

BOARD OF GOVERNORS
RESOURCES COMMITTEE

Minutes of the meeting held on 23 April 2018

Present

Graeme Collinge	Independent member	Committee Chair
Lesley Munro	Clerk to the Board	
Martin Ainscough	Independent member	
Julian Bucknall	Independent member	
John Cater	Vice-Chancellor	
Rob Green	Independent member	
Tony Rankin	Independent member	

Officers in attendance

Carl Gibson	Director of Finance
Steve Igoe	Deputy Vice-Chancellor
David Oldham	Director of Capital Projects

Apologies

Clive Edwards	Independent member	Chair of the Board
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RE.17.044 Declarations of Interest

There were no declarations other than those already identified in the Register of Interests relating to the Deputy Vice-Chancellor's role as a Non-Executive Director of Alder Hey NHS Trust.

RE.17.045 Introduction

The Chair welcomed members noting that this was an additional meeting to the planned schedule and had been called primarily to consider a capital bid for a major refurbishment project centred on the current Learning Resources Centre (LRC) which would be vacated in

June on completion of the new Catalyst building and the associated transfer of LRC and Student Services staff. This would allow for the relocation of the Departments of Psychology and Law which had outgrown their current accommodation and, in turn, would enable further rationalisation of the campus on departmental lines and, in particular, the release of the LINC building to house the new Medical School. A number of members had benefited from a tour of the areas affected which had provided a visual understanding and perspective on the works proposed.

It was noted that the Chair had sought (and been provided with) additional information around the potential for increased income from the proposal and had queried whether the refurbishment of the LRC should be considered as part of a wider project which encompassed all the associated remodelling works arising. The Deputy Vice-Chancellor indicated that, whilst all the proposed moves were interrelated, they were being developed as individual projects and, aside from the LRC refurbishment, were not yet at a stage to come forward for approval. In most cases, the building changes necessary were minimal and in terms of timescales, whilst the LRC refurbishment was a priority for completion over the summer and a catalyst for other works, the requirements for the Medical School were less pressing with the first year 1 intake not enrolling until 2020/21. The major costs for the establishment of the Medical School would be less around the building requirements and more concerned with staff and equipment. The Deputy Vice-Chancellor further indicated that the proposals were not directly linked to increased income potential but there was a long-term benefit to the University through the strengthened cohort identity and increased student satisfaction anticipated from departmental accommodation rationalisation and improved facilities which would also impact on marketing potential.

Concluding the opening discussion, the Chair indicated that, given the wider picture, the capital bid proposal considered today should be seen as a proposal for a strategic investment in the University's future.

SECTION A ITEMS

RE.17.046 Alder Hey Collaboration: Detailed Costings

The Vice-Chancellor indicated that progress on negotiations with Alder Hey, which had commenced some two years ago, was slow. In

essence, the University had offered an up-front payment to Alder Hey to cover a 60 year lease for serviced space within a new-build Research and Education Centre. In return, in addition to the provision of space, Alder Hey would also commit to provide an additional 30 Children's Nurse work placements annually for pre-registration students. A 'put or call' clause in the contract would ensure a repayment requirement in the event of an early exit from the agreement by either party, based on straight-line depreciation. The University had operated a similar arrangement successfully with Aintree Hospital over many years and was also considering adopting this model for a collaboration with Wrightington Hospital. The Vice-Chancellor reported that, whilst a draft contract had been drawn up some time ago on the basis of agreed plans, he had recently received some revisions from Alder Hey which offered a little less space and, if implemented, would therefore impact on the amount of money the University was prepared to pay.

In discussion, members raised a number of issues:

- i. *Whether there was serious intent on the part of Alder Hey:* The Vice-Chancellor indicated that the Trust was facing a number of challenging issues at the current time and that NHS bureaucracy was never swift to respond. There was no reason to suppose that delays were a sign of bad faith.
- ii. *The value of the partnership:* The Vice-Chancellor reported that Alder Hey was one of the leading Children's Hospitals in the UK. The University already had strong ties with the hospital and was a provider of choice in terms of nurse placements. Collaboration was reputation enhancing and, with a commitment to additional placements, this agreement offered excellent value for money.
- iii. *The likely end point for negotiations:* The Vice-Chancellor noted that the financial arrangements for the new build were complex with a proportion of the scheme funded by the Trust's financial resources, alongside charitable donations. The University's contribution was an important component however and, given the need for completion of the build, it was expected that an outcome would be achieved by the end of the year.

It was noted that **provisional costings** had been provided to the Board at the outset of negotiations and **it was RESOLVED that these**

should be re-circulated to members subject to review by the Vice-Chancellor.

