GETTING TO GRIPS WITH
ESTATES AND INFRASTRUCTURE

RESOURCES FOR GOVERNORS OF UK UNIVERSITIES AND HIGHER EDUCATION COLLEGES

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FOREWORD

As higher education governance evolves, there are major implications for members of governing bodies: increasing expectations about how they undertake their role; a greater focus on measuring institutional performance with associated implications for information and strategy; coming to terms with an increasingly complex governance environment; and so on. All this means that governors (particularly new ones) need to be well prepared for the challenges they face, so that they can contribute effectively to their boards from the outset.

To support governors in this challenge, this set of materials has been commissioned by the Leadership Foundation for Higher Education and the Committee of University Chairs (CUC)[1] to help governors get to grips with the key resource areas for which they are unambiguously responsible. Produced with financial support from all the UK higher education funding councils (coordinated through Hefce), five different volumes make up the complete set of materials on finance, risk, audit, human resources and - this one - estates and infrastructure.

In an easy to read format, this particular volume is intended to provide the core information that all governors need for a basic understanding of their responsibilities for estates and infrastructure. It is not intended to provide the specialist information that members of estates committees might need, although references to such material are provided.

To support the text there are quotations from governors[2], self challenge questions, suggested tasks, and critical incidents called 'governors' dilemmas'. The quotations - some provocative - do not represent any 'agreed' view of the topic concerned, but are rather designed to illustrate different opinions. Similarly, the self challenge questions at the end of each chapter are to enable readers to reflect on key issues for them, and not to be used as a vehicle for governors to place unreasonable demands on their governing body clerk or secretary!

For these reasons, the materials - self evidently - do not represent any agreed view which governing bodies are expected to adopt, but rather are intended to encourage self reflection, debate, and critical thinking. Although we expect that readers will agree with most of what is written, we also hope that some things will be contested.

The materials are intended to be used in different ways: as resources for individual governors (designed to be read as individual chapters rather than in one go); by HEIs for in-house governor development; or as web based material (see www.lfhe.ac.uk/governance). The text does not consider broader issues concerning the overall responsibilities of governors and how their effectiveness might be determined. Readers interested in this should consult an earlier companion volume called 'Getting to Grips with Being a Governor' produced in 2006[3].

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[1] See www.lfhe.ac.uk and www.shef.ac.uk/cuc. The revised CUC Guide for Governors (2009) - available from the CUC website - sets out the definitive responsibilities of governors, and is not duplicated in this material but is cross-referred to where necessary.

[2] The quotations have been obtained from a wide range of sources, including personal meetings with governors. Where the background of the source governor is known it has been provided at the end of the quotation.

[3] SCOP, Getting to Grips with Being a Governor, 2006, available electronically at www.guildHE.ac.uk

A note on terminology and diversity

As most governors know, governance in higher education is complicated by the use of different terms for similar functions, so for simplicity some key words have been standardised throughout the five volumes. In all the materials the terms 'governing body' and 'board' are used generically to include: the governing bodies of post-1992 institutions; the councils of pre-1992 universities; and courts in Scotland. Similarly the word 'governor' indicates a member of these different bodies; 'chair' is used for the person convening governing body meetings; 'head of institution' for the vice-chancellor or principal; and 'executive' for members of the senior management team. Finally, the abbreviation 'HEI' is used as the widely accepted shorthand for 'higher education institution'.

UK higher education is very diverse, and this means that some aspects of governance may differ between HEIs. Moreover, governors will have legitimately different views on the issues presented in this material, as will heads of institutions and other senior managers. It follows that if after working through the text important issues are raised for governors about practice in their own HEI (and we hope they will be), then they may need to obtain more detailed information from the clerk or secretary of their board or its chair. However, throughout the need to distinguish between governance and management has been reinforced.

Because higher education is now the responsibility of the devolved administrations within the UK, another aspect of diversity is the need to recognise differences in governance arrangements in HEIs in England, Scotland, Wales and Northern Ireland. This is particularly the case with some financial and estates issues, and variations which exist within the different jurisdictions are pointed out in the text.   Where no separate discussion of the different jurisdictions occurs, readers can assume that the content applies to all four higher education systems. The term 'funding councils' is used to indicate the public body which provides primary funding to HEIs in each jurisdiction, although in Northern Ireland this is done directly by the Department for Employment and Learning with no actual funding council intermediary.

Disclaimer

The inevitable disclaimer! Although every care has been taken to try and ensure the accuracy of the content of this material, if in doubt about a specific issue governors should always check with the clerk or secretary of their own board.

Happy reading!

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CONTENTS

OVERVIEW: TEN KEY ESTATES AND INFRASTRUCTURE ISSUES FOR GOVERNORS

In the following pages a large number of issues are identified in the areas of estate and infrastructure for you to consider as a governor. However, a quick overview of ten key points may be helpful for you to think about:

1	The governing body needs to receive timely and accurate information to allow it to measure progress on the implementation of estates and information strategies.	**SEE CHAPTER 1 ▶**
2	Estates and information strategies approved by the governing body need to be both realistic and deliverable, using appropriate planning horizons.	**SEE CHAPTER 2 ▶**
3	Estates and information strategies need to be supported by clear and realistic plans for delivery, and have supporting processes for measuring subsequent performance.	**SEE CHAPTER 2 ▶**
4	Comparative data and benchmarking information should be provided to the governing body so that performance in estates and infrastructure can be considered against comparator institutions.	**SEE CHAPTER 3 ▶**
5	In approving future plans for estates and infrastructure governors need to think about the 'big picture' and take full account of likely future developments relevant to an HEI's academic mission.	**SEE CHAPTER 4 ▶**
6	Appropriate disaster management and recovery plans and procedures need to be in place, including informing the governing body if major things go wrong with estates or IT issues.	**SEE CHAPTER 6 ▶**
7	The governing body should ensure that - wherever possible - adequate funding is provide for maintenance, and that the temptation to put off maintenance expenditure is avoided.	**SEE CHAPTER 7 ▶**
8	The governing body should adopt an environmental sustainability strategy, and subsequently keep under review its impact.	**SEE CHAPTER 8 ▶**
9	The governing body needs to be assured that management of the estate and IT functions is effective and efficient, and that value for money is being optimised.	**SEE CHAPTER 9 ▶**
10	The governing body need to be assured that robust project management practices are in place to ensure that projects run to time and budget.	**SEE CHAPTER 10 ▶**

1. SOME KEY ISSUES FOR GOVERNORS IN DEALING WITH ESTATES AND INFRASTRUCTURE

1.1 If you are a governor new to higher education, you might wonder what your role should be in relation to the provision of all the buildings and campus facilities (the estate) and the services (infrastructure - particularly IT) on which it depends. If 'your' institution is large, then the property portfolio may initially be bewildering: there may be many buildings whose existence you are not aware of - never mind not having visited. Do you really have a responsibility for all this? And if so what is it?

1.2 Well, the general answer is 'yes you do!' When you started your period of office as a governor of your HEI, you should have been given a copy of the CUC's 'Guide for Members of Higher Education Governing Bodies' [4] That Guide sets out the definitive responsibilities of most UK governing bodies, and in relation to estates management it states that: "The governing body is responsible for oversight of the strategic management of the institution's land and buildings with the aim of providing an environment that will facilitate high-quality teaching and learning and research. After employee costs, those of managing estates and property represent the largest item of HEI expenditure. It requires long term planning for capital development and the effective maintenance of existing properties, while having to comply with increasingly onerous legislation."

"This campus is vast and I don't even know all the buildings. As a result although I just joined the estates committee, I'm really struggling to say something useful at its meetings"

LAY GOVERNOR

1.3 Your HEI may have organised a tour of the buildings and campus as part of your induction, but after a few months as a governor you may feel that you need to know more. If so, you should feel free to ask the secretary or clerk to your governing body for more information or a tour. Some HEIs ensure that governing body or committee meetings move around buildings or campuses to provide such an experience.

Key responsibilities for estates and infrastructure

1.4 The main issues for governors in meeting their responsibilities in this area are addressed in the following pages, and the chapter headings themselves indicate the main board tasks. Immediately it is clear that this can be a demanding challenge. In total, the CUC Guide lists eighteen board level estates responsibilities (reproduced in Annex B) which give an indication of the complexities of the processes involved. Some of these are primarily management tasks with the board only involved in oversight, but others are central to the strategic and financial concerns of the governing body.

1.5 As a starting point, consider briefly just three of the most important responsibilities as defined by the CUC:
- "To develop an estate strategy for the institution which underpins and facilitates the HEI's corporate plan and academic objectives in teaching and research."
- "To ensure that adequate budgets are set to run, maintain and reinvest in the estate."
- "To undertake peer review of estates performance."

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[4] CUC, (2009), Guide for Members of Higher Education Governing Bodies in the UK (revised edition), available from www.shef.ac.uk/cuc

All governors would probably agree that these three are crucial, as if the governing body can make the appropriate input at the strategic level, then everything else should follow - implementation, evaluation and performance measurement. However this is more easily said than done, as developments within higher education are moving very fast, which in turn impacts on the sort of estate that is needed.

1.6   Some of the other responsibilities listed in the CUC Guide and in Annex B will impinge less on you as an individual governor and more on the governing body as a whole. But overall there is no doubt but that this is a crucial area for a board, and for all individual governors irrespective of whether they have direct experience of estates. Big issues are immediately raised for governors, which are considered below, for example:
   •   What information should be provided to governors?
   •   What should be the relationship between the governing body and the directors of estates and IT (or equivalent)?
   •   Should there be a specialist estates committee?

1.7   In practice, there should be several sources of information to provide advice to you and other governors on estates and infrastructure issues, most obviously: the directors of estates and IT; the director of finance; the clerk or secretary to the governing body (on legal issues); and specialist expertise within the governing body itself. So far as the latter is concerned, the CUC Guide confirms its importance in requiring that "estates expertise is present on the governing body".

"My governing body is, frankly, much too dependent on the single property person who is on it"

LAY GOVERNOR

1.8   This requirement cannot simply be met by the director of estates attending meetings, as a governing body will need to ensure that it has the appropriate expertise among members to analyse and - if necessary - challenge proposals that he or she makes. Rather this should be interpreted to mean that among the 'lay' members of the board there should be at least one property specialist. Of course, with boards getting smaller this raises familiar questions of how many experts in various fields are needed to provide such specialist information across the whole range of governing body responsibilities, and whether there is scope within the board's lay membership to accommodate all the appropriate expertise in suitable depth. Cooption of 'lay' members to estates committees is another way of obtaining external advice.

