

BOARD OF GOVERNORS
RESOURCES COMMITTEE

Minutes of the meeting held on 22 February 2016

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	
Rob Green	Independent member	
Bernard Laverty	Independent member	Chair of the Board
Denise Walker	Independent member	

Officers in attendance

Carl Gibson	Director of Finance
Steve Igoe	Deputy Vice-Chancellor
Alison Mackenzie	Dean of Learning Services (for item 11)
David Oldham	Director of Capital Projects

Observers

Paul Malone	Students' Union General Manager
George Talbot	Academic Board Nominee
Fay Vaudrey	Head of Resources, Students' Union

Apologies

Richard Benjamin	Independent member
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RE.15.025 Declarations of Interest

The Deputy Vice-Chancellor indicated an interest in agenda item 16 in light of his role as Non-executive Director at Alder Hey hospital.

RE.15.026 Chair's Announcements

There were no announcements.

RE.15.027 Chair's Action

There was no Chair's Action to report.

RE.15.028 Minutes of the previous meeting

Received: Document RE/018/15

The minutes of the meeting held on 19 October 2015 were agreed and signed by the Chair as a correct record.

RE.15.029 Action Log

Received: Document RE/019/15

The Action Log was received noting that UCU agreement to the Trades Union Recognition Agreement remained outstanding.

RE.15.030 Matters Arising

There were no other matters arising.

SECTION A ITEMS

RE.15.031 Treasury Management Update

Received: Document RE/020/15

The Director of Finance introduced the report noting the increase in cash balances set alongside the continuing depressed rate of return on the University's current investment accounts. Taking advantage of the committee's recent decision to relax the financial institution credit ratings required to allow investment, £4 million had recently been placed with Yorkshire Bank on a 12 month fix at 1.2%.

It was further noted that the University had recently taken the opportunity to convert its dollar holdings (arising from payments by US exchange students) at an advantageous rate.

The Treasury Management Update was received.

RE.15.032 2015-16 Insurance Update Report

Received: Document RE/021/15

The Director of Finance introduced the report noting the marginal increase in premiums compared to the previous year. He highlighted the University's membership of the University and Colleges Buying Group for insurance services which ensured very competitive rates across most areas.

It was noted that Cyber Liability insurance was increasingly a matter for discussion among member institutions but none had opted to purchase at this stage.

The 2015-16 Insurance Update report was received.

RE.15.033 Students' Union Audited Accounts

Received: Document RE/022/15

The General Manager of the Students' Union introduced the Accounts drawing attention to the Union's achievements over the year. He noted the impact of having a full senior team in place with savings on financials and HR. The surplus generated would allow the Union to continue to invest in new services over the next accounting period.

The Students' Union Head of Resources highlighted the increased turnover at £1.44 million, two thirds of which was generated from commercial activity, a robust surplus of £185k and healthy reserves and cash balances. She drew particular attention to increased income generated from the bar, catering, retail and events.

In discussion, it was noted that the Union's commercial activities supported the employment of around 50 students on a part-time basis and that the positive cash balances would support further investment in the bar and the shop.

Members congratulated the Students' Union on a successful year and received the 14/15 audited accounts.

SECTION B ITEMS

RE.15.034 Learning Services Annual Report

Received: Document RE/023/15

The Dean of Learning Services introduced the second annual report to the Committee which, this year, was focused on the provision of virtual services. She highlighted a number of successes during the year including:

- Implementation of the new Library Management System which had enabled a number of key integrations with other university systems whilst also supporting auto-renewals and providing access to new products such as integrated reading lists;
- Patron driven acquisitions to Library stock based on usage and 'Add a Book' services complementing traditional ordering mechanisms;
- The introduction of a virtual knowledge base comprising FAQs generated in partnership with students and a software upgrade which has enabled the introduction of a complementary searchable staff knowledge base for help desk staff;
- The provision of 24/7 'Live Chat' services to complement the physical 24/7 Library opening. Out-of-hours on-line support is provided through a US Library services supplier with access to EHU's customer knowledge base;
- User evaluation of services incorporated in all activities with positive feedback achieved;
- Recognition through national and international awards and nominations.

In discussion, the following points were noted:

- Whilst service provision and demand for facilities were continually increasing, expenditure was well managed with considerable effort invested in the development of collaborative working with key partners such as Blackboard;
- Whilst use of virtual services was increasing, the Library building remained a popular place to study at all times with high demand for fixed PC provision;
- The use of learning analytics in tracking student engagement was being evaluated;
- Blackboard offered a flexible Virtual Learning Environment (VLE) platform which supported third party add-on services. There was little supplier competition in this area but the product had operated reliably at the University over a number of years demonstrating value for money;
- Keeping abreast of the continually growing demand for more extensive wi-fi services was an ongoing challenge for the University.

Members thanked the Dean of Learning Services for her informative report.

RE.15.035 Early Mid-year Reforecast (December Management Accounts)

Received: Document RE/024/15

The Director of Finance introduced the report indicating that Quarter 2 meetings with budget holders were imminent and would provide an opportunity for detailed consideration of staff costs. Fee income (which now represented around 70% of institutional income) was ahead of budget predictions driven in part by better enrolments but also reflecting changes in fee collection arrangements with collaborative partner institutions. The Director of Finance highlighted the exemplary tuition fee collection arrangements in place with staff from Finance, Academic Registry and Planning working co-operatively to ensure the best outcome. He further noted the increased sophistication of the modelling used in this area which could now predict withdrawal rates and the financial implications. Overall, the early mid-year reforecast presented a healthy picture with an increased surplus predicted.

