

BOARD OF GOVERNORS
RESOURCES COMMITTEE

Minutes of the meeting held on 20 February 2017

Present

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

Officers in attendance

Carl Gibson	Director of Finance
Bill Hancox	Director of Facilities Management
Steve Igoe	Deputy Vice-Chancellor
Alison Mackenzie	Dean of Learning Services
Paul Malone	Students' Union General Manager (for Agenda Item 10)
David Oldham	Director of Capital Projects
Fay Vaudrey	Students' Union Finance Officer (for Agenda Item 10)

Observers

Matthew Greenhalgh	Students' Union President
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Apologies

Richard Benjamin	Independent member
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It was noted that Graeme Collinge was taking his first meeting as Chair of the Committee.

RE.16.025 Declarations of Interest

There were no Declarations of Interest.

RE.16.026 Chair's Announcements

There were no announcements.

RE.16.027 Chair's Action

There was no Chair's Action to report.

RE.16.028 Minutes of the previous meeting

Received: Document RE/019/16

The Chair summarised the major decisions taken at the last meeting following which the minutes of the meeting held on 17 October 2016 were agreed and signed by the Chair as a correct record.

RE.16.029 Action Log

Received: Document RE/020/16

The Action Log was received noting all items as complete or in progress.

RE.16.030 Matters Arising

There were no other matters arising.

SECTION A ITEMS

RE.16.031 Treasury Management Update

Received: Document RE/021/16

The Director of Finance introduced the report noting the increased cash balances of £29.351 million in comparison to the same time the previous year with £16 million held in a Barclays sweep account. It was noted that the rate of return for this had fallen to 0.2% following the reduction in the Bank of England base rate. The £4 million investment with the Clydesdale and Yorkshire Bank Group had been allowed to mature as their credit rating had fallen below the University's minimum rating with a corresponding £4 million investment made with Santander at 0.85%. The continuing low rate of return on investments overall

however was highlighted as an important factor in considering future capital development proposals.

It was reported that larger UK banks would be subject to new ring-fencing legislation with compliance required by 1 January 2019. This would entail the separation of some day-to-day banking activities from more complex products. Barclays were responding to this by re-organising as two clearly defined divisions, Barclays UK and Barclays International. It was proposed that the University would sit within Barclays International as one of their larger business customers. Whilst it was anticipated that both divisions would maintain good investment grade ratings, there was an increased risk from the new arrangements which would be closely monitored.

In response to questions, it was noted that:

- Receipt of tuition fee income came in three unequal tranches through the year and this explained the fluctuation in cash balances over each twelve month period. Month to month comparisons of cash balances were not helpful in this context with year to year comparisons more relevant;
- Current cash balances had been boosted by a significant VAT receipt in relation to the Sports Development project and the fact that tuition fee income was running ahead of budget projections;
- Whilst it was not anticipated that the University would be making significant new financial investments given the scale of capital development that had been approved, it was agreed that further consideration should be given to new providers such as Close Brothers on the expiry of existing arrangements.

Action: Director of Finance

The Chair asked if Appendix 2, which detailed the weighted average return on the cash balances held in each financial institution, could be expanded to show more than one quarter for comparative purposes.

Action: Director of Finance

The Treasury Management Update was received.

RE.16.032 Insurance Renewal Update

Received: Document RE/022/16

The Director of Finance introduced the report which summarised insurance costs for the current year in comparison with the previous year spend. He drew attention to the increase in overall costs which had been held at 2% despite the rise in the sums insured which reflected the University's growth. It was noted that the University benefited from obtaining provision through an HE buying group which offered significant economies of scale and, although premiums were sensitive to the number of claims made, represented good value for money.

It was reported that, whilst the risks associated with the growing reliance on technology placed a heavy reliance on the University's cyber-security systems, it was not felt that cyber-liability insurance offered a sufficiently competitive solution at the present time and no members of the buying group had taken up this option.