Action: Clerk/Vice-Chancellor

SECTION B ITEMS

RE.17.047 Capital Bid

Received: Document RE/031/17

The Deputy Vice-Chancellor introduced the bid which was for a major refurbishment programme to the LRC which would be vacated following the move of staff and materials to the new Catalyst building in June. He noted that the purpose of the refurbishment was to provide enhanced space for Psychology and Law, Criminology and Policing - two expanding Departments which had outgrown their current locations. The building would also house the University's Language Centre (currently located in the LINC building) and provide some much needed generic teaching space to ease the current pressures in relation to timetabling. It was noted that the proposal was in line with the Estates Strategy and would allow for the further expansion of the Business School (currently also housing Law, Criminology and Policing), the subsequent re-utilisation of the Psychology building for non-professional Faculty of Education provision and the release of 57 St Helens Road to be repurposed as a crime scene facility to support the Policing degree. Release of the LINC building would provide the necessary space for the establishment of the Medical School.

In terms of the option appraisal, the Deputy Vice-Chancellor indicated that a new build proposal was not viable either in terms of a suitable location or in terms of the time available for completion. Taking no action would not resolve the current pressures on space and would impact adversely on the student experience. The refurbishment proposal presented a good strategic option with no planning issues and a relatively small investment which could be met from cash balances.

Given proposed completion of the works by September 2018, a number of contractors had been identified for possible tender submission with a closing date of 7 May. Tenderers would need to take account of the timescales and include this in their pricing/risk strategy.

In considering the proposal, members raised a number of issues:

- .01 *Evidence of growth and pressure on space given falling overall student numbers:* The Vice-Chancellor noted that the major fall in student numbers related to the professional programmes in the Faculty of Education and identified the growth in applications for the areas concerned with this proposal as follows:

Dept	2014	2018
Law	775	1326
Psychology	687	1043
Business	759	1206

He also noted that whilst applications were falling in some areas, the conversion rate for applicants in the Faculty of Arts and Sciences was generally holding up well. In terms of the general pressure on teaching space, the Deputy Vice-Chancellor circulated a copy of the latest figures produced by the Association of University Directors of Estates (AUDE) which showed Edge Hill as having one of the lowest area per student allocations in the country. There was a balance to be struck in terms of space efficiency and the benefit to the student experience to be gained from a higher level of identification with their departmental home.

- .02 *The need for additional provision for the Faculty of Education given falling student numbers:* The Vice-Chancellor reported that, whilst recruitment to professional programmes was challenging, the Faculty was expanding its range of non-professional programmes which would benefit from more appropriate, dedicated space. In addition, Faculty staff offices were cramped with a significant number dispersed around the campus. The current Psychology building was adjacent to the main Faculty facility and would provide a sensible location which would resolve these issues.
- .03 *The importance of ensuring the refurbishment reflected departmental identity:* The Deputy Vice-Chancellor indicated that the proposed refurbishment would effectively take the building back to its shell and, with the entrance re-sited, provided the same level of flexibility as new build with an opportunity for the building to fully reflect its new identity. The University would engage a specialist design team for the interior fit-out. It was

noted that Psychology and Law ran a number of joint programmes so were well-suited to being co-located. The Pro Vice-Chancellor/Dean of Arts and Sciences confirmed that staff had been consulted and were actively engaged in the project.

- .04 *The lack of a specified contingency given the timescales for the project:* The Vice-Chancellor reported that, if problems were encountered in terms of the completion date, the timing for the moves of staff and equipment would simply be put back to the next most appropriate date. He indicated that he did not favour moves during term-time because of the disruption involved. The Deputy Vice-Chancellor highlighted the complex move of staff and equipment from the LRC to the Catalyst building as the most significant risk to the project.
- .05 *Whether the proposal carried longevity:* The Deputy Vice-Chancellor confirmed that the proposal addressed a number of current concerns and was in line with the Estates Strategy. Further changes would be driven by market demand. The University was fortunate that the majority of buildings had inbuilt flexibility and could be adapted to meet new requirements. Options were still open in terms of further land purchase if necessary.
- .06 *VAT issues:* It was noted that the University was alert to VAT issues and would take advice from the VAT officer in terms of achieving maximum mitigation.

Following a thorough debate, **it was RESOLVED to recommend approval of the bid to refurbish the LRC with a budget of £6.5 million to the Board.** This was noted as a strategic investment within a wider project which would provide for the subsequent rationalisation of departmental accommodation and release of the LINC building for the establishment of the Medical School.

Action: Deputy Vice-Chancellor

RE.17.048 Any Other Business

.01 *Woodlands Campus*

In response to a member's question, the Vice-Chancellor reported that no firm proposal in relation to the buy-out of the University's interest in the Woodlands campus had yet been made. He

confirmed that the site was now largely boarded up and that all University staff had been relocated to the Ormskirk campus.

SECTION C ITEMS

RE.17.049 Date and Time of next Meeting

The next meeting is scheduled for 18 June 2018.