1.9   However, whether or not there is a property specialist, no governor is going to be wholly at ease with the notion that overall responsibility for all matters relating to the estate will fall in some way to him or her - particularly if there is no estates committee (see below). This material therefore sets out to provide contextual information about issues relating to the estate, and ways in which an informed non-specialist may be able to probe proposals to test their robustness and fitness for purpose. Of course, this cannot of itself meet all possible contingencies, nor turn you into an instant specialist.

1.10   As a matter of course, as a governor you should be familiar with the charter and statutes or memorandum and articles of the HEI with which you are involved. These - and the associated statement of primary responsibility of your governing body - will set out in detail the duties summarised in the CUC Guide, for example by adding stipulations about how such responsibilities are to be acquitted. Thus, for instance, amongst other things Leeds University[5] gives the following responsibility to its Council: "To approve major projects and business proposals, including in particular … any projects or proposals with a value of over £3 million".

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[5]   Available at www.leeds.ac.uk/calendar/council.htm

1.11 Such information emphasises - if emphasis is needed - two points which border on the self-evident. First, while the process of developing and approving estates strategies is central to the governing body's activities, it cannot acquit its responsibilities by simply approving a strategic plan. It has to assure itself that those plans will be put into operation in a timely and cost effective way, and that they will have the desired impact. Secondly, large sums of money are involved in the estate (and in IT, of which more anon), and the governing body must assure itself that appropriate controls and risk management procedures are in place.

1.12 This in turn leads to a further responsibility given in the CUC Guide: "to ensure that a business recovery plan is in place". Issues of risk management and disaster recovery are considered below, and risk management is the subject of a separate volume in this series. The point, though, needs to be made at the outset and borne in mind throughout any consideration of the estate and infrastructure. Property is likely to be a key asset when an HEI is taking out a loan. And most, if not all, HEIs will have certain buildings on which they depend heavily for the conduct of normal business (eg teaching accommodation or specialist laboratories): how would they function if these were unusable for a week? Or a year? The same is true of the IT infrastructure - if an HEI's admissions system failed at 'clearing', the damage to student recruitment could be very grave indeed.

1.13 The CUC Guide is silent on the role of the board in relation to infrastructure and particularly IT, as indeed are most if not all of the constitutions of governing bodies - perhaps overtaken by the very rapid developments in the last few years. But ensuring good management of teaching, learning, research and administration can be achieved only if the governing body is in a position to assure itself that the IT and communications infrastructure is managed to an agreed standard. Accordingly, as a governor you will want to be assured that IT and information strategies, their implementation through appropriate management structures, their operation, and their evaluation are coherent, fit for purpose, efficient and effective.

1.14 In summary, the importance of the governing body in relation to the estate and infrastructure really speaks for itself. But the onus it places on governors involves balancing the need to acquit their duties without eroding the management responsibilities of the senior staff (most obviously the directors of estates and IT) who must remain accountable to the head of institution for service delivery. In these areas as in all others, the governing body must assure itself that the work is being done without being drawn into doing it itself. The separation between governance and management is central here, and it is not your role as a governor to get involved in operational issues.

1.15 This balance can only work if a clear schedule of delegated powers is in place, with authorised levels for spending approval on estates issues defined. What this means for individual institutions will vary, and governing bodies in small HEIs may be involved in formally authorising expenditure for much smaller amounts than in larger universities. However, whatever amounts are involved, as a governor you must be clear about what is expected and why.

How much expertise in estates and infrastructure do governors need?

1.16   Unless you were specifically appointed as a governor because of your expertise in property, the answer is that you don't need to be an expert in these areas, but - ideally - you do need experience of management (and possibly of project management), and you should possess the basic personal skills and knowledge required of an effective governor. This means the ability to think clearly and independently; to understand and assess business cases; the ability to think strategically and understand the 'big picture' and not get drawn into operational detail; and the confidence to challenge constructively plans and proposals made to your governing body.

1.17   Even if your governing body has members with estates and IT experience, you should not let their judgement pass without challenge or question. In other words, as with all governing body issues there is a collective responsibility, and although a small number of members will be key to providing advice to the board on any specific issue, that does not absolve you from pursuing issues and ensuring that you are satisfied with the information provided and the answers given.

Relationships with the executive

1.18   The role of the estates department is generally clear to governors, and is likely to include new build, maintenance, and facilities management. It may well also include security, waste management, and - sometimes - travel policy. While not solely estates issues, the estates department will also have a pivotal role in issues of sustainability, and health and safety.

1.19   There is often diversity in how IT provision is organised. In the past, IT for teaching, learning and research was often organised separately from IT for administration. However, there has been a trend to merge these, and indeed to combine provision with areas like libraries because of the impact of electronic media on learning materials and technologies. A key issue here is for services to keep up with the changing needs of users, for example the reasonable expectation of students that HEIs will provide IT services (PCs, laptops and mobile telephones) that seamlessly support their study, its administration and their social lives, in a way that some governors may have little personal experience of. That is not to say that there must necessarily be an integrated service, rather that it makes good sense for the governing body to ensure that provision is coherent from the user's point of view.

1.20   We have seen that the governing body has to bear in mind the need to reconcile acquitting its oversight responsibilities for service provision, whilst ensuring that this does not impede good management and undermine the accountability of the managers responsible. One potential problem here is the role of the governor who may be expert in property or IT. Whilst the value of such members is obvious, there is also a danger that they become too close to management and may almost become part time members of the 'estates team'. This has dangers and everyone involved needs to be aware of the potential role conflict involved.

1.21 The relationship between directors of estates and of IT (or equivalent) and the governing body is crucial to effective governance. Amongst the many factors shaping such a relationship, two of the most important are: first, there has to be trust and credibility between the board and such senior managers, and this has to be two way. The board has the right to expect its views to be taken very seriously, but in turn it has to establish credibility through the quality of its discussion and input. Secondly, the example set by the head of institution in his or her dealings with the board: where this is open and purposeful, the other senior managers are much more likely to regard the governing body in the same light.

Information

1.22 A key issue which concerns many governors is ensuring appropriate information flows, and being confident that they are receiving appropriate documentation. So far as the first is concerned, almost irrespective of the structure the governing body needs to ensure processes are in place whereby it receives information which enables it to:

- Develop and approve relevant estates and IT strategies and the associated budgets.
- Monitor and measure performance against plans.
- Evaluate the outcomes of implementation, whether positive or not.
- Compare estates and IT performance not only against plans but against performance in other institutions.

1.23 Only in exceptional circumstances should information come out of the blue: an effective planning process should mean that there is already a high level of shared understanding of what projects will come forward and why, how much they will cost and when, and what impact is anticipated. Properly conducted, this provides the context for governing body members to focus on the approval and delivery of plans, variations from agreed plans, the reasons for them, and the consequences.

1.24 As with all other information coming to the board, the governing body must have confidence in the data being produced (the credibility issue noted above): it should provide them with what they want rather than what senior managers choose to provide - the two are not necessarily the same! Governors should generally feel able to contact the director of estates (or other senior managers) outside governing body meetings in order to explore specific issues that are best dealt with informally.

1.25 Despite this, a concern amongst governors about lack of information on estates issues is not uncommon, and where it exists it needs to be addressed if boards are to do their job effectively. Where this happens the first step will usually be to raise the issue with the clerk or secretary to the board.

Should there be an estates or IT committee?

1.26 In overseeing strategy and performance against plans, the governing body may be supported by committees with particular responsibilities in the area concerned. Estates committees are common if not normal, but committees looking at the IT infrastructure are rarer, and, where they exist, often do not have large lay inputs.

SUGGESTED TASK

Review the strengths and weaknesses of the way that your governing body works with the executive on estates and infrastructure issues. In doing so you might look at the diagram in paragraph 13.9 of the accompanying volume in this series on finance, and consider how it applies to estates issues.

1.27   The potential benefits of such committees are fairly clear. They allow more detailed scrutiny than the main board can give, and also provide a means of focusing expertise, both of the lay members and of any other coopted members. (Cooption can be particularly useful in relation to IT, as there is unlikely to be more than one person well versed in it on a typical board.) This approach also provides a useful means of bringing potential members into contact with the institution's business.

1.28   However, establishing a committee in an HEI is often seen as a cure all for perceived difficulties, and the potential downside is clear. First, it adds to the time that a given decision will take - minimally two weeks to any business cycle (if committee minutes are to be agreed and circulated in good time before the next meeting of the board), although good management of the business, and the delegation of appropriate decisions will help. Secondly, some committees in this area simply don't work very well, and rather than concentrating on the important strategic issues tend to get bogged down in the minutiae of car parking and staff accommodation, to the frustration of all parties. Thirdly, in some HEIs the directors of estates or IT may feel that as they are responsible for all aspects of their services the only form of reporting required is a regular (often annual) report against plans, and approval of project funding above delegated limits where necessary.

"If it wasn't for the externals on the estates committee we would have had a serious problem by now"
INTERNAL GOVERNOR

1.29   In practice, the judgment of whether an estates committee is useful is a matter of assessing the value added by the additional scrutiny against the time and resources involved. One way to address the issue may be to ask what ailment an estates committee is intended to remedy - that is, what is happening that should not happen, or not happening that should happen? When the answers are flushed out, it is then possible to make sure that a committee is the appropriate prescription, and that its terms of reference and membership are suited to the requirements to be addressed.

1.30   In relation to estates, some of the relevant factors to take account of in answering this question are:
   •   The size of the institution (in small HEIs estates matters may more usually be dealt with in the full board).
   •   The complexity of the existing estate.
   •   The nature of development plans.
   •   Whether substantial new building is to be undertaken.

Of course, an estates committee does not have to be a permanent committee of the governing body, and a time limited special working group with limited terms of reference can be a very effective alternative, particularly when focusing on strategic issues (see the next section).

"The estates committee is a complete waste of time. None of the members have any expertise, and they sit around moaning about car parking all the time."
DIRECTOR OF ESTATES

1.31   It may help to consider how your role as a governor might apply to a particular issue. Let's take as an example considering the case for a new building. Such developments are attractive for a number of reasons. Many HEIs have buildings that might charitably be described as showing their age, and this does little for their image, reputation and, sometimes, functionality. New buildings are an exciting prospect (certainly more exciting than refurbishing old ones) and provide a means of making strong visual statements. And, dare it be said, the prospect of the building being named after the current head of the institution or the chair of governors has the capacity to add a

frisson of egotism to the mix. So there are often arguments which will be put strongly for new build. However, it falls to governors to put the cautionary questions, and to test the robustness of the proposal. The board should be presented with a convincing business case which addresses all the points below, and which you may need to test:

- What is the logic for new build rather, say, than refurbishment or rental?
- What purpose is the building to serve? Is the purpose necessary, and can it be met in any other way? Is it timely?
- How do you know that the building will be fit for purpose in 20 years?
- How will the build be financed? What other priorities will not be financed as a consequence, and how has the priority been arrived at?
- What are the risks in the build, and how will they be managed?
- What contingency plans are there to deal with problems of overspend, delay, etc?

