to on-line resources, demand for Library services continued to grow. The Director of Learning Services confirmed the footfall for October 2015 at 63,000. The proposal also sought to incorporate Student Services and the Careers Service within the building, taking advantage of the Library footfall to increase student engagement with other areas and providing an integrated offer to students. The new Library would be a flagship building at the heart of the campus.

It was further noted that the vacation of the current Library and associated LINC buildings would allow these to be reconfigured, at relatively low cost, for academic purposes whilst the relocation of Student Services and the Careers Service would free up space in the current Student Information Centre which could then be redesignated for administrative use.

#### *.02 Residential Phase 12*

With current accommodation levels now able to support first year requirements, the £10 million proposal for the initial part of Phase 12 was for a 160 bed development which would be geared to demand from postgraduate and continuing students. With this in mind, the proposal was for a mix of townhouses and cluster flats. The Director of Student Services indicated that the ability to offer accommodation to year 2 students in particular could be an

important factor in improving retention and that a greater mix of year groups on campus would help in building communities.

The Director of Finance confirmed the affordability of both proposals and noted that, whilst the spend was significant, it would be spread over more than one year.

In the ensuing discussion members welcomed the new Library project but were particularly keen to understand how the proposals related to the University's other development priorities and whether a residential build was the most appropriate use for a prime campus site.

The following points were noted:

- Taking account of the potential to reconfigure the current Library and LINC buildings for academic use if the new Library proposal was accepted, it was not anticipated that further academic provision would be necessary over the next 3 to 5 years;
- Redevelopment of the area incorporating the Back Halls and Students' Union building was included in the Masterplan but would be a complex and expensive endeavour with more time needed to identify the best long-term use for the site;
- The proposals drew on the integration of academic and residential buildings which was already a successful feature of the campus and supported a community feel;
- Care would be needed in interfacing the new residential build with Forest Court;
- Student involvement and feedback would be an active component of the new Library development.

Following a robust discussion, **the Committee agreed to recommend an overall envelope of £35.681 million for the construction of the new Library and Residential Phase 12 to the Board for approval.**

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

Members also requested that a fully articulated Masterplan should be prepared for the Board and that members of the Resources Committee be updated as the University's future plans developed.

**Action: Deputy Vice-Chancellor**

**RE.16.018 Employment Issues**

There were no employment issues to report.

**RE.16.019 Any Other Business**

There was no other business.

<b>SECTION C ITEMS</b>
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**RE.16.020 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 14 June 2016**

*Received: Document RE/015/16*

The minutes were received.

**RE.16.021 Minutes of the Support Staff Consultative and Negotiation Committee dated 28 June 2016**

*Received: Document RE/016/16*

The minutes were received.

**RE.16.022 Minutes of the Staff Partnership Group dated 28 June 2016**

*Received: Document RE/017/16*

The minutes were received.

**RE.16.023 Financial Summary Statistics (July 2016 submission): Edge Hill University**

*Received: Document RE/018/16*

The summary statistics were received.

**RE.16.024 Date and Time of next Meeting**

The next meeting is scheduled for 27 February 2017.