The Director of Finance highlighted changes in insurance legislation which came into force in August 2016. The main thrust of the changes was in relation to the new duty of fair presentation which balanced the responsibilities of insurers with the need for customers to ensure a full exposition of risk was provided. In response to a member's question, it was noted that this was picked up through the annual budget meetings with Faculties and Services where exposure to risk was discussed in detail and noted.

The Insurance Renewal Update was received.

RE.16.033 Students' Union Audited Accounts 2015/16

Received: Document RE/023/16

The General Manager of the Students' Union introduced the accounts drawing attention to the Union's broad range of activities and achievements over the year including a number of campaigns and awards. He drew particular attention to the success of the Student Leaders' event and the investment made in redeveloping the Course Representative system and the operation of Student Societies with further refinements planned for 16/17.

In terms of other future priorities, it was reported that a new 'Hall Representative' system was planned to help develop a sense of community whilst embedding the transfer of Student Sport with a view to improving performance in the BUCS league ranking would be an important challenge. Research was being commissioned to better understand how to enhance the Union's reputation with internal and external audiences providing an evidence base for investment communications. In addition, there would be a review of existing commercial outlets.

In terms of the detailed accounts, the Students' Union Finance Manager confirmed that the accounts were compliant with FRS 102. She drew attention to the small increase in income and a surplus of £98,000 with reserves standing at £533,170 which was above the minimum required to cover 3 months operational costs.

In discussion, the following points were noted:

- The emphasis on team sport at Edge Hill affected improvements in the BUCS points which are derived from both individual competitor sport and team sport performance;
- There was no specific link between academic and competitive sport. The University was supportive of efforts to increase participation which was an important aid to recruitment;
- The operation of Student Sport would require a significant time investment from the Students' Union;
- Whilst the retail space at the back of the Students' Union was scheduled for demolition in the long term, there was a short-term opportunity for some development of the area. The potential for franchising would need to be discussed with the University;
- Trading activities were profitable although there were challenges around the food and drink offer which would be subject to review this year. It was noted that the Union worked hard to achieve the right balance between trading and support services in its overall provision;
- Increases in staff costs represented investment to support the operation of the course representative and societies systems and the Union was alert to the budget implications.

In response to a member's question, it was noted that the grant income provided by the University to the Union was calculated on a formulaic basis representing a fixed proportion of the end-of-year University turnover. The formula had been in operation for some years having been initially approved by the Board as a transparent process, driven by the size of the student body and which recognised the autonomy of the Union and an inherent linkage between the success of the University and the Students' Union.

Members welcomed the opportunity to discuss the activities of the Students' Union noting the importance of a vibrant student community to the student experience and for future recruitment.

The Students' Union Audited Accounts 2015/16 were received.

RE.16.034 Modern Slavery Act

Received: Document RE/024/16

The Deputy Vice-Chancellor introduced the document which set out the requirements of the Modern Slavery Act 2015 in relation to supply chain transparency and the need for the University to take appropriate and proportionate action to ensure slavery and human trafficking is not taking place in its business practices or supply chains. The preparation and publication of an annual Slavery and Human Trafficking Statement is a requirement of the Act for all organisations with a turnover in excess of £36 million.

Working through the North West Universities Purchasing Consortium, the University was using a specifically designed Supplier Engagement Tool to build up relevant data from suppliers to allow monitoring and the inclusion of appropriate provisions within the contract management process.

It was noted that the Statement would need to be added to the Ethical Framework approved by the Board last year.

The committee recommended the Slavery and Human Trafficking Statement 15/16 to the Board for approval.

Action: Clerk

SECTION B ITEMS

RE.16.035 Learning Services Annual Report

Received: Document RE/025/16

The Dean of Learning Services introduced her report which focused on learning support for students and, particularly, the challenges in providing for disabled students. She highlighted the reduced government funding made available for this aspect of provision and the consequent increasing demand against the University budget. In terms of the scale of the challenge, it was reported that around 2,000 students declared some form of specific learning difficulty (SpLD) during the year with 790 engaging with the SpLD support team and 300 receiving specific support. The general approach taken by the University was to be inclusive and to seek to use technology enhancements which would benefit the whole student body. In this regard, the Dean of Learning Services highlighted the following projects:

Lecture Capture: This technology allowed for lectures to be recorded in sync with powerpoint presentations and removed the need for the use of 'scribes' for those students requiring assistance with notetaking. All lecture theatres had been equipped for use with the technology and a pilot had been operating since October 2015. Most staff had adapted well to the new arrangements and the feedback from all students was very positive. In response to a member's question, it was noted that students viewed this as a means of revision support and there was no adverse impact on attendance at lectures. It was expected that full roll-out would take another 2 to 3 years.