1.32   The challenge here, as in so many cases, is to find a way of adding value to the process. The probability is that such questions will be answered entirely satisfactorily - but if they cannot be, then it needs to be discovered at this stage, as even with well developed proposals the answers to such questions can have the effect of refining the strategy and its implementation. If, as a governor, you are still not convinced then you need to have the courage of your convictions and argue your case.

"Being able to see the wood for the trees, and staying out of the detail is essential if we [the estates committee] are to do our job, and frankly I'm not sure if all members realise that"

LAY MEMBER

Self-challenge questions

- Generally, is information on estates and infrastructure made available to support the governing body's discussion timely, comprehensible and fit for purpose?
- Think back to the last major estates or infrastructure issue that came to your governing body. How effectively was it dealt with, and on reflection what - if anything - might you have done differently?
- In discussing this issue, was the governing body's involvement satisfactory, both overall and in terms of the relationships between members with different levels of expertise in the matter? If it was not satisfactory, how could it be improved?
- Did you feel that you understood fully the issues involved in the discussion. If not, what action might you take to obtain the support you require?

A GOVERNOR'S DILEMMA 1:

When you look at the membership of your governing body you are slightly concerned that there seems to be a lack of expertise on property issues and, indeed, a lack of understanding about what a modern estate for an HEI should be like. You also do not have such expertise. You are not wholly confident in the director of estates, who - whilst seemingly competent technically - does not inspire you and some other board members with drive or vision. It is not so much that things are going wrong, but somehow a feeling that opportunities are not being seized. However, you have no 'hard' information to base this feeling on. As a governor, what - if anything - should you do?

2.   ESTATES AND INFORMATION STRATEGIES

2.1   Developing, approving and measuring the achievement of strategy is a crucial board role, and critical in relation to both estates and infrastructure. It is emphasised in the CUC Guide thus: "develop an estate strategy for the institution which underpins and facilitates the HEI's corporate plan and academic objectives in teaching and research"[6].

2.2   In one way this should be straightforward, and just part of the standard planning process: identifying needs; setting objectives in line with the overall corporate strategy; modelling available options; undertaking risk analysis; monitoring implementation; and reviewing subsequent performance management. In reality this may be more easily said than done. However, before dealing with the difficulties, let's focus on the role of governing bodies in this area.

2.3   All the funding councils encourage HEIs to produce estates strategies, but not necessarily information strategies (see below). Their production enables the institution regularly to 'take stock' both of how it is using existing physical resources, and how the estate needs to develop to implement future institutional mission. The recent CUC study on the use of KPIs[7] suggests three key sets of strategic questions for governors which should underpin an estates strategy and any analysis of the physical infrastructure:

- Is our infrastructure fit for purpose and suitable to enable us to deliver our mission and strategies?
- Are we investing enough to maintain its productive capacity and our position in the market?
- Are we using it effectively enough to generate an adequate return?

2.4   In addition to suggesting possible KPIs which boards might adopt to measure performance in this area, the CUC study also suggests a number of questions to help provide data to develop an estates strategy:

- Do we have the facilities needed to meet student expectations, to attract high quality staff, and to deliver our academic objectives?
- Have we defined how much we need to invest annually for a sustainable infrastructure, and are we doing this?
- Do we have a ten year capital investment strategy?
- Are we using our assets effectively?
- Are we satisfied with the management of capital projects and the effectiveness of planned maintenance programmes?
- Is the total infrastructure bill, including utilities costs and efficiency, being managed effectively?

2.5   Although much of the creation of estates strategies is very technical, there are good practice issues in the way it is developed on which a board might seek assurance. Some of these are usefully summarised in a Hefce publication (00/04)[8], much of which also applies outside England.

6   CUC, (2009), Guide for Members of Higher Education Governing Bodies in the UK (revised edition), available from www.shef.ac.uk/cuc
7   CUC, (2207), Report on the Monitoring of Institutional Performance and the Use of Key Performance Indicators, see www.shef.ac.uk/cuc
8   See Hefce, Estates Strategies: a Guide to Good Practice, at www.hefce.ac.uk/pubs/hefce/2000/00_04.htm

2.6 First, it is fundamental that an estates strategy must have rigour and be evidence based. This can be a challenge in that there are two audiences for such a strategy: the HEI itself, and external funders - most obviously the relevant funding council but also possibly banks and other funders. It is by no means unknown for governing bodies to approve estates strategies which satisfy internal institutional needs, but lack the data and depth of analysis to satisfy others. This can have at least two obvious consequences: it can damage funding body confidence in management and governance, and can potentially weaken any case for future capital funding.

2.7 Secondly, although the role of the estates director will be central to developing the strategy, he or she should not do it alone. The Hefce document recommends that it is usually desirable to have it overseen by a small focused group with members drawn from various sources (including finance and the academic community). This should usually not be the estates committee (when one exists) but may report to it.

2.8 Thirdly, widespread consultation within an HEI on estates strategy development is usually desirable. Some aspects may be controversial, and if difficulties are to be overcome it is important that staff and students can make their views known at an early stage. This may, of course, not be easy to do, for example seeking to increase space utilisation may bring opposition.

2.9 Finally, the board must ensure that the estates strategy is integrated with other strategies. The main corporate plan and finance strategy are obvious starting points, but increasingly consistency with the learning and teaching strategy (see Chapter 4) is critical if the physical issues in enhancing academic quality and the student experience are to be addressed.

2.10 In summary, it follows that a board has a central role in ensuring that the estates strategy has rigour, and can deliver a high quality physical infrastructure for the years ahead. Of course, it should not get involved in matters of detail, but can play a hugely valuable oversight role in ensuring that the strategy takes account of all the issues summarised in this volume.

Some difficulties in developing estates strategies

2.11 If a board can make the appropriate input at the strategic level, then - with suitable processes in place - everything else should follow. However, in practice, planning for the long term is challenging, and there are several difficulties that as a governor you need to be aware of.

2.12 The first is the pace of change: developments in higher education are very fast (particularly in IT) and this impacts on the sort of estate needed. Because strategic planning on estates is very long term (the lifetime of a building) challenging questions are raised for all involved. The typical five year horizon used for most strategies may be hopelessly inadequate for estates planning, when a building may well take two or more years to build and will normally be expected to have a life of forty years or more. When a plan involves expenditure on, say, a new building, someone must answer the question 'how do we know it will still be useful in twenty years time?'.

"I hadn't expected thinking about an estates strategy to be so difficult. We all agreed that we needed to think about the future use of buildings, but trying to put that into practical terms was really difficult - but interesting!"

LAY GOVERNOR AND ESTATES COMMITTEE MEMBER

2.13   A second major difficulty is, of course, agreeing the vision for the future estate in relation to the aspirations of the institution. Here the challenge will be different depending on the nature and size of the HEI. For a relatively small institution in a town which previously has not had an HEI, a single modern building can provide a huge stimulus to local community engagement for (in the long term) relatively modest cost. Establishing the vision for this kind of development may be relatively straightforward for a board, whose members may easily be able to see the advantages for all concerned.

2.14   Conversely a research intensive university with aspirations to be 'world class' (whatever that actually means!) may need an ambitious estates strategy not only for functional reasons, but also as a way of being competitive internationally. This can be challenging for a board, who may simply be unaware of the hugely imaginative architectural developments that are starting to take place in some countries (particularly Asia), which make many seemingly well resourced UK universities look modest by comparison.

2.15   Perhaps the real challenge here lies in the board being completely realistic in how aspirational the estates strategy should be. Too aspirational and it is likely to be rejected by staff and students as something unlikely to be achieved (and it may even be seen as a potential waste of resources), but if not aspirational enough then substantial improvements to the physical infrastructure in the future may never come about.

2.16   The third possible difficulty is more practical and short term: trying to make the estates strategy understandable to all, and avoiding the mass of technical detail in which it is easy to get bogged down. This may just be a presentational issue (for example, opting for a short strategy with multiple technical appendices), but one thing is sure: if - as a governor - you don't fully understand the strategy then few others in the HEI will.

What should the governing body expect to be in an estates strategy?

2.17   There is no 'right' way of writing an estates strategy, and none of the funding councils have a prescribed requirement. Nonetheless to answer the three questions set out in paragraph 2.3 the governing body should expect substantial data to be available to support the strategy.

2.18   Despite the lack of prescription, in their good practice guidance Hefce have produced a sample estates strategy which should be a starting point. This was written in 2000, and now probably under emphasises sustainability and environmental issues, but suggests that, at a minimum, an estates strategy might contain:
- Strategic data on the HEI (future growth plans etc).
- Current estates data.
- Building performance assessment.
- Future requirements.
- Problems and opportunities.
- Options evaluation of future proposals.
- Determining affordability.
- Implementation and review arrangements.

2.19   However, if the estates strategy is to serve as an integrated physical master plan to meet the future HEI needs it may need to go beyond these 'technical' issues, and consider how changes in the estate can enhance the work of an HEI and the staff and student experience. A presentation by Alan Bigger to Aude[9] called 'The top ten facilities issues 2007' provides a helpful checklist of some of these less technical issues governors might expect to see in an estates strategy:

- How the physical environment can improve communications amongst staff and students.
- Increasingly sustainable policies and practices.
- Balancing and articulating staff and student expectations.
- Integrating information technology with all the future challenges that this represents.
- Understanding the changing expectations of students and other customers in relation to space and facilities.
- Aligning facilities planning with institutional goals.
- Making master planning effective.
- Implementing total cost ownership strategies.
- Managing maintenance needs proactively while evaluating facilities for potential adaptive use.
- Instituting metrics for performance measurement in relation to facilities and infrastructure.

2.20   A governing body will of course want enough time to debate both the draft estates strategy and the key assumptions which underpin it. It will also want to be assured that the estates strategy is based on an evaluation of its predecessor, and that it represents the outcome of a process involving the conventional top down/bottom up/top down iteration. This is an obvious way of ensuring that there has been an appropriate level of engagement with stakeholders, however defined.

2.21   The governing body itself is likely to want more than one input to the strategy. At a minimum this might involve a substantial initial discussion (perhaps as part of an awayday) to agree the policy assumptions on which a future strategy is based, and then a subsequent discussion to discuss a draft strategy and the options presented. Of course, if a major building project is involved this will usually be given much more attention, and may be a recurring item on the board agenda for the period of the build.

