

BOARD OF GOVERNORS
RESOURCES COMMITTEE

Minutes of the meeting held on 20 October 2014

Present

David Owen	Independent member	Committee Chair & Deputy Chair of the Board
Lesley Munro	Clerk to the Board	
Martin Ainscough	Independent member	
Richard Benjamin	Independent member	
John Cater	Vice-Chancellor	Ex-officio
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
Carl Gibson	Director of Finance
Steve Igoe	Deputy Vice-Chancellor
David Oldham	Director of Capital Projects

Observers

Kayley Wilson	Students' Union President
Paul Malone	Students' Union General Manager

Apologies

There were no apologies.

RE.14.001 Declarations of Interest

There were no declarations of interest specific to the meeting.

RE.14.002 Chair's Announcements

There were no announcements.

RE.14.003 Chair's Action

There was no Chair's Action to report.

RE.14.004 Minutes of the previous meeting

Received: Document RE/001/14

The minutes of the meeting held on 23 June 2014 were agreed and signed by the Chair as a correct record.

RE.14.005 Action Log

Received: Document RE/002/14

The Deputy Vice-Chancellor reported that finalisation of the UCU Trade Union Recognition Agreement was still subject to some negotiation on matters of detail but there were no fundamental issues to report. He also indicated that discussions with KPMG in connection with the VAT recovery for the Sports Development were ongoing with a conclusion expected by Christmas.

The Clerk apologised that the annual report from the Office of the Independent Adjudicator had not yet been circulated and confirmed this would be sent out with the minutes.

Action: Clerk

Subject to these comments, the Action Log was received.

RE.14.006 Matters Arising

There were no other matters arising.

SECTION A ITEMS

RE.14.007 Committee Effectiveness Evaluation

Received: Document RE/003/14

Members received documentation detailing the business of the committee over the previous year and outlining the schedule of business for 2014/15. Attendance levels at meetings had been high with a good level of debate despite some heavy agendas. It was noted that, following recent retirements, there were no independent governors with direct HR experience but that this would be borne in mind in the next recruitment round.

It was agreed that the committee had operated effectively during 2013/14 and there were no recommendations for changes to the Terms of Reference.

RE.14.008 Treasury Management Update

Received: Document RE/004/14

The Director of Finance introduced the report which indicated a further reduction in the weighted average return from 0.44% to 0.42% since June reflecting the Bank of England's decision to maintain low interest rates. Given the poor rates of return and the need to service capital spend and cash flow balances, there were no plans for further investment in the near future.

In response to a member's question, the Deputy Vice-Chancellor indicated that tuition fee income was currently £1.25 million short of target but that this was expected and reflected the large number of individual queries to be resolved in the early part of the year before SLC income could be released. A more complete picture would be available in the New Year.

Members received the Treasury Management report.

RE.14.009 Capital Projects Update

Received: Document RE/005/14

The Director of Capital Projects introduced the report highlighting increased savings projected from the 2012/13 Capital programme as accounts were finalised. He also drew attention to the ongoing issue in relation to VAT on previous residential projects which remained a matter for negotiation.

With respect to the 2013/14 programme, Phases 8 and 9 of the residential development had been completed with some delay but in time for student occupation at the start of term. The staged delivery of the Sports Development was progressing well with the shell contract largely complete and within budget. The next stage would be to tender for the fit-out and external works.

In response to a member's question, it was noted that there were increased pressures from the longer lead times for the delivery of some supplies and, whilst penalty clauses were included in building contracts, these could be difficult to apply given the flexible design approach adopted by the University.

A further report was received on the potential for additional residential phases given the level of unmet demand from students. Space had been identified for two more developments although one site was currently outside University ownership and was subject to a negotiated sale with the house owner and the Derby estate. It was proposed to seek planning permission for both developments with specific bid proposals coming to the February meeting of the committee, subject to the University's cash position.

In discussion, it was noted that, whilst there were some small private developments for student housing in the local area, single University towns were not generally an attractive proposition for the larger developers such as UNITE and were unlikely to be supported by the local Council in any event. There were significant local concerns about the impact of studentification on the community and the Council's preferred position was to encourage campus based developments.

The Capital Projects Update report was received.

RE.14.010 Investors in People (IIP) Reports

Received: Document RE/006/14

The Director of Human Resources introduced two reports from the IIP assessment which had taken place earlier in the year and confirmed continuation of the University's Gold accreditation and the Health and Wellbeing Good Practice Award. Both reports were extremely positive about all aspects of the University's work whilst identifying areas for further exploration in terms of continuous improvement. These would be used to develop an Action Plan.

Members received the reports and congratulated the Director of Human Resources and all University staff for the excellent achievement.

SECTION B ITEMS

RE.14.011 2014 Financial Statements

Received: Document RE/007/14

The Deputy Vice-Chancellor introduced the financial statements which were at an advanced drafting stage. He drew attention to amendments to the section on Corporate Governance confirming compliance with the CUC code and the inclusion of a section on Related Party Transactions, both of which were recommendations from the HEFCE Assurance Review. It was noted that the overall surplus of £17.899 million was only slightly ahead of the previous year but that this had been affected by a number of circumstances which would not reoccur such as the change to the capitalisation policy, the 5 year re-evaluation of the estate (not required in future) and a one-off clawback payment to HEFCE.