The Deputy Vice-Chancellor drew attention to future challenges caused by static income, increases in pension costs and decreases in student opportunity and disability funding, with these costs reverting to the institution. The situation was being actively monitored to ensure the University remained in a strong position and was able to benefit from the increase in the eighteen year old population anticipated in 2021/22. Good recruitment and retention remained the essential components of a healthy business model.

In response to a member's question, it was noted that the adverse variance in relation to research grants and contracts income emanated from early sales invoice production and the position was expected to revert over the next period.

The Early Mid-year Reforecast was received.

RE.15.036 Facilities Management Annual Report (including Estates Management Statistics)

Received: Document RE/025/15

This item was deferred to the next meeting.

RE.15.037 Capital Projects Update

Received: Document RE/026/15

The Director of Capital Projects introduced the report which provided an update on two current projects:

.01 Technology Hub Building

Planning permission for the building had been received with some minor issues around ventilation and noise which were being addressed. Confirmation of the LEP funding had also been received allowing the two budgets for the project to be brought together.

It was reported that, following a competitive tender process, Material Applications Ltd had been appointed for the steelwork, floordecking and edge protection package with the steel frame delivery anticipated in early April. The internal design for the building would be fixed in the next couple of weeks.

.02 Phase 11 Residential

It was noted that planning permission had been obtained and, in line with previous Board approval, John Turner Construction Group had been appointed as Principal Contractor with S&J Charnleys Ltd appointed for the Enabling Works. Given previous experience in delivery, no issues were anticipated with the build which was scheduled to complete in advance of the new academic year.

Both projects were reported to be in line with approved budgets.

The Capital Projects Update was received.

RE.15.038 Capital Bid - Geosciences

Received: Document RE/027/15

The Deputy Vice-Chancellor outlined the proposal for a £1.1 million spend to provide new laboratory space within the Geosciences building. It was noted that facilities were currently shared with Biosciences but that this had become unsustainable given increased recruitment in both these areas. The proposed extension would be contained within the existing three storey building, representing an efficient solution which could be delivered for September 2016.

In discussion, the following points were noted:

- A Planning application had been lodged and was not expected to be contentious;
- Demand for provision in Bio and Geosciences was increasing across the North West and was not expected to decline;
- Cash balances were ahead of projections.

Following discussion, **the Committee agreed to recommend the construction of additional laboratories within the Geosciences building to the Board with an overall envelope of £1.1 million for the development.**

Action: Chair/Deputy Vice-Chancellor

RE.15.039 Capital Bid – Alder Hey (Commercial in Confidence)

Received: Document RE/028/15

Note: The Deputy Vice-Chancellor withdrew for this item

The Vice-Chancellor introduced this proposal which was a request from Alder Hey Children's NHS Hospital Trust for a significant investment from the University towards building a second phase to their current Research and Education Centre with shared facilities for staff and students. It was noted that Alder Hey was a key and prestigious partner for the University with a strong relationship built up over many years. The hospital provided the majority of training places for the University's children's nurse programmes.

The proposal represented an issue of principle for debate in terms of co-investment in a facility which would not be owned by the University but which could improve the student experience and further strengthen an important relationship at a time of significant change in nurse training provision. It was noted that a similar arrangement had been agreed at Aintree Hospitals NHS Trust more than fifteen years ago where the University had built a small facility on Trust land with protection offered through a 'buy-back' clause.

In considering the proposal, it was noted that payment for a long-term leasing arrangement with fully serviced office space could provide a possible model with a buy-back option included to limit the University's exposure.

In discussion, members acknowledged the importance of strengthening relationships with key partners in the Health sector and it was noted that this might take a number of forms. It was reported that a rental possibility was being explored to provide a facility for the delivery of Professional Development at Wrightington Hospital.

In conclusion, members expressed their support for the Vice-Chancellor to progress negotiations with Alder Hey to the next stage, noting that any final contract would require full Board approval.

Action: Vice-Chancellor

RE.15.040 Employment Issues

The Deputy Vice-Chancellor reported an Employment Tribunal claim had been lodged by an Associate Tutor and the University was seeking a negotiated settlement. He also reported that a group had been established to review Associate Tutor systems and the process of appointment.

The report on Employment Issues was received.

RE.15.041 Any Other Business

.01 Getting to Grips with Finance

The Clerk distributed copies which had been produced by the Leadership Foundation as a Guide for Governors.

SECTION C ITEMS

RE.15.042 Minutes of the Teaching Staff Consultative and Negotiating Committee dated 9 November 2015

Received: Document RE/029/15

The minutes were received.

RE.15.043 Minutes of the Support Staff Consultative and Negotiation Committee dated 14 October 2015

Received: Document RE/030/15

The minutes were received.

RE.15.044 Minutes of the Health, Safety & Environment Committee dated 24 November 2015 and 5 February 2016

Received: Document RE/031/15

The minutes were received.

RE.15.045 Date and Time of next Meeting

The next meeting is scheduled for 20 June 2016.