HEIs and the community

2.22   It is worth dwelling briefly on one aspect of strategies: HEIs have a very marked, and sometimes immense, impact on their local communities. They are large employers, and bring considerable income to the town or city and the region. Given that the UK has an increasingly knowledge based economy, a region with no higher education stands to suffer doubly - able students will move away (and are likely to stay away), but there will be no influx from other areas to balance this. Of course, as a focal point an HEI is very likely to attract industry or commerce, but conversely, there will be little to attract a knowledge based industry to a region without a ready made skill base to staff it. Moreover, changes in higher education itself have strengthened the links with local communities - the increase in students studying at their local HEI, particularly on part time programmes, and collaborative schemes with local schools are obvious examples.

9   See www.aude.ac.uk

2.23   For such reasons, the relationship between HEIs and their local communities is of increasing importance, and this is likely to be reflected in an HEI's strategies. Accordingly, addressing this relationship has to be an integral part of the strategic planning process. This will be multi-faceted, and will need to consider the educational, social and (in all senses of the word) the 'cultural' mission of the institution in the context of the particular circumstances of the community. Nor is the notion of 'community' here entirely straightforward. Different HEIs in different settings will need to think of their role in relation to: the areas of the town or city in which they are located; the sub-region; and the region. In effect there is a matrix here - the institution's range of activities (educational, recreational, cultural and social) form one axis, and the different communities the other. Considering how such a matrix should be completed has to be iterative, and the process is likely to refine thinking on both sides.

2.24   As a governor, you will want to assure yourself that the strategies you are asked to approve for enhancing relationships with the local community are realistic and have been thought through. For example, most areas of public use of an HEI have implications for the estate: the way in which they are configured, how they are managed, and what charge is made for their use. As ever, the challenge is to ensure that the strategy reflects a real and appropriate local need, and that the approach is coherent and consistent. To make the point in an unsubtle way, if an HEI wants to increase the ease with which the local community can make use of its facilities on a 'passing' basis, it would be ill advised to set up a security regime which has the effect of deterring visitors.

2.25   Almost self evidently, developing a strategy for local engagement (related to both the estates strategy and others) should involve a wide range of local stakeholders and groups, although determining how 'the community' should be defined for consultation is not always easy. Of course, discussions with local authorities are necessary, but they will not be sufficient. The best way forward may be to look at what a list of community orientated activities might look like from the HEI's point of view, and to try to identify an appropriate way of consulting against each item. As a governor (particularly if you have strong roots in the community yourself), you will want to assure yourself that it has been done thoroughly and sensitively.

Information strategies

2.26   Although most governors will be familiar with the need for estates strategies, the rationale for information strategies may be much less clear. Why is one needed? what should it contain? and what is the role of the governing body?

2.27   The rationale is relatively straightforward: all HEIs are now dependent on IT and will become even more so in the future. Its cost is substantial (hardware, software, training, support, etc), and provision is no longer an operational issue that can just be left to management action. As in other aspects of institutional life, there are key policy, financial and risk issues that require board involvement.

2.28   Information needs in HEIs can be divided into a number of key areas, some of which
        will involve the governing body:

   •   Provision of communication tools (eg email, internet, etc - indeed some HEIs now
        provide electronic information to governors in this way).

   •   Complex management information systems, and the governing body will need to
        agree procurement decisions.

   •   Information systems to support academic activities, which may involve:
        procurement (eg purchasing an electronic virtual learning environment - VLE);
        ensuring legal compliance (eg ensuring data security); and ensuring student
        satisfaction (eg IT facilities).

   •   Library provision, which is increasingly electronic and raises a number of new
        issues for HEIs (eg costs and security of information storage).

        Much of this is mission critical, and is central to the responsibility of the governing
        body in relation to risk management.

2.29   From a governor's point of view, this area is anything but straightforward. Some
        governors will have the expertise to debate, say, the finance system: but few will
        have extensive IT experience or knowledge of critical systems such as student
        records. Nor of course is it a governor's role to do the professional employees' work
        for them. It is a matter of using expertise and information to ensure that thinking is
        sound and joined up.

2.30   However, because IT increasingly plays an important role in how students feel about
        their HEI, it is something that the governing body has to ensure is delivered
        effectively. Students expect the IT infrastructure to be accessible, informative and
        reliable, and will feel pretty isolated if they cannot use the appropriate IT application
        whenever they want to (including times when they might be expected to be
        sleeping). There are real challenges here, and a conventional approach of
        determining needs and then resourcing them may be too slow to respond to the
        latest and unpredictable technological development. Service managers in HEIs need
        to be very creative (and to be supported by governing bodies) in not just responding
        to demand but in anticipating it.

2.31   The Jisc InfoNet Service contains useful guidance on developing information
        strategies[10]. In summary, some of the issues a governing body might expect them to
        address include:

   •   A strengths and weaknesses analysis of current information provision.
   •   Defining future information needs.
   •   Change management strategies in adopting new IT.
   •   Relationships with existing information systems and processes.
   •   Data security, legal compliance and associated issues.
   •   Options evaluation of future proposals.
   •   Determining affordability.
   •   Implementation and review arrangements.

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[10] www.jiscinfonet.ac.uk/Resources/saved-searches/info-strategy-case-studies

2.32   The governing body should not assume that agreeing a new information strategy will be easy, and there may be considerable disagreement about some issues which may have an impact on policy. To take just two examples: firstly, there are substantial differences of view about the merits of commercial software as opposed to 'open source' and this could involve a governing body in terms of cost benefits and options appraisal; secondly, there are similar differences about the merits of adopting a single institution wide VLE or permitting faculties or schools to have autonomy in choice. Whilst this is largely an operational issue, there may be issues of data security and ensuring legal compliance on which a board may have a view.

2.33   Such developments are exciting for HEIs and for governors, but not without their risks. Few board members (or senior managers for that matter) will even begin to understand fully the implications of some of the policy decisions on information management they will be asked to make, and being confident in the advice provided is essential - as is ensuring that the information strategy is subject to rigorous risk assessment, and that there is a systematic means of monitoring and evaluating progress and impact.

2.34   The time frame for an information strategy is also likely to be very different from an estates one. As noted above, for the latter five years may be too short, but for IT it may be too long - think of the developments in the internet in just the last few years. The question here could thus be 'how do we know that this item of hardware or software won't be quickly obsolete?' This is not to say that it necessarily falls to you as a governor to put the question, but you will want to be assured that it has been addressed.

Self-challenge questions

*   Have you seen the estates strategy of your HEI? If so, what is your view about its strengths and weaknesses in setting out the blueprint for the physical development of the institution?
*   Has your institution got an information strategy and have you seen it? If not, why not?
*   Does your governing body address estates and infrastructure issues strategically? If not why not?
*   Is the membership of your governing body (including any coopted members) sufficiently knowledgeable to take part in a robust and informed debate on future estates and information strategies?

A GOVERNOR'S DILEMMA 2:

The estate of the HEI of which you are a governor is in reasonably good condition, mainly as a result of initiatives by the previous head of institution. However, you are a little concerned that the new one and the chair of the governing body don't seem to be very interested in thinking about the future of the physical infrastructure in the long term. Both seem to have a dislike of developing strategies, and prefer to retain maximum flexibility to respond to market opportunities. Their response to the long term needs of the estate is to say that it is too difficult to predict the future, and we will cope with any problems when we come to them. You and several other governors are a little unhappy about this, and think that the institution needs to be proactive in thinking about its future physical infrastructure. As a governor, what - if anything - do you do?

3. ACCOUNTABILITY, COMPARATIVE STATISTICS AND LEGAL COMPLIANCE

3.1   In this chapter the outward facing role of the governing body is considered in relation to estates and infrastructure. This largely consists of two elements: the regulatory and accountability requirements of the various higher education funding bodies, and the specific legal constraints on boards in this area. Information on comparative statistics is also included in this chapter, as one of the requirements of the funding bodies is that HEIs use comparative metrics as part of their reporting on estates.

Funding body requirements

3.2   Funding body requirements over estates vary in different parts of the UK, and will inevitably change over time. In addition, resources for a particular development may not come through the funding council - the NHS may well be an example, together with the diversification of funding through initiatives such as the Private Finance Initiative (PFI) (see Chapter 11). Governing bodies will, of course, want to assure themselves that the requirements of their primary funder are being met, but the more challenging issue may be to ensure that, when a number of funding sources are involved, their individual requirements are all addressed.

3.3   In England, Hefce has moved to a lighter touch approach to capital funding through the Capital Investment Framework, established with the aim of "encouraging HEIs to manage their physical infrastructure as an integral part of their strategic and operational planning"[11]. The methodology is based on four factors:
   • Responses to strategic questions.
   • Metrics resulting from data submissions.
   • Outputs and actions plan from a self assessment.
   • Collective knowledge from Hecfe.

3.4   The required metrics relate to five areas - investment levels; condition and functional suitability; affordability; revenue generation; and space efficiency. These are tabulated for all HEIs, allowing for comparison across the sector or a selected group of like institutions. The detail provided is likely to be of interest only to the specialist except where a particular issue arises. However, it would be reasonable to expect that governors:
   • Have access to the data.
   • Are provided with a commentary on what the data indicates about the estate in absolute terms and in relation to comparable institutions.
   • Are informed about where the estate strategy addresses deficiencies indicated by the metrics.

3.5   Hefce has access to this information and to institutional strategic plans, which will of course address estates and infrastructure issues. Later in this section we consider the comparative data available to each institution in relation to its own activity and to all other HEIs. These statistics are of course also available to the funding bodies.

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11 See www.hefce.ac.uk/finance/fundinghe/capital/cif/

3.6   The approach of other UK funding bodies has much in common with Hefce's approach, but they also have some distinctive characteristics.

- The Hefce arrangements also largely apply to Northern Ireland, although there are some variations. For example, Delni requires data for public expenditure management purposes, and reporting arrangements for disposals of exchequer funded assets also differ.

- Scottish HEIs provide information for the Estate Management Statistics (EMS), and this is monitored by the Scottish Funding Council. They also submit estate strategies as part of their rolling four year strategic plans. Three year capital expenditure plans are required against the formula funded capital expenditure allocations to them, and one off mechanisms are adopted in respect of specific projects. Lay members of Scottish HEIs are expected to see and approve the estate strategy and the capital expenditure plans, and should receive reports on what the EMS indicate about their HEI. Their level of involvement in one off projects is likely to depend on the project, but is unlikely to pass the governing body by.

- Welsh HEIs are similarly monitored through the EMS, and are required to submit rolling three year plans, related financial forecasts, and capital investment plans, which provide a further means for Hefcw to monitor activity. Unlike England there is a direct requirement on Welsh HEIs to submit capital investment plans as well as the other strategic documents. Strategic plans and financial forecasts should be approved by the governing body, so the input into the process is very direct.

3.7   There are fewer external requirements in relation to the IT infrastructure, which is perhaps surprising, since clearly there is great potential for error and waste of resource. The use of IT to support learning and teaching forms part of the quality assurance process (externally dealt with by the Quality Assurance Agency[12]), but governing bodies are not likely to have much involvement unless things go wrong. Accountability for IT in support of research is primarily a matter for the individual funder, often under specific grant conditions, Moreover it is often the case that the only people in a position to act as arbiters of the need for research IT capacity and who can monitor its effective use are researchers themselves.