Assistive Technologies and Study Apps: This included additional laptop provision, available for loan, with pre-loaded assistive technologies and a range of new study apps focusing on the core academic skills of referencing. The study apps benefit the whole student population and are promoted through the Learning Services website.

Staffing: Two new posts had been supported to develop a different approach to disabled student support and identify best practice for the future. In addition, the role of student advisors in providing introductory

peer to peer sessions on Learning Services facilities had continued to evolve and was now an integral part of the Learning Services offer.

Uni Skills: A new approach to the provision of skills support which moved away from the default 1-1 support (although this was still available where necessary) to a more holistic model which incorporated contributions from the Counselling and Well-being teams with an emphasis on positive thinking, managing stress and avoiding procrastination. Initial feedback had been encouraging.

In concluding, the Dean of Learning Services drew attention to successes and awards gained during the year.

In discussion, the Dean of Learning Services expressed her enthusiasm and involvement in the new Library design and it was noted that a number of benchmarking site visits had been made to other Universities and had confirmed that the EHU development would be innovative whilst providing excellent value for money.

Members encouraged the University to ensure students were fully involved at the design stage and it was suggested that the CAVE facility could be used for student consultation.

Action: Director of Capital Projects

The Learning Services Annual Report was received.

RE.16.036 Facilities Management Annual Report

Received: Document RE/026/15

The Director of Facilities Management introduced his report and drew particular attention to the following Service priorities:

- The focus on achieving value for money across the range of activities;
- Ensuring all areas have a strong connection to supporting the University's core business of recruiting and retaining students;
- Meeting customer expectations which, for students, may well be compared with hotel provision;
- Developing a Service culture and ethos that reflects University values;
- Providing an environment for staff to develop and flourish.

It was noted that this kind of approach was not typical for FM providers in the sector and was a distinctive feature of the provision at Edge Hill which was appreciated by students.

In discussion, the following points were noted:

- The quality of the estate continued to improve with ongoing investment through the Capital Development Programme and a consequent reduction in maintenance requirements for which there was a funded rolling programme;
- Space utilisation statistics compared well with the rest of the sector;
- The relatively high number of initial 'snagging' issues in the new Sports Centre had been largely addressed;
- A review of Conference management was expected to reinvigorate the service whilst a proposed restructure of Health & Safety arrangements should embed efficiencies achieved this year;
- A new 'out of hours' support service for students was operating successfully following a review undertaken jointly by Facilities Management and Student Services with a training and development programme in place.

Members recognised that Facilities Management represented the largest Service in the University covering a broad range of activities and congratulated the team on its many achievements. It was suggested that future reports could helpfully focus on the more high risk areas with the inclusion of statistical performance management data.

Action: Director of Facilities Management

The Facilities Management Annual Report was received.

RE.16.037 December Management Accounts including early mid-year forecast

Received: Document RE/027/16

The Director of Finance introduced the accounts indicating that initial budget assumptions were proving to have been prudent with income

ahead of budget and significant savings on expenditure producing a revised forecast surplus for the year at £21.195 million (£17.752 million initial projection). Cash flow balances were well ahead of budget and would be able to accommodate the recently approved capital development proposals especially given the elongated timescale for the new Library build.

In discussion, it was noted that the lower level of staff spend was not due to difficulties with recruitment but to gap savings representing the time lag between staff leavers and new starters and the tight controls operated in relation to new appointments. The budget was always prepared on the basis of a full staff complement throughout the year and savings were to be expected.

