

BOARD OF GOVERNORS

Minutes of the meeting held on 17 June 2024

Present

Clive Elliott	Independent member	Chair of the Board
Helen Smallbone		Clerk to the Board
Claire Blennerhassett	Teaching staff member	
John Cater	Ex-officio	Vice-Chancellor
Graeme Collinge	Independent member	
Leon Culbertson	Academic Board nominee	
Christine Donnelly	Independent member	
Ann Kennedy	Support staff member	
Maggie Lam	Student member (Students' Union)	
Antony Lockley	Independent member	
Louise Robinson	Independent member	Vice-Chair of the Board
Mike Tate	Independent member	Chair, Audit Committee
Mark Wilkinson	Independent member	

In Attendance

Lynda Brady	Pro Vice-Chancellor (Student Experience) & University Secretary	
Paul Malone	Chief Executive, Edge Hill Students' Union	
Rhona Morris	Governance, Projects & Policy Manager	Secretariat
Liam Owens	Pro Vice-Chancellor (Marketing, Student Recruitment and Student Administration)	

Apologies

Lauren King	Student member
Jo Nettleton	Independent member

BG.23.144 Declarations of Interest

None.

BG.23.145 Chair's Announcements

.01 Complete University Guide

The University was congratulated on its highest ever position in the Complete University Guide league tables, following correction of their dataset. This republished data places the University 4th in the North West, and 54th nationally. The Board offered their thanks to all those who were involved in this achievement.

.02 Board Recruitment

The Board's latest Independent Governor recruitment window closed on 10 June. Early indications suggested that the Recruitment Strategy approved by the Governance & Nominations Committee in March had achieved its initial aims. In total, 54 applications were received and appeared to be of high quality and from a diverse range of backgrounds. The Shortlisting Panel look forward to inviting six applicants for interview later in the month with an expectation of making multiple high-quality appointments.

.03 Students' Union (SU) liaison

Following the SU's presentation to the Board in March, the Chair and Clerk provided a reciprocal session with the SU's staff and student representatives. Discussion focused on the Board's role and responsibilities, and plans for developing the University's next strategic plan. The SU was encouraged to engage with all opportunities to contribute to the University's ongoing development.

.04 Governor development

In line with members' interest in learning more about the impact of emerging technologies on the University's operations, the Pro Vice-Chancellor (Student Experience) & University Secretary, and the Pro Vice-Chancellor (Marketing, Student Recruitment & Student Administration) were working with the Chair to engage a national partner to present to the Board in October. This session will focus on

what digital technology means for boards in HE. To accommodate this session, **October's meeting will commence at 5:00pm.**

Action: Clerk

.05 Student representation

As this marked their final meeting, Lauren King and Maggie Lam were thanked for their excellent work in representing the student interest during their time on the Board. Members noted their appreciation and wished both students best wishes for their future endeavours.

BG.23.146 Chair's Action

There was no Chair's Action to report.

BG.23.147 Minutes of the previous meeting

Received: Document BG/097/23

The minutes of the meeting held on 20 May 2024 were agreed as an accurate record.

BG.23.148 Action Log

Received: Document BG/098/23

Members noted that all items had either been actioned or were in progress.

The Action Log was received.

BG.23.149 Matters arising not included elsewhere on the agenda

There were no matters arising.

SECTION A ITEMS

BG.23.150 Vice-Chancellor's Report

Received: Document BG/099/23

Reported: The Vice-Chancellor introduced the report by updating members on improved student number predictions for 2024/25, based on successful conversion figures. Focus is also being given to recruitment for 2025/26, with targeted marketing at or around key regional events, including the recent Taylor Swift tour which brought thousands of young people into the area.

Discussed: In response to questions, the following information was noted:

- Faculties do identify recruitment targets, but staff are encouraged to see these as a base rate rather than a final aim. While these targets are important, managers recognise that external pressures and issues have a significant impact on applicant behaviour which the University is unable to influence. This is a particular concern in vocational areas, for example, primary teaching where Government intervention is needed to prevent further deterioration in perceptions of the profession. However, while teacher education was the foundation on which the University grew, it now forms a relatively small portion of its activity, limiting the impact of our exposure to the national recruitment difficulties.
- The Conservative Party's current 'Mickey Mouse degrees' rhetoric is unhelpful to the sector and having a damaging effect on particular subjects both nationally and at Edge Hill. At the University, there has been a 60% reduction in applications to English and Creative Arts programmes, leading to a loss in income of £5m over 5 years. This loss has been driven by negative national rhetoric, the removal of associated options at FE-level, and the development of the private sector in establishing specialist provision in media or theatre education. **[Exempt from publication – confidential]**
- The University has four subjects that currently fall marginally under the 60% target for highly-skilled employment across the previous three years: one in the Faculty of Health, Social Care and Medicine, and three in the Faculty of Arts & Sciences. However, all have shown improvement and this year have exceeded the target. Managers will continue to monitor the situation carefully but are

content that continued positive trajectory indicates that there are no issues of major concern.