Comparative data

3.8   Governors frequently ask for comparative data in order to benchmark their HEI against other similar institutions, and are often disappointed when this is not easily available. However, estates and infrastructure is one of the areas where there is plenty of information, from three main sources:

- Estates Management Statistics funded by the higher education funding bodies to supply comparative estates data[13].

- Data on IT and management information provided by the Universities and Colleges Information Systems Association (Ucisa)[14].

- Comparative library statistics compiled by the Society of College, National and University Libraries (Sconul)[15].

All three contain much more data than most governors will ever require, and all three websites are of potential interest. However, all are password protected and if you want to view data for your own HEI and others, you will need to make arrangements with the clerk of your governing body.

"We are, of course, totally dependent on the director of estates for information, and he tells us how we are meeting our legal duties - and that's probably how it should be. But we don't know whether he's right or not - we just assume he is"

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[12] See www.qaa.ac.uk
[13] See www.opdems.ac.uk
[14] See www.ucisa.ac.uk
[15] See www.sconul.ac.uk

3.9   From the estates perspective, the work of the Association of University Directors of Estates (Aude) is pivotal[16]. It has developed a comprehensive self-assessment tool against which HEIs can grade themselves on a descending scale from A to D. It focuses on six factors: leadership, strategy, people, processes, outcomes and resources. As with the metrics, governors should expect to get access to the completed self-assessment if they wish. Again, though, it is a summary of its main conclusions which will be crucial, as will the means of ensuring that proposed actions address any identified deficiencies.

3.10   The Estates Management Statistics (EMS) collate information from all UK institutions and are available to funding councils and HEIs[17]. They are therefore critical both to the way in which funding councils monitor HEIs, and to the way in which HEIs manage themselves (and therefore how you as a governor can oversee your HEI's activities). They include data on:
   - HEI income per square metre (low income per square metre may indicate over generous space provision).
   - Total property costs per full time equivalent student (FTE) and per square metre of net space (significant variation may suggest high or low component cost exposure).
   - Non-residential operating costs per student FTE.
   - Maintenance costs, facilities management costs and estate management costs all per square metre.
   - Utilisation rates of teaching space (see Chapter 5).
   - Non-residential building condition as percentage of gross internal area that is either condition A or B (ie 'new condition' or 'sound, operationally safe and exhibiting only minor deterioration').
   - Cost to upgrade non-residential condition C and D to B as a percentage of insurance replacement value.
   - Core teaching space per taught student FTE.
   - Non-residential energy consumption kW/h per student FTE.

3.11   In total, this is by any measure an impressive array of data, addressing most but not all of the key aspects of the estate and its performance. Potentially the statistics are a powerful tool in estate management, but the challenge is not so much locating the information as interpreting it. From the point of view of the governing body, the data enables it to be well aware of how the HEI compares with others - but remember other institutions and the funding councils have the same information.

3.12   The processes of analysing the data and identifying appropriate responses is primarily one for estates professionals, although some of the data is so important that the governing body may want to designate it as the basis for performance measures. For other data you will not want to bury yourself in the minutiae, but you will want assurances that it is used appropriately by the estates professionals. Moreover, the year on year comparisons that are available provide a ready means for both governors and managers to track the effectiveness of implementing estates strategies.

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[16] See www.aude.ac.uk
[17] See www.opdems.ac.uk.

3.13   However, a few words of warning: some EMS data may need careful interpretation, and it cannot be assumed that a figure out of line with comparable HEIs is necessarily a problem, still less a basis for management action. To take one example: the EMS provide a calculation of income per square metre across the estate. The significance of this figure is fairly obvious: a low income per square metre may indicate an over generous provision of space. However, the word 'may' is crucial here. A low income figure is on the face of it conspicuously less desirable than a high one: but a seemingly 'poor' figure says nothing about the use of space in relation to mission, or the academic profile, and certainly (unlike with a commercial landlord) does not - of itself - tell the institution what to do.

3.14   To continue the example, there are two obvious ways in which the figure may be improved: by increasing income (through a variety of routes from increasing student numbers through to renting space) or by reducing the size of the estate. All well and good, but matters are still not necessarily straightforward. Increasing income has to be seen in the context of the long term corporate strategy and for most HEIs is unlikely to be a 'quick fix'. Reducing the size of the estate may also be more easily said than done, depending upon the state of the property market and the physical nature of the campus. Moreover is the HEI in a position to sell? Chapter 4 considers the estate as asset, against which loans are likely to have been secured. Even if, one way or another, it is in a position to sell, does the HEI want (or can it afford) to reduce its capacity to borrow in the future?

3.15   Such complications are not intended to question the importance of key EMS data, but to illustrate the complexity of the issues raised. In the face of such information there is no place for knee jerk reactions from governors or managers, but still less for putting the issue in the 'too difficult' file. Again, as a governor it is not your function to become embroiled in the work the professionals should be doing here, but to set strategies on the basis of informed advice, and to ensure that the strategies are followed.

3.16   Similar issues for governors apply in relation to comparative data on IT from Ucisa and on libraries from Sconul. Once again care needs to be taken in interpretation, for example, a simple statistic such as the number of laptops per student FTE is capable of wide and potentially misleading interpretation, unless analysed in the context of a clear understanding of factors such as: the specific student profile of a particular HEI; institutional requirements for the use of e-tools (eg, returning student work online); the existence of laptop purchasing schemes; etc. It is almost impossible for governors to possess the knowledge which allows for a full understanding of such data, and they - and you - might be best advised not to try. However - as with estates data - processes should exist by which you can be informed of the implications of such data, and any proposed action.

Legal compliance

3.17   So far, this chapter has considered funding body requirements and associated statistical data, but this, while essential, is part of a larger picture of regulatory and legal compliance. This is an increasingly complex and fraught area which is, of course, the management responsibility of the professionals employed by the HEI. However, boards have important responsibilities here, and no governor can afford to remain unaware of the legal framework on the assumption that someone else will be dealing with any problems. Four legal issues with reference to governing body responsibilities

for estates and infrastructure are briefly summarised below: health and safety; disability; corporate manslaughter, and data protection.

3.18 The legal position concerning governor liability in these and related areas remains to be tested in court, but is generally thought to be (on legal advice) that providing the governing body acts reasonably then no personal liability exists. However, what constitutes 'acting reasonably' still has to be tested, and it is clear that a governing body which did not take the following legal responsibilities seriously might be held to be acting unreasonably, whatever the advice of senior managers within an HEI.

a) Health and safety

3.19 This is not, of course, a responsibility falling solely on estates, and indeed it is dealt with more generally in the volume on HR in this series. However, there are particular issues of compliance that fall most heavily on the estates function. An example might help. Many laboratories in HEIs contain hazardous substances, and must comply with legal requirements. However, health and safety protocols will be useless unless followed by staff and students. Conversely, the best procedures in the world will not overcome defects in the physical environment. An HEI's health and safety procedures therefore have to ensure, in the words of the cliche, that 'thinking is joined up'. It is worth repeating that this is not itself a job for governors, but you will be looking for assurances from health and safety specialists (and the health and safety committee which all HEIs are required to have) that effective assurance systems are in place.

3.20 Such requirements are becoming more stringent. HEIs have particular challenges because their activities take them into so many legislative areas - residence, catering, leisure, welfare, employment, study involving hazardous materials, field trips and so forth. Newspaper reports of problems - or in the most distressing cases, fatalities - on field trips, to take one example, have tended to concentrate on schools, but HEIs are far from immune to the equivalent concerns.

3.21 Particular issues in the estates area concern:
- The removal of asbestos, because in the 1960s and 1970s it was widely used, and exposure to it is the major cause of occupation related fatalities, so the risk is far from a purely notional one.
- Fire prevention - new regulations in England, Wales and Scotland were introduced from 2006, based on risk assessment to take account of the risk to people and property in the vicinity. There are a stringent set of requirements, often made more complicated because the measures to ensure that evacuation is as speedy as possible are frequently the exact opposite of those to ensure that property is secure against theft. The balance is not an easy one to establish. Similar regulations are expected to be introduced in Northern Ireland during 2009.
- The threat of legionella is also a major concern for HEIs. If water is properly managed there should be no risk, but the consequences when matters go wrong can be extremely grim.

3.22 Precautions in all these areas are unlikely to intrude upon a governing body's consciousness, but it is nonetheless critically important to the institution that the appropriate measures are taken and that the board has approved the health and safety processes that are in place.

b) Disability

3.23   The separate volume in this series on HR considers this issue more generally, but there are specific legislative obligations in relation to estates contained in the Disability Discrimination Act (1995) and the Special Educational Needs and Disability Act (2001) . In summary, the DDA requires reasonable adaptations to be made to ensure that staff and students with a disability are not avoidably disadvantaged in their employment or study by comparison with others who do not have the disability.

3.24   In brief, the requirements are:
- A disabled person should not be treated less favourably for a reason relating to their disability.
- The HEI is required to make reasonable adjustments if a disabled person would otherwise be placed at a substantial disadvantage.
- Adjustments should be anticipatory.
- The legislation applies to all admissions, enrolments and other student services which includes assessment and teaching materials.

3.25   Although this is, of course, much more than a matter of adaptation of premises for staff or students with mobility problems, there may nonetheless be major adaptation issues in relation to the estate, particularly in historic buildings.   Estates and IT departments will also need to ensure that reasonable adaptations are made for staff and students with other types of disability, including conditions such as visual or hearing impairment.

3.26   The ultimate problem here is of course the notion of what is 'reasonable': this is not defined, and would ultimately be determined by the courts on a case by case basis. In assessing how to address the case for adaptation, institutions will have to bear in mind the possibility of legal challenge. Many HEIs have undertaken external audits of both physical and other provision to ensure legal compliance.

c) Corporate manslaughter

3.27   The penalties for failure to comply with the Disability Discrimination Act would be unwelcome to an HEI, as would the accompanying publicity. However, the potential penalties for death or injury are much more serious. The Corporate Manslaughter and Corporate Homicide Act (2007) came into force on 8 April 2008. This means that not only individuals but also the corporate body may be prosecuted where a serious failure in the management of health and safety results in death. This is bound to raise the level of concern among governors about compliance with health and safety legislation and risk assessment. The challenge will be to make sure that the response is balanced.

3.28   This is an area in which it is difficult to stay abreast of the legislation and its implications. As repeatedly stated, this is primarily the responsibility of the professional staff concerned, but the notion of corporate manslaughter underlines the fact that governors cannot simply take it for granted that managers are doing their jobs. In this area governors may wish to consider discussion of reports on a regular basis, and although the implications of compliance go beyond health and safety perhaps the annual report on health and safety provides the most appropriate context.

