

**BOARD OF GOVERNORS  
RESOURCES COMMITTEE**

Minutes of the meeting held on 20 June 2016

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**Present**

David Owen	Independent member	Committee Chair & Deputy Chair of the Board
Lesley Munro	Clerk to the Board	
Martin Ainscough	Independent member	
John Cater	Vice-Chancellor	Ex-officio
Graeme Collinge	Independent member	
Bernard Laverty	Independent member	Chair of the Board
Denise Walker	Independent member	

**Officers in attendance**

Carl Gibson	Director of Finance
Bill Hancox	Director of Facilities Management (for item 10)
Steve Igoe	Deputy Vice-Chancellor
David Oldham	Director of Capital Projects

**Observers**

Paul Malone	Students' Union General Manager
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**Apologies**

Richard Benjamin	Independent member
Rob Green	Independent member

**RE.15.046 Declarations of Interest**

The Vice-Chancellor reported that his daughter had moved from a bank manager's job with Barclays in the SE to a parallel job in the NW,

having been with the Bank for several years. Barclays are the University's bankers.

**RE.15.047 Chair's Announcements**

There were no announcements.

**RE.15.048 Chair's Action**

There was no Chair's Action to report.

**RE.15.049 Minutes of the previous meeting**

*Received: Document RE/034/15*

The minutes of the meeting held on 22 February 2016 were agreed and signed by the Chair as a correct record.

**RE.15.050 Action Log**

*Received: Document RE/035/15*

The Action Log was received.

Report on Reserved item taken here.

**RE.15.051 Matters Arising**

There were no other matters arising.

<b>SECTION A ITEMS</b>
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**RE.15.052 Treasury Management Update**

*Received: Document RE/036/15*

The Director of Finance introduced the report noting the increase in cash balances set alongside capital spend requirements which reduced the amount available for investment. The current weighted average return for the £12 million invested across a range of providers remained low at 0.73%. A further £4 million had recently been placed with Lloyds at a rate of 1.25%.

Attention was drawn to a dip in the S&P ratings for the Clydesdale and Yorkshire Bank Group which could affect future investment decisions with new providers such as Close Brothers being considered.

It was noted that, whilst the University maintained flexibility through the use of one year fixes, the current volatility in the market suggested consideration of even shorter term arrangements could be worthwhile although the University would not engage in speculation.

In discussion, it was noted that financial investments were carefully managed to ensure sufficient cash availability to support the capital investment programme. It was agreed that, given the very low rates of return, investment in student residences remained an attractive option which improved the student experience whilst offering a steady income stream.

The Vice-Chancellor reported that recent discussions in relation to residential development opportunities in Ormskirk had stalled but that further on-site opportunities were available.

The Treasury Management Update was received.

#### **RE.15.053 Unison Recognition Agreement**

*Received: Document RE/037/15*

The Deputy Vice-Chancellor explained that neither of the main Unions had sufficient membership within the University secure official recognition but, in the interests of good relations, the University operated a full consultative process through Negotiating Committees with voluntary union recognition agreements in place. Documentation presented to the Committee related to a renewed agreement with Unison (support staff union). It was reported that the UCU (academic staff union) agreement had lapsed three years ago. Although a new agreement was provided to UCU at the time, it had proved challenging to obtain regional agreement to the proposal. This however had recently been achieved and it was expected therefore that formal arrangements for UCU would be put in place shortly.

In discussion, it was noted that the University also operated staff consultation through the Staff Partnership Group in recognition of the significant number of staff who were not union members.

The Committee approved the Unison Recognition Agreement to run for three years with effect from 1 August 2016.

Action: Deputy Vice-Chancellor

<b>SECTION B ITEMS</b>
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**RE.15.054 Facilities Management Annual Report including Estate Management Statistics**

*Received: Document RE/038/15*

The Director of Facilities Management introduced the report highlighting the positive achievements over the year which marked the tenth anniversary of the establishment of the Service. He drew attention to the following points:

- The Service continued to attract external recognition which acted as a good motivator for staff and helped to instil a sense of pride;
- Customer service was at the heart of all undertakings with many front line staff in direct contact with students and making a real contribution to their experience. Feedback was actively sought and acted on;
- There was a strong emphasis on the development of staff potential;
- The condition of the campus estate was excellent with the majority of buildings at category A, making a major contribution to student recruitment. There was also a very positive working relationship with Capital Projects;
- Obtaining Value for Money was a significant focus given the sizeable revenue budget for the Service at £12 million. A number of major savings had been achieved;
- The integration of staff teams from Facilities Management and Student Services into a revised campus support service for resident students was expected to deliver enhanced provision, especially in the evenings and overnight;
- A project to update the current Computer Aided Facilities Management (CAFM) system was underway in order to ensure the

continued delivery of a high quality 24/7 enquiry management service;

- Benchmarking was an important aspect of quality assurance and encompassed visits to organisations outside the HE sector recognised for their customer service excellence;
- The Service had a positive relationship with the Students' Union and was collaborating in the transfer of Student Sport to EHSU;
- A number of changes in staffing provided an opportunity to review and refresh approaches to service delivery with an expectation of further improved performance.