In response to a member's question, it was reported that rates in relation to long-term debt were fixed and that payments were reducing by around £2 million per year. These arrangements were well within the bank covenant limits.

In relation to depreciation, it was confirmed that the write-off rates for new items were dependent on the expected life of the item and that replacements showed in the revenue account.

The Deputy Vice-Chancellor indicated that some minor changes could come through the final drafting process but no major changes to the accounts were anticipated at this stage.

The Committee welcomed the positive outcome and agreed to recommend the 2014 Financial Statements to the Board for approval.

Action: Chair/Deputy Vice-Chancellor

RE.14.012 Auditor's Letter of Representation

Received: Document RE/008/14

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 signature subject to any comments from Audit Committee.

Action: Chair

RE.14.013 External Audit 2013/14: KPMG Draft Letter

Received: Document RE/009/14

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. The Deputy Vice-Chancellor pointed out that this was an excellent outcome with the lack of issues a particularly positive endorsement.

The committee welcomed and received the KPMG Draft Letter.

RE.14.014 Going Concern Statement (ASSUR)

Received: Document RE/010/14

The Deputy Vice-Chancellor introduced the statement which provided a range of indicators to give assurance of the University's viability as a going concern. He highlighted the slight drop in applications which was more than balanced by improvements in conversion rates leading to

the maintenance of full-time enrolments. Whilst the historic cost surplus as a percentage of income (15.5%) had fallen a little (as explained in discussion of the financial statements), this result would still place the University in the top 5 or 6 institutions in the country. It was noted that the ASSUR statement was in its second year of development and was not a requirement for submission to HEFCE.

In discussion, it was observed that the range of indicators gave an interesting perspective which demonstrated some of the tensions involved in achieving good institutional performance.

The committee received the Going Concern statement noting that it would be submitted to HEFCE.

RE.14.015 2014 Annual Accountability Return

Received: Document RE/011/14

The Deputy Vice-Chancellor introduced this item which comprised a set of financial indicator tables and a written commentary on significant movements compared with the previous year's submission. The information was consistent with the detail of the Financial Statements already discussed.

The Committee recommended the Annual Accountability Return to the Board for submission to HEFCE.

Action: Deputy Vice-Chancellor

RE.14.016 HR Annual Report and Outline Action Plan

Received: Document RE/012/14

The Director of Human Resources introduced the report which included a summary of activity during the year along with a range of broad-spectrum and performance indicator data with benchmarked comparisons where available which were generally positive. She drew particular attention to the work on wellbeing and business intelligence both of which were the subject of recent and upcoming conference presentations. The outline Action Plan showed how the information in the report was being used to develop the service.

In discussion, the following points were noted:

- The comparatively low performance in relation to the employment of black and minority ethnic groups was in part a reflection of the lack of diversity within the local community. Unavoidably, Appointment Panels mirrored the lack of ethnic diversity. It was noted that a number of positive actions were being taken to address diversity issues within the recruitment process whilst the new Equality and Diversity Policy was being reviewed to determine its effectiveness.

It was agreed to circulate the policy to interested parties.

Action: Director of Human Resources

- It was suggested that the reason for absence levels above sector norms was largely due to more robust reporting systems at the University.

The Chair welcomed the report and particularly commended the Business Partner model which provided support to managers through named contacts.

The HR Annual Report and Outline Action Plan were received.

RE.14.017 2014 Staff Survey Summary report

Received: Document RE/013/14

The Director of Human Resources introduced the main findings of the survey drawing attention to the excellent response rate achieved this year. It was noted that overall satisfaction rates were very encouraging and significantly ahead of the sector with a positive impact on the employer brand which was helpful in recruitment.

The Director of Human Resources indicated that data for individual areas was provided to managers so that specific issues or variation from the norm could be addressed. She also indicated that the free comments were analysed and used to inform future development sessions.

Members received the 2014 Staff Survey Summary Report and congratulated the University on the excellent results which were particularly impressive for a large organisation.

RE.14.018 Employment Issues

The Deputy Vice-Chancellor reported that one case had been submitted to the Employment Appeals Tribunal and was due to be heard in November. Following legal advice, the University was seeking to reach a negotiated settlement.

The verbal report on Employment Issues was received.

RE.14.019 Any Other Business

There was no other business.

SECTION C ITEMS

RE.14.020 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 16 July 2014

Received: Document RE/014/14

The minutes were received.

RE.14.021 Minutes of the Health, Safety & Environment Committee dated 17 July 2014

Received Document RE/015/14

The minutes were received.

RE.14.022 Minutes of the Staff Partnership Group dated 19 June 2014

Received: Document RE/016/14

The minutes were received.

RE.14.023 Date and Time of next Meeting

The next meeting is scheduled for 23 February 2015.