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[18] For Northern Ireland see the Special Educational Needs and Disability (NI) Order 2005

d) Freedom of information and data protection

3.29   One final aspect of legal compliance is data protection and freedom of information. This is important for two reasons: first, because of HEIs' increasing dependence on IT to conduct their business; and second, because of the increasingly litigious climate in which we live. Although the provisions of the legislation go beyond electronic data, it is often this area which causes greatest concern. The Freedom of Information Act requires every institution covered by the Act to have a publication list, and the readiest way to make documents available is through an HEI's website.

3.30   Generally, the issue of legislative compliance will impinge on the governing body only when things go wrong, but there are policy issues relating to the balance to be struck between confidentiality and openness. This should not mask issues which are of direct concern to governors. HEIs hold significant volumes of data on staff and students, and the manner in which it is held must comply with the requirements of the Data Protection Act. Because they are involved in activities which are of increasing interest, HEIs also receive requests for information under the Freedom of Information Act. These may come from concerned individuals, pressure groups, commercial organisations or, probably most frequently, the media. The crucial point here is that the nature of the individual making the enquiry is irrelevant: the organisation dealing with a request cannot base the response on any inference about the motives underlying the enquiry.

3.31   The Data Protection Act of 1998 (DPA) requires HEIs to be compliant with eight principles, requiring that personal information is:
   * Fairly and lawfully processed.
   * Processed for limited purposes.
   * Adequate, relevant and not excessive.
   * Accurate and up to date.
   * Not kept for longer than is necessary.
   * Processed in line with the subject's rights.
   * Secure.
   * Not transferred to other countries without adequate protection[19].

3.32   The Act gives data subjects the right to find out what personal information is held on computer and systematic paper records, to require removal if it is not necessary to hold it for the purposes in question, and to require amendments to rectify inaccuracies.

3.33   The Data Protection Act is often invoked by staff or students with some kind of grievance, which may ultimately find its way to the governing body. Often the grievance can be met by dealing with its cause rather than the symptom (the DPA application): if what underlies the application is a wish to know what a line manager or supervisor has said about the individual, that can often be dealt with straightforwardly. If the line manager or supervisor has written something inappropriate and it is part of a record falling within the scope of the DPA, then governors may be involved in dealing with complaints or, in extreme cases, disciplinary action.

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19 See www.ico.gov.uk/what_we_cover/data_protection/the_basics.aspx. The Information Commissioner's Office website, www.ico.gov.uk is a user friendly source of information on data protection and freedom of information, though its focus tends, for understandable reasons, to be more on providing information for the public than giving advice to organisations such as HEIs on how to handle requests.

3.34   The Data Protection Act takes precedence over the Freedom of Information Act, so an FoI request that really cannot be met without infringing data subjects' rights to confidentiality can legitimately be declined. HEIs will have expertise in dealing with requests and an awareness of the grounds on which a request may be refused (for instance commercial sensitivity, or that the data requested simply does not exist). As with the DPA, there is a risk that governors will be involved when things go wrong, but there are issues which arise even when matters are going smoothly. A board's papers and minutes are likely themselves to be the subject of interest which may result in FoI or DPA requests. It is necessary therefore to be clear about the policy on whether board papers should be made available, and how due confidentiality and compliance with the DPA will be defined and assured.

Self-challenge questions

•   How does your governing body satisfy itself that its funding body requirements on estates management are being met?

•   Are Estates Management Statistics and any similar data made available to your governing body in a form you find comprehensible?

•   Is the link between the EMS and other data and the estates and information strategy process clear and consistent?

•   Has the governing body been briefed - and updated - on issues of compliance with the law concerning its estates and infrastructure requirements?

A GOVERNOR'S DILEMMA 3:

The annual health and safety report to the board of governors of which you are a member describes policy and practice in very positive terms, but the statistics appended to the report show an increasing number of incidents. The response of the Chair of the Health and Safety Committee does not really address this discrepancy. You are not sure of the legal requirements, or of the extent of the governors' responsibilities, but you are uneasy about the position from all angles. How do you try to address the unease?

4 THE PHYSICAL INFRASTRUCTURE: FITNESS FOR PURPOSE IN SUPPORTING ACADEMIC ACTIVITIES

4.1 The focus of this volume so far has been on strategy, assessing the effective use of the physical infrastructure against both plans and comparative statistics, and making best use of the estate as an asset. While these issues are central to governors' concerns (along with the financing of the estates (see the separate volume in this series on finance), they are only part of the governance story.

4.2 Crucial to the staff and students of your HEI will be what it is like as a place to work and study. A large HEI will have a population equal to that of at least a small town; it will be the home to a proportion of its students, it may be a local centre for the arts and community engagement, and it may also have science or business parks or other kinds of enterprise zones. In this chapter we explore the responsibilities of the governing body for ensuring that the physical infrastructure provides an exciting and stimulating place to work and study. The mundane management prescription of 'fitness for purpose' is relevant here, although romantics may argue that a higher standard should be set, and that we should expect buildings to lift the spirits by the imagination of their design and execution. However, we generally seem not to attach great value to innovative public buildings in the UK, so fitness for purpose it probably is!

4.3 To help you think about such issues this chapter briefly reviews three key issues:
- The changing nature of academic activity and the implications for the physical infrastructure.
- Assessing the current fitness for purpose of the infrastructure.
- Using the physical infrastructure to create change.

These may seem more nebulous issues than the practical ones that more regularly concern governors. However, they may be crucial to developing an estate that in 20 years time does what your governing body wants it to.

4.4 Some of the issues touched on in this chapter are the subject of a study commissioned by the funding councils for England, Wales and Scotland. The project is led by the University of Lincoln (and involves a number of other HEIs)[20] and its purpose is to design the physical environment of universities for the twenty first century. Entitled 'Learning Landscapes' it will see staff, students, managers and governors involved in research and debate across HEIs, around the complexities of constructing a contemporary university. You may find it interesting to keep an eye out for the outcomes of the project.

> **SUGGESTED TASK**
>
> Think about what 'fitness for purpose' means to you and your governing body in relation to the physical infrastructure. Do you have similar or different standards, and if the latter what are the implications?

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[20] See www.learninglandscapes.lincoln.ac.uk

The changing nature of academic activity

4.5   As a governor, do you actually know what goes on in your HEI in relation to learning and teaching and research? Of course you have a rough idea, but for most governors assumptions about teaching are probably based on their own university experience. The same question might be asked of directors of estates, and frankly the answer is likely to vary. In some HEIs, he or she may take an active interest in understanding the academic enterprise in order to try and ensure a suitable infrastructure, but in others he or she may have a narrower view about the role, and leave decisions about fitness for purpose to others. In such circumstances an important question needs to be addressed: who is providing leadership in the creative development of the physical infrastructure?

4.6   To identify the challenge to a governing body in taking account of the changing nature of academic activity, consider one - seemingly straightforward - example: imagine the library facilities at your HEI are seriously inadequate and a new building has been proposed. How would you judge whether a new building was required, what it should look like, and what facilities it should contain?

"None of the lay members knows what it's like to teach in this university, so we have to take the word of staff governors."

LAY GOVERNOR

4.7   As a governor you may have an idea of what a traditional university library looks like, but do you know what a state of the art IT rich library looks like, still less what will be required in 20 years time? In a world where almost all learning resources will be digitised, how will staff and students work in the future? More mundanely, will your HEI continue to store hardcopy books, and if it does, will anyone ever use them? If not, as a governor are you prepared to accept the huge costs of physical storage for historic little used materials? The challenge such issues present to long term estates planning is obvious. Of course, your HEI can seek advice, but ultimately your governing body is going to have to come to an informed view on complex issues about which there is substantial uncertainty.

4.8   Of course this example is but one illustration of the huge potential of IT to change the nature of higher education. The majority of students have grown up using the internet as a major, if not the primary, source of information for study. This calls into question not just the function of the library, but the way that much teaching is conducted. Within a few years it is probable that almost all the information a student wants will be electronically available, and the problem is unlikely to be access but cost.

4.9   The impact of such developments may be profound, for example, with most teaching based on electronic resources many of the distinctions between conventional full time and 'distance learning' start to fade. Indeed, in some respects the name distance learning becomes a misnomer, and it will not be distance from the providing HEI that defines the learner, but the relative independence they have in choosing the time and place of study, which may perfectly well be within a conventional HEI. Of course, direct interaction between staff and students will not die, but its nature may well change. Add the impact of student fees (where charged) and the increasing need of many students to work part time, and the very nature of when and how students will interact with their institution may change radically.

4.10   To take just one example, the Saltire Centre at Glasgow Caledonian University is an innovative learning centre. It links the teaching blocks on campus, providing easy access to 1800 places to study, including a 600 seat learning café, 400 computers and 250 laptops to borrow and use anywhere. You can get details on their web site[21]. Other HEIs are undertaking similar initiatives, and information on some of these is available from the Jisc Designing Spaces for Effective Learning Programme[22].

4.11   Nothing could be more important for long term strategy than that governing bodies seek advice on the implications of such developments for their own HEI. One practical consequence will be the need to bring together more closely than in the past the estates and learning and teaching strategies. IT capacity (hardware, software, and human resources) will increase substantially. If this is not simply to be an additional cost, it must be balanced by a planned reduction elsewhere and so the financial strategy also needs to be integrated. All this cannot happen overnight, but the governing body can require proper integrated strategies to allow for planned change at a rate appropriate to an institution's circumstances.

Assessing current fitness for purpose

4.12   Whilst the EMS data (see Chapter 3) provides a starting point in addressing cost effectiveness, it casts less light on issues of functionality and, inevitably, none at all on how the estate feels to those who study, work or live there. So while governing bodies will want to ensure that the estates department uses the EMS data as a measure of where improvements in the estate are most pressing, to create a full picture will need triangulation of EMS information with functionality data and feedback from staff and students on their view of the estates. There are two main approaches: condition surveys and satisfaction surveys.

4.13   Good management requires that there should be surveys of the estate every few years to address both its condition and its functionality. The distinction here is simple but important - an estate that has the facilities needed but is dilapidated or inefficiently configured will be one sort of liability; one that is in good condition but has inappropriate space use would be a different liability. Strategically, these are important issues, and a condition survey is a much better measure of the state of buildings than EMS utilisation rates are of their functionality: a seminar can, at a pinch, be run in say a raked lecture theatre, but it is far from desirable.

4.14   By definition, condition surveys are a matter of examining the current position, though deciding when remedial action is required can be a tricky call, and often involves some subjectivity. Such problems of judgment are, though, not a good reason to avoid the issues. The real difficulties are much more a matter of how to consider functionality both in relation to current activity and prospectively: not just over a five year period, but over the potential life of a building. However, condition surveys can also be useful in providing trend analysis for the quality of the estate over time.