In concluding, the Director acknowledged the recognition given to the Service within the University which contributed to the positive culture and was in marked contrast to attitudes elsewhere in the HE sector.

In discussion, it was noted that students were able to make direct contact with the Service and that all enquiries were logged to ensure action was taken. It was also noted that some universities outsourced FM services but that this made quality control more problematic.

Members thanked the Director of Facilities Management for his informative report.

#### **RE.15.055 Late Mid-year Reforecast (April Management Accounts)**

*Received: Document RE/039/15*

The Director of Finance introduced the report indicating that Quarter 3 meetings with budget holders had now commenced providing a more detailed insight into the end of year position and indicating a likely surplus around £22 million, significantly ahead of budget. Fee income remained ahead of budget predictions, driven in part by improved retention, whilst income projections from the Faculty of Health had been understated. Whilst July was the most expensive month for staff costs, this was more than balanced by underspends elsewhere.

The Deputy Vice-Chancellor highlighted recognition in the accounts of the increased cost of bursary provision, occasioned by the recruitment of better qualified students, and the additional charge for the recent forensic audit. It was noted however that the bottom line would be

affected by the impact of FRS102 implementation and the demolition of buildings to make way for the TechHub development but these were not expected to have a substantial effect on the overall surplus.

The Late Mid-Year Reforecast was received.

**RE.15.056 Edge Hill University and its subsidiaries: Operating Budget 2016/17**

*Received: Document RE/040/15*

The Deputy Vice-Chancellor introduced the budget proposal, acknowledging his thanks to the Finance team and all budget owners in contributing to the process. He highlighted the impact of the rapidly changing context in relation to government policy which underpinned the budget setting exercise and drew attention to the following points:

- Overall Funding body grant income was expected to be maintained with some shifts in individual areas;
- Fee income was projected to rise by 2% based on maintaining 2015/16 recruitment levels with increased enrolments in Arts and Sciences and diversified programmes in Health and Education making up for losses in Teacher Training places;
- Other increases in income relating to Residences and Catering and Faculty of Health were set against reductions in Education, Research Grants and Learning Facilitator grant provision which necessitated additional University support;
- Staff costs were budgeted to rise by 3% taking account of the likely pay award, incremental drift and increased pension and National Insurance costs. It was noted that the budget was based on a full staffing establishment and that investment in academic staff for new and growth areas had been accommodated through the corresponding disestablishment of vacant posts in contracting provision. New posts to address the increasing complexity of pensions administration, marketing and recruitment requirements and disability support had also been approved;
- Other operating expenditure was projected to rise by 1% with increases in areas such as student travel for placements, bursaries and scholarships largely balanced by savings elsewhere;

- An £18.4 million provision for capital spend incorporated the completion of current building projects and commencement of a new major project along with support for IT and general equipment and minor works;
- Cashflow was subject to significant variation through the year but projected to increase to £41.35 million by the end of the period;
- The sensitivity analysis took account of the potential risks around areas such as recruitment, residential hall occupancy and negotiated pay settlements.

In concluding, the Deputy Vice-Chancellor highlighted the projected surplus of £18 million which was a very positive result given a largely static fee income environment.

In discussion, it was noted that demand for hall places remained strong with current provision still not able to meet all first year requests and further potential amongst second and third years supporting additional investment either on or off-campus.

It was further noted that whilst some other institutions were challenged by the implementation of the minimum wage, the consistent generation of robust surpluses had allowed the University to remove the lowest four points on the salary scale and pay all staff above the living wage.

Confirming commitment to continued investment, members congratulated the University on a considered and well-articulated budget proposal and **recommended the University Operating Budget for 2016/17 to the Board for approval.**

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

**RE.15.057 Financial Forecasts 2015/16 to 2018/19**

*Received: Document RE/041/15*

The Deputy Vice-Chancellor introduced the financial forecasts noting that these were FRS102 compliant with the 2014/15 figures restated for comparative purposes. Projections for 17/18 and 18/19 were more speculative but had been prudently based on an assumption of no

growth in student numbers which still generated a good surplus at £12 million with rising cash balances.

In discussion, it was noted that the projections included reductions in Initial Teacher Training which were compensated for by increases in recruitment to programmes in Arts and Science and in the diversified programmes in Health and Education so that the University would maintain its current size. It was further noted that the withdrawal of PGCE provision looked likely to be delayed to 17/18 providing some further comfort.