- There has been a recent trend in providers applying to the Regulator for a change in name, usually to better align university titles with geographical areas. **[Exempt from publication – commercial interests]**
- Total undergraduate student number predictions include students recruited through our Fasttrack course, 90% of whom go on to study a degree programme with the University.

Agreed: To receive the Vice-Chancellor's Report.

BG.23.151 Student Report

Received: Document BG/100/23

Reported: The Student Member (Students' Union) confirmed that the paper was accurate and drew out the main highlights in relation to recent activity. She focused in particular on the SU's recent successful awards evening, and a cost-of-living conference held in Lancaster. The new SU representation team will commence their roles on 1 July.

Discussed: In discussion and in response to questions, the following information was noted:

- The University is fully committed to reducing its carbon footprint and is aiming to source 100% of its heat, lighting and power requirements from green energy sources, despite the additional costs involved. The University has an ethical investment policy and has no direct investments in any funds relating to fossil fuels or animal testing. Managers are always happy to engage with the SU on environmental issues and to provide assurance of shared values.

Agreed: To receive the Student Report.

BG.23.152 Capital Projects Update

Received: Document BG/101/23

Reported: The Vice-Chancellor introduced the item. He reported that he had introduced fortnightly meetings with the construction project team to ensure close oversight of proceedings. **[Exempt from publication – commercial interests]**

Discussed: In discussion and in response to questions, the following information was noted:

- **[Exempt from publication - commercial interests]**

Agreed: To receive the Capital Projects Update and:

- **[Exempt from publication – commercial interests]**

To request a further update from the Vice-Chancellor at July's Board meeting. This update, which can be oral, must cover (a) costs and (b) delivery.

To agree that at July's Board, or via email exchange before year-end (31 July 2024), the final formal Board authorisation for the overall budget must be confirmed.

BG.23.153 Edge Hill University and its Subsidiaries: Operating Budget 2024/25

Received: Document BG/102/23

Reported: The Vice-Chancellor introduced the draft Operating Budget 2024/25 noting that improved student number estimates and other income streams, such as research income, means that (notwithstanding a more prudent accounting of staff gap savings) the budget presented allowed for some optimism. However, while in a significantly better position than much of the sector, the University will still need to take great care in the immediate future to avoid the impact of spiralling costs, particularly in Facilities Management where there has typically been a significant overspend in-year historically paid for by staff gap savings which are already accounted for in the proposed 23/24 budget.

The Chair informed members that a Budget Scrutiny Panel (the Panel) comprised of governors with professional expertise in managing

organisational finance, had met with the Vice-Chancellor and Interim Head of Finance the previous week to scrutinise the forecast. The Panel had observed that the senior team's able financial management over decades had protected it from the worst of the current sector-wide crisis, where many universities are facing material operating deficit challenges. Nevertheless, the University's surplus has incrementally reduced over-time and the level of forecasted surplus in the paper means the margin for error is minimal. Further, without the change in accounting for gap savings cited above, the University may have presented a deficit budget.

The Panel therefore tested and were satisfied with assurances about:

- Mechanisms to control expenditure going forward, particularly staff costs and vacancy management.
- Action taken to better align cost to revenue.
- Cost risks in Facilities Management.
- Student recruitment forecasts.
- The rigour of the budget challenge process, with all departments required to justify each line of cost in relation to delivery targets.

The Panel determined that, while they were confident in the University's control mechanisms, it would be beneficial for the Board, through the continuation of the Panel, to have enhanced oversight of finance to monitor performance against budget and any inherent risks which may impede the projected surplus.

In conclusion, although there are some concerns about the margin for error being slim, the Panel consider the budget to be realistic and recommended this for approval, as presented, subject to enhanced monitoring.