<div style="background: pink;">
SUGGESTED TASK

Review what qualitative information is presented to your board about the physical infrastructure in your HEI. Overall does it provide the kind of environment for staff and students that your board would like?
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21 See www.gcal.ac.uk/thesaltirecentre/index.html
22 See www.jisc.ac.uk/eli_learningspaces.html

4.15 Whereas condition surveys are used by almost all HEIs, more direct measures of obtaining staff and student satisfaction with the estate are rarer. Indeed, in the face of likely criticism of aspects of facilities, some directors of estates might not wholly welcome them. However, in an era of increasing fees (where charged) it is likely that student expectations will continue to rise, and a wise board will want to know how the current physical infrastructure is regarded. Already some HEIs include questions about facilities in their staff satisfaction or student experience questionnaires.

4.16 The issue of functionality in relation to fitness for purpose is an important one, but not the whole story. A building can be functional but unpleasant or worse. Conversely, some HEIs have very pleasing estates - open spaces such as gardens, for instance - that have no 'function' in the normal sense but will be valued by staff and students. Even here a cautionary note has to be sounded: what appeals to some staff and students (or for that matter a governor), will not necessarily appeal to others!

4.17 Similar considerations apply to IT, and comparative data is collated by the Ucisa[23]. Although Ucisa's work is of great use to IT professionals and will, from a governor's point of view, inform strategies and monitoring reports, the impact of this data is unlikely to match the EMS. For their own part, HEIs will be able to monitor expenditure on IT, though it may sometimes be difficult satisfactorily to aggregate and assess expenditure divided between academic departments and central computing service departments.

4.18 Governors will nonetheless want to be able to monitor the fitness for purpose of IT through utilisation figures, student satisfaction data, etc. However, when a board addresses IT it tends to focus on the major administrative systems (student records, etc). This is proper in one sense, but it is strange in that these functions are secondary to the primary ones of learning, teaching and research. This is not to suggest, however, that attention to administrative systems is wrong, as they are crucial to proper functioning. Think of the consequences of a failure in the payroll system just as staff salaries are to be paid (it has happened), or a collapse in the student record system just before graduation.

Using the physical infrastructure to create change

4.19 Typically most higher education staff and managers take a functional view of the physical infrastructure, most obviously in relation to research where space is often designed to serve just one purpose as defined by those involved. However, architects and other professionals are well aware that the design of the physical infrastructure can be used to assist organisational change. If you want staff to work more collaboratively - then arrange the space accordingly; and if you want staff to act as individuals and take little account of their colleagues - then the traditional separate office provides a good starting point.

4.20 Accordingly governors need to be aware in thinking about strategic developments that the future use of space can be an important element in encouraging change in behaviour or in helping to build a new organisational culture, and thereby bringing about change.

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[23] See www.ucisa.ac.uk

4.21   To take just two examples: first, innovations such as the Saltire Centre (paragraph 4.10) have been deliberately designed to facilitate new ways of student working: libraries where students talk, eat, do group work and other things beyond the comprehension of many governors (and indeed some more traditional librarians!). Such innovations are deliberate attempts to use the physical infrastructure to support change, and can increasingly be found in many HEIs.

4.22   The second example relates to open plan offices. They are an obvious way of achieving advantages in the efficient use of space and provision of services such as heat and power. But whilst common in administrative departments, to say that they are unpopular with academic staff would be an understatement, notwithstanding their often low utilisation of individual offices. Although some HEIs have made moves in this direction, for others it remains something of a no go area. The point, of course, is that such a use of space is neither 'good' nor 'bad' but rather more or less appropriate for certain tasks, and in considering such issues an HEI may need to ask some quite fundamental questions about what is required from academic staff in the future.

Self-challenge questions
*   Has your governing body discussed the fitness for purpose of the estate and IT infrastructure for learning, teaching and research?
*   Has your governing body discussed the outcome of condition surveys?
*   How does the governing body assess staff and student satisfaction with the estate?
*   In relation to any proposals for new buildings, has the governing body considered how the proposed use of space supports effective communication and other aspects of change?

5.   SPACE MANAGEMENT

5.1   The CUC Guide[24] requires governing bodies to "encourage a culture of efficient use of space", and to a new governor from outside higher education this may seem a relatively straightforward task: it is not! Self evidently space is a costly commodity (calculated by Hefce at an average of £244 per m2[25]) and ensuring good space management - still more optimal space utilisation - is the dream of many estates directors.

5.2   In fact, in many HEIs space utilisation has traditionally been poor, and there are many reasons: mismatches between the size of student teaching groups and the space available; timetabling using only a relatively small proportion of the available working week; the decentralisation of space management over numerous buildings in some HEIs; and so on. From the point of view of a governing body, such problems make achieving better space utilisation difficult, but should not detract from the attempt. Moreover saving space has other potential benefits, not least cost reduction and lowering carbon emissions.

"The only discussions we have about space is how to use less of it, and to save money. We almost never talk about making the university a great place for students to study and staff to work"

STAFF GOVERNOR

5.3   For governors the EMS statistics (see Chapter 3) provide a useful starting point, and, helpfully, give an overview of institutional space untainted by the internal politics of who 'owns' particular space and how it is used. Several measures in the EMS are critical: core teaching space per taught full time equivalent (FTE) student; utilisation rates of teaching space; income per m2 gross internal area; academic office space per academic FTE; and support office space per support staff FTE. The issue is, therefore, not just one of better utilisation of teaching space.

5.4   In fact, core teaching space per student FTE appears on the face of it a straightforward statistic - except that it is not. To take just three factors which complicate interpretation: firstly, distance learning and franchised students are excluded, and although this seems logical it may skew data for those HEIs with high levels of involvement in these activities. Secondly, part time students may require more proportionately space than their full time equivalence might indicate. Thirdly, the teaching space needs for different subjects vary greatly, so a figure for the institution as a whole will aggregate different needs. Nonetheless, this is an important starting point for looking not only at the sum of available teaching space but also its apportionment.

5.5   The second relevant EMS measure is utilisation rates of teaching space. Accurate data is difficult to collect (and should therefore be treated with a degree of caution) as utilisation reflects both the frequency of use and occupancy measures. A further caveat is that it is an aggregate figure for an HEI as a whole, and likely to mask considerable variations in usage both by types of accommodation (lecture theatres as against seminar rooms) and between different areas of the HEI. Nonetheless, the data should not be disregarded, but unless you have a particular interest in the topic, you would normally expect to be given a commentary on the statistic and how to address any emerging issues.

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24 CUC, (2009), Guide for Members of Higher Education Governing Bodies in the UK (revised edition), available from www.shef.ac.uk/cuc
25 See www.hefce.ac.uk/pubs/hefce/2008/08_41

5.6   Properly interpreted, these two statistics will help create a picture of the appropriateness of the teaching space to the level of teaching activity. The remedy for excesses or shortages at the institutional level may appear simple: acquisition or disposal of the space in question. However, given the costs of acquiring space a governing body would be unwise to do this without being sure it is needed, or that a more cost effective remedy cannot be found. For example:
- Is the level of teaching generating the demand necessary?
- Can the teaching be organised differently?
- Are there slack times in the use of space that can be better used?
- Is it appropriate to consider the length of the teaching day or week? This can give rise to strong objections, but the subject should not be taboo.

5.7   Improving utilisation rates may call for a number of actions, for instance, high frequency but low occupancy may indicate that there is a lack of small teaching rooms (or that their distribution is not optimal). The crucial need is for governors to be given an adequate analysis of the data so they can ensure that proposed actions follow logically from it.

5.8   Some HEIs have used space charging as a way of getting to grips with space utilisation and the unwillingness of departments who occupy their own space to let others use it. This topic has an impressive capacity to divide opinion. Its advocates say it is a simple means of demonstrating that space is an expensive commodity not a free good, and cite the willingness of departments to give up space when charged rather than pick up the tab. Opponents argue that cash is not necessarily a good proxy for the efficient use of space, and that the real costs of space are not equal: a laboratory is obviously going to be more costly than a seminar room. There will inevitably be a degree of 'price fixing' to ensure that the trading results in an exact balance - after all, the intention is not to end up costing the HEI money. Whatever the merits of space charging, as a governor you will want to be sure that it will achieve the desired objectives and be cost neutral (including administrative costs).

5.9   Office space is equally important in terms of space use, and here again the EMS provides data. One issue concerning office space which frequently puzzles new governors is that whilst open plan offices are common for administrative staff they are rare for academics, and attempts to introduce them in some HEIs have been met with hostility. The need for private space for writing, research and seeing students is enshrined in much of academic culture, but because of space costs it is likely that more HEIs will challenge such conventional assumptions. Indeed, there are some examples of successful shared academic space, including at least one HEI where the senior executive team also work in such arrangements. The issue - as with so much in the estates area - is to ensure that innovations in the use of space are properly analysed and designed and not of the 'quick fix' variety.

5.10   HEIs can get guidance on both space norms and the management of space from the Space Management Group[26]. This has produced reports which, at least from the governing body's point of view, make things straightforward. The simple question will be 'are you using space in accordance with the Space Management Group's guidance, and if not why not?' This includes questions such as:

- Is space management regularly reported to the governing body?
- Is space management policy linked clearly to the estates strategy?
- Is there a space management committee and to whom does it report?
- Is the space management policy subject to annual monitoring and review?

5.11   Of course, substantial excess space may lead to property disposal. There are numerous technical issues here for action by the director of estates and an HEI's lawyers, but here are some elements where the board is clearly responsible - the approval of the idea of the sale, approval of the sale itself, approval of the overall arrangements to apply to the staff involved, and so forth. Even in these areas, though, it will be recognised that significant elements of the sale itself may be subject to negotiation.

5.12   Governors themselves will not be involved in the details of negotiation, so a means must be identified whereby the board sets parameters for the negotiation. It will also want to be assured that the process is managed effectively, and that risk is properly managed (both the risk of the process not being properly conducted and the risk of the scheme not reaching fruition, or not achieving the required outcomes).

Self-challenge questions

- As a governor do you think your governing body really understands space utilisation issues?
- What do the Estate Management Statistics indicate about the use of teaching space in your HEI?
- Is your HEI using space in accordance with the Space Management Group's guidance, and if not why not?
- Is there evidence that the distribution of space between departments and/or activities is unsatisfactory? If so, what measures are being adopted to rectify the distribution?

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[26] See www.smg.ac.uk.