It was noted that cash balances needed to be kept around £30 million in order to cater for the fluctuations in income caused by tuition fee receipts which were paid by the SLC in three unequal instalments through the year.

Members received the December accounts and early mid-year reforecast noting that the report contained a good balance of narrative with supporting data.

RE.16.038 Capital Projects Update

Received: Document RE/028/16

The Director of Capital Projects introduced his report drawing attention to the excellent cost performance in relation to the completion of the Tech Hub with a number of additional costs absorbed within the agreed budget. It was noted that all projects within the 2015/16 Capital Programme had been delivered to budget and that the keen match of actual expenditure to budget was a true reflection of the position representing strong project management.

In terms of new projects, work on Phase 12 residences had commenced with completion expected in the summer. Following further consideration of initial plans, a new townhouse configuration had allowed for an additional 32 rooms bringing the total number of rooms to 182 with no budget implications. John Turner Construction had been appointed as Principal Contractors as the only firm showing interest in tendering. The lack of interest from other companies was largely due to the required timescales for delivery. In line with previous

residential phases, the contract would be prepared on a standard JCT basis.

Outline planning permission had been received for the new Library building with an expectation for construction works to start in June and complete in early summer 2018. Efforts would be made to encourage tenders for the main contract. Under the Design Services Framework, ABW Architects had been appointed to provide Architectural/Lead Consultant services and Principal Designer services on the Library project. Whilst it was expected that the Library would be a statement building, the architects were cognisant of the need to deliver both fit within the estate and high level functionality. **It was agreed that plans for the Library should be circulated to members.**

Action: Director of Capital Projects

In discussion, it was noted that the University no longer considered itself as a contracting authority for the purposes of EU public procurement requirements and was not therefore subject to OJEU processes except where this was a specific funding requirement as with the LEP funding for aspects of the Tech Hub.

In terms of overall timescales, it was noted that following completion of the Phase 12 residences and the Library, planning permission had been granted for a further small scale residential development and that work could also start on conversion of the current Library to general teaching accommodation subject to Board approval in due course.

The Capital Projects Update report was received.

RE.16.039 Masterplanning Development Update

The Deputy Vice-Chancellor indicated that, without additional land, the campus was reaching capacity for development and that, on completion of the current projects, the only potential for new build would be through the redevelopment of Forest Court, the Back Halls and the old Pool and Gym areas. Prospects for acquiring more land through the Derby Estate were limited but off-campus options could be considered.

It was reported that Turleys were consulting widely within the University in relation to the Masterplan and that the Board would have an opportunity for a full discussion at the March meeting. Given the need for the University to respond quickly to changing market conditions, it

was felt unwise to agree definitive proposals too far in advance with decisions better taken on a case by case basis nearer the time.

The update on Masterplanning development was received.

RE.16.040 Employment Issues

The Deputy Vice-Chancellor reported that there was the potential for one case to go to Tribunal following dismissal after a final written warning.

The report on Employment Issues was received.

RE.16.041 Any Other Business

.01 Chorley Woodlands

The Vice-Chancellor reported the ongoing discussions with the Local Authority in relation to the future of the Chorley Woodlands facility where the University had protected status for educational use.

.02 Alder Hey

(The Deputy Vice-Chancellor declared an interest as a Non-Executive Director at Alder Hey)

The Vice-Chancellor reported that the investment proposal at Alder Hey was making slow progress. A draft contract had been recently received but this did not reflect the negotiations to date and would be subject to significant amendment prior to return. In particular, a guarantee of additional nurse places would be a requirement for negotiations to continue.

SECTION C ITEMS

RE.16.042 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 4 November 2016

Received: Document RE/029/16

The minutes were received.

**RE.16.043 Minutes of the Support Staff Consultative and Negotiation
Committee dated 28 October 2016**

Received: Document RE/030/16

The minutes were received.

**RE.16.044 Minutes of the Institutional Health, Safety and Environment
Committee dated 12 October 2016**

Received: Document RE/031/16

The minutes were received.

RE.16.045 Date and Time of next Meeting

The next meeting is scheduled for 19 June 2017.