Discussed: In discussion and in response to questions, the following information was noted:

- The Panel will continue to meet in 2024/25 to provide additional support to the Executive during the transition to new senior staff. It will comprise the Lead Governor: Finance and Chair of the Board, who may co-opt other suitably-skilled Independent Governors as needed. The Panel's next meeting will take place in October when the focus will be on any additional risks to achieving the forecast surplus, as well as early planning for the 2025/26 Budget. **The Board will be kept informed on the Panel's work.**

Action: Chair/ Lead Governor: Finance

- Governors observed that it would be helpful in future iterations of the Budget to have an understanding of the University's target surplus. The Vice-Chancellor explained that, in a typical year, he would aim for a surplus of between 3-5%, in order to enable continued investment. **[Exempt from publication – commercial interests]** The Chair noted that the Panel will work with the incoming **Pro Vice-Chancellor (Resources)** to ensure that the **2025/26 Operating Budget** incorporates appropriate targets.

Action: PVC (Resources)

- **[Exempt from publication – commercial interests]**
- Members noted that expectations of a 'good' surplus vary across different sectors and that, in the current environment, the University's position continues to be excellent. Whilst the staff base has grown more quickly than student numbers in recent years, this has facilitated the University's growth into new activities. **[Exempt from publication – confidential]**
- The incoming PVC (Resources) and the Interim Head of Finance will be asked to **review the presentation of the finance-related items received by the Board**. Where possible, reports should incorporate comparative information and performance targets to give governors an indication of trajectory.

Action: PVC (Resources) / Interim Head of Finance

Agreed: **To approve the Edge Hill University and its Subsidiaries: Operating Budget 2024/25.**

BG.23.154 Protecting the Interests of All Students Annual Report

Received: *Document BG/103/23*

Reported: The Pro Vice-Chancellor (Student Experience) & University Secretary introduced the report, confirming the content remained accurate. She thanked the Director of Governance & Assurance and the Student Casework team for their work in preparing the report and providing a consistently high-quality service for students.

Discussed: In discussion and in response to questions, the following information was noted:

- Students across the sector are increasingly alert to their rights as consumers of higher education. This is a positive change in giving students confidence to articulate their concerns, which allows providers to resolve issues at an early stage. However, it does mean that all universities need to be more cautious about the promises made to students in informal settings, for example, at open days. Edge Hill has been proactive in this regard, providing training to all staff members. The low number of complaints received is testament to the efficacy of this work.
- Members noted the importance of the professional services teams who provide direct pastoral support to students. The Campus Support and Student Services teams were particularly highlighted as being central to the student experience.

Agreed: To receive the Protecting the Interests of All Students Annual Report.

SECTION B ITEMS

BG.23.155 Committee Chair Update: Audit & Risk Committee (17 June 2024)

Reported: The Chair of the Audit & Risk Committee updated members on that afternoon's meeting, highlighting the following themes:

- The Committee had benefitted from a presentation on cyber security delivered by the Director of IT Services and the IT Security Manager. Committee members had taken assurance from the University's robust position and control mechanisms.
- An enhanced version of the Board Assurance Framework (BAF) had supported constructive discussion on the University's strategic risk profile. The Board will receive a copy of the BAF in July.
- The internal auditors presented findings from six assignments covering a broad spectrum of activity. All assignments had given a substantial assurance rating.
- The External Audit Strategy for the 2023/24 accounts had been approved. No additional risks were identified.
- **[Exempt from publication – commercial interests]**

Discussed: In discussion and in response to questions, the following information was noted:

- *[Exempt from publication – commercial interests]*

Agreed: i) To receive the Committee Chair Update: Audit & Risk Committee (17 June 2024).

- *[Exempt from publication – commercial interests]*

BG.23.156 Scheme of Delegation: Interim Arrangements

Received: Document BG/104/23

Reported: The Clerk confirmed that the report was a matter of fact and there was no further information to add.

Discussed: Governors confirmed that the report gave sufficient assurance of robust interim measures and were happy to approve the proposed arrangements.

Agreed: **To approve the Scheme of Delegation: Interim Arrangements.**

BG.23.157 Treasury Management

Received: Document BG/105/23

Reported: The Vice-Chancellor introduced the report, observing that the University continued to benefit from strong interest rates.

Discussed: In discussion and in response to questions, the following information was noted:

- One of the University's major cash deposits is due to be released from its fixed term arrangements this year. At that time, managers would undertake a detailed evaluation of the market. Funds will be reinvested at the highest possible rate within the boundaries agreed in the Ethical Investment Policy.

- *[Exempt from publication – commercial interests]*

Agreed: To receive the Treasury Management update.

BG.23.158 Any other business

There was no other business.

SECTION C ITEMS

The following items were received for information:

BG.23.159 Management Accounts (*Document BG/106/23*)

BG.23.160 Date and time of next meeting

The next meeting is scheduled for 8 July 2024.