6. FACILITIES MANAGEMENT, SECURITY AND DISASTER RECOVERY

6.1 Facilities management is often lumped in with estates management, but is distinct. In essence, this is a matter of the management of buildings and associated services and physical plant. Facilities management thus includes both the management of such plant (heating, for instance) and of services such as cleaning, portering, post, and security. These tend to be among the 'invisible' services: they earn little or no praise, but excessive heat, cold or dirt (even, classically, the detritus from previous users of facilities) will rapidly give rise to adverse comment.

6.2 From your point of view as a governor, the chances are that it will come into your consciousness either not at all or only when things go wrong. However, even when things are quiet a crucial issue for a board is to ensure that facilities management is cost effective. The reality is that things will go wrong sometimes, and the cost of ensuring a zero failure rate is likely to be prohibitive even if achievable: so it is a matter of balance. The EMS provide information on costs, and for the governing body it is probably sufficient to monitor these unless there is evidence of problems.

6.3 Security is a headache for many HEIs. Traditionally they have been very open institutions, and control of visitors (or even of staff and students) is difficult without changing the culture, and few HEIs would be happy isolating themselves from their surrounding communities. Indeed, the trend is in the other direction. But HEIs are susceptible to theft, ranging from serious planned thefts of equipment (mostly computer hardware) amounting to thousands of pounds, to the supposedly victimless crime when someone (typically - and sadly - often a student) helps themselves to the HEI's property. So pressures for increased security have grown. Similar pressures arise from health and safety concerns about ensuring that access to laboratories containing dangerous substances is adequately controlled.

6.4 Many HEIs are, though, designed to reflect openness rather than security. And behaviour tends to reflect this openness - one university checked on whether card access to halls of residence was effective, and found that resident students would hold open the door for someone following them in without knowing whether or not they had any right to enter (on the basis that it was rude or, 'uncool' to challenge them). Yet a survey of student opinion showed concern about security featured high on these same students' list of priorities. The picture is further complicated because evidence from the same university about crime levels tended to indicate that the concern was more about perception than reality.

6.5 This anecdote illustrates several points:
• First, concerns about security are very common in HEIs, and in some cases for good reason. Students, particularly males, are largely drawn from the group most at risk of crimes against the person. And their way of life (even allowing for the overstatement that drink is the central feature of students' social lives) will often expose them to risk.

- Secondly, calls for increased security (whether by physical measures or increased staffing) are frequent and difficult to resist. But they need to be considered carefully. Security concerns are often used in discussion as a way to try to win arguments (about parking, for instance) where the reality of security as an issue is rather smaller than its rhetorical power. And expenditure on security hardware and staff could be increased without necessarily having a commensurate impact on the actual security of people or property.
- Thirdly, addressing behaviour is at least as important as other measures - to revert to the hall of residence anecdote, there is not much point in installing card access controls if students let anyone in regardless. So HEIs must provide advice on security issues and should make sure it forms part of induction processes and is reinforced throughout students' time at the institution. Nor should it be taken for granted that staff will intuitively know what they should do, let alone do it.
- Finally, even where reducing the risk to students outside the campus falls outside the HEI's scope, it does not mean that the matter can simply be ignored. Advice to students should certainly address such issues, and discussions should be held with local authorities, the police and other agencies to ensure that the HEI's influence is used as far as possible to reduce risk.

6.6   For some HEIs, there will be further specific issues relating to security, and an obvious example is those which have animal facilities. So consideration of the general questions of security will require a degree of modification to take account of the particular circumstance of each institution. This should be borne in mind in considering the questions below.

6.7   It is worth just adding a few points here about disaster management and recovery. Here there are two main issues for governors: firstly, those concerned with ensuring that suitable risk management and business continuity systems are in place (this is not considered below but in the separate volume in this series on risk). Secondly, ensuring that suitable arrangements for disaster management are in place, and this chapter summarises some key issues in relation to the estate and IT.

6.8   Given the number of HEIs and the scale and nature of their activities, it is sadly unsurprising that a few have been hit by serious disasters (for example, major fires or major equipment thefts) from which recovery has been challenging. Dealing with disasters - by definition - will tend to go way beyond the confines of estates or IT departments, but there are particular issues for them. All HEIs should have disaster management and recovery procedures in place, indeed these are required by the funding councils and probably insurers. As a matter of good practice the governing body's responsibilities mean that it must be able to assure itself that these plans exist, that they are realistic, and that they are updated at appropriate intervals. It is inconceivable that, as a governor, you will want to wade through any of these plans, let alone all of them, but it is reasonable that you should seek assurance that such plans exist, and that they are robust and reasonably generic in terms of their applicability to a range of potential disasters.

6.9   The variety of disasters which an HEI might have to deal with make it difficult to generalise helpfully about them, and at any rate the processes will fall primarily to an appropriate manager, who must be given the necessary authority to act in a timely and decisive manner. As a governor, you will want to be given an accurate picture of what has happened and the consequences. In the immediate aftermath of a disaster, you are likely simply to have to recognise that those directly involved will have to get on with the job, even if this means recognising that in the heat of the moment some of the decisions may not be ideal. In the medium to long term, the roles and functions will become more recognisably like those in the normal processes of planning and project management. The questions to which governors will want to seek answers must then relate more to the immediate aftermath phase of any disaster than to subsequent stages.

Self-challenge questions

*   Does your governing body know the costs of facilities management relative to comparable institutions? If so what does the data tell you?
*   Does your governing body know of any evidence of major dissatisfaction with facilities management?
*   What are the main security issues facing your HEI that have be raised with the governing body? Is expenditure on these issues appropriate to address actual or perceived risk?
*   Has your governing body approved a fit for purpose disaster management and disaster recovery plan, identifying the scope of the authority to be given to those who will be charged with the recovery process?

7.   MAINTENANCE OF THE ESTATE

7.1   The CUC Guide[27] notes that the governing body is responsible for "long term planning for capital development and the effective maintenance of existing properties". So the first thing to consider is what is meant by maintenance? It tends to fall into two main categories:

- Planned maintenance - that is, replacing or overhauling fittings, equipment, etc that may otherwise fail or prove unfit for purpose.
- Reactive maintenance - that is, the repair of fittings, equipment etc that have actually failed.

This already points to a difficulty for a board. Throughout this volume we have emphasised the importance of a strategic approach, whereas reactive maintenance is by definition going to be unplanned, because if the failure had been anticipated it would have fallen into the 'planned' category.

7.2   Maintenance covers many fairly obvious activities, whether it relates to the fabric (including paintwork, woodwork, doors and locks, etc), or equipment such as boilers and lifts. Other aspects are less immediately obvious but equally important. Safety systems are an obvious example, and all of an HEI's mechanical and electrical systems (and, increasingly importantly, the way they are controlled) also come into this category.

7.3   Maintenance has had a chequered history in higher education. When income has declined many HEIs have resorted to the expedient of reducing maintenance expenditure to a minimum. This approach was not going to win any prizes for prudence, and had the effect of storing up future problems (indeed it was known at the time that this would be the case), but apologists would probably argue that it felt necessary at the time. Circumstances were complicated for some new universities, which inherited estates that left much to be desired when they gained university status.

7.4   Even without such a history, the age of many HEI buildings (the familiar list of '60s or '70s buildings with flat roofs, metal window frames, and so forth) means that maintenance remains a challenge. And funding maintenance is not exactly going to be at the top of anyone's list of priorities. Nevertheless, matters are getting better rather than worse - and work by JM Consulting indicated that the backlog in maintenance reduced between 2001 and 2006 from 30% of insurance replacement value to 21%[28]. This is clearly preferable to a move in the opposite direction, but equally obviously there is still some way to go.

7.5   From your point of view as a governor, there will always be competing demands for resources more attractive or more obviously important than maintenance. Nevertheless, strategically its need cannot be disregarded, and it would be folly to revert to the conditions of the fairly recent past. The challenge is to find a balance that ensures that maintenance is sufficient at least to maintain the status quo, and preferably improves year on year.

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27   CUC, (2009), Guide for Members of Higher Education Governing Bodies in the UK (revised edition), available from www.shef.ac.uk/cuc
28   See www.aude.ac.uk

7.6   The question is then how to measure the maintenance expenditure needed to establish this balance. EMS data includes three relevant statistics, and the first is the outcome of condition surveys conducted every three to five years against Royal Institution of Chartered Surveyors standards. This uses a four category scale: A and B are as new or relatively good and C and D are relatively bad or bad. The second statistic is the cost of improving buildings that fall in categories C and D up to level B (a reasonable aspiration) as a percentage of insurance replacement value. The third measure is maintenance cost per square metre of space, giving a measure of actual revenue maintenance work, including staff, fees and materials. Putting these three measures together provides a way of assessing the current position and the capacity of an HEI to effect improvements in a reasonable timescale.

7.7   In England Hefce's guidance is that expenditure on the estate should be about 4.8% of its value as an asset[29]. Of this, Hefce suggests that 2.3% should be spent on maintenance and 2.5% on minor and capital works. But such figures have to be seen in context. An HEI with much of its estate in categories C and D may have to increase its maintenance expenditure more than one which has high proportions in categories A and B. If an HEI is engaged on major rebuilding which means that parts of its estate in categories C and D are obsolete, then it is unlikely that the poor elements will warrant expenditure beyond what is needed to maintain minimum levels of legal compliance and functionality. So the statistics have to be seen in two contexts: first, they should be seen together rather than being considered in isolation; second, that package of statistical information must be considered in the context of the estates strategy.

7.8   Not to have a maintenance strategy is to risk an inefficient use of resources - for instance by maintaining a building which is then demolished as part of a redevelopment. Equally importantly, a high level of risk lurks behind the mention of reactive maintenance: the failure of key equipment (say a boiler) at a critical time could do huge damage to an HEI. So a maintenance strategy has to be firmly focused on identified business needs, and on risk assessment. The issues here must be about the risk of something happening, the impact of such an event, and the means by which the risk can be mitigated.

7.9   There must also be value for money in maintenance expenditure just as in other activities. From the point of view of the governing body, the key indicator here must be the condition survey: if this is the measure of the state of the estate, then additional expenditure should be evident there. Inevitably, if condition surveys take place every three to five years, then there will be a time lag before the impact of expenditure is evident. Nevertheless, it will, or should, come through, and should be monitored.

7.10   The final factor in considering maintenance of the estate relates to perception. Objectively, the irritation expressed when, for instance, a lift breaks down for the umpteenth time in a year may be disproportionate to the actual inconvenience caused, but it is real enough to those who express it. So staff and student satisfaction have to be taken into account. Much maintenance is by definition invisible, and of course nobody comments positively on the reliability of lifts if they do work, so even in visible areas the only evidence of satisfaction may be the absence of adverse comment.

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[29] See www.hefce.ac.uk/pubs/rdreports/2006/rd17_06

7.11   There is, of course, also an issue of maintenance in the IT infrastructure. Much