**The Committee recommended the 2015/16 to 2018/19 Financial Forecasts to the Board for submission to HEFCE.**

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

**RE.15.058 Capital Projects Update**

*Received: Document RE/042/15*

The Director of Capital Projects introduced the report noting all current projects progressing on time and within budget.

*.01 Technology Hub Building*

There had been some challenges in the location of Science facilities on the top floor but these had now been addressed. It was noted that the demolition of Levens had provided materials which would be re-used on the main car park project delivering a significant cost saving. Completion was expected in early September.

*.02 Phase 11 Residential*

This project was nearing completion and had been very straightforward.

*.03 Geosciences*

Work on this project commenced in May. The steel frame was now in place and it was expected that completion would be effected before Welcome Sunday. The appointment of N & P as principal contractor was noted.



*.04 Main Car Park Upgrade*

The main works on this project would be carried out during the summer recess and completed before Welcome Sunday. The appointment of S & J Charnley as principal contractor was noted. **A budget of £450K for this project was approved.**

**Action: Deputy Vice-Chancellor**

*.05 Performing Arts Scene Dock Works*

This project incorporated the relocation of equipment currently situated in the Levens Building to Performing Arts along with necessary building adaptations. Work is planned to take place during the summer recess at a cost of circa £100K which is within the Vice-Chancellor's delegated authority for approval. The appointment of N & P as principal contractor was noted.

In response to a member's question, it was noted that the heavy rain in recent months had not hindered projects significantly although some days had been lost. It was further noted that snagging for the Sports Centre development was now complete and that this was proving a popular and busy facility. The Vice-Chancellor reported that residential students would be offered an advantageous membership package.

The Capital Projects Update was received.

**RE.15.059 Students' Union Budget 2016/17**

*Received: Document RE/043/15*

The General Manager of the Students' Union introduced the budget summary noting that a draft had been supported by the Board of Trustees with final approval to be discussed at the July meeting. He indicated that there were some concerns at running a deficit budget and that there were likely to be further iterations before the budget was finalised. It was noted that a new Commercial Services manager had been appointed and it was expected that this would help to ensure high performance across all areas. With a new senior team now in place with a fresh approach, it was important that the Union maximised the use of data to underpin investment decisions.

With respect to the agreed transfer of Student Sport to the Union, it was reported that discussions on the detailed arrangements were in

train. It was acknowledged that this was a significant area of activity and there was a commitment on all sides to ensure a positive outcome which would allow student sport to flourish and encourage sporting societies to take more responsibility. Good performance of student sports teams in the British Universities and Colleges Sports (BUCS) leagues was a valuable asset for recruitment. The continued operation of the Sports Forum, chaired by the Deputy Vice-Chancellor, was recognised as an important vehicle for bringing all the users of sports facilities together to discuss competing demands.

In discussion, the following points were noted:

- The Union was now a significant entity with a salary bill of circa £700K. Many staff were sourced from the student community and worked part-time;
- The Union recognised the need to adapt its services to meet changing student lifestyles especially with the increased provision of high quality on site student residential accommodation;

In receiving the report from the General Manager, members expressed their support for the Students' Union and its activities. A more detailed presentation of the 2016/17 budget was requested for the July Board meeting.

**Action: Students' Union General Manager**

#### **RE.15.060 Employment Issues**

The Deputy Vice-Chancellor reported on the current position in relation to the national pay claim noting that the current offer from the employers' side through UCEA had been set at 1.1% with some enhancement to the lower salary points. This had been rejected by the Unions. Following a ballot of members, UCU had called for industrial action on 24 and 25 May with a further requirement for a local Day of Action. The Edge Hill branch had identified 11 July (scheduled for the annual Learning and Teaching conference) for this to take place. The result of the Unison ballot was not yet known.

In response to a member's question it was noted that the University withheld pay in relation to strike action and that staff were required (retrospectively) to report if they had participated.

In discussion, it was noted that the impact of additional pension contributions and tax changes on take-home pay was likely to have affected some staff attitudes towards this year's pay claim.

In relation to senior staff pay at the University, it was noted that the overall envelope for this was held at the same percentage as the increase in the pay bill for all other staff.

The report on Employment Issues was received.

**RE.15.061 Any Other Business**

There was no other business.

<b>SECTION C ITEMS</b>
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**RE.15.062 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 8 March 2016**

*Received: Document RE/044/15*

The minutes were received.

**RE.15.063 Minutes of the Health, Safety & Environment Committee dated 12 May 2016**

*Received: Document RE/045/15*

The minutes were received.

**RE.15.064 Date and Time of next Meeting**

The next meeting is scheduled for 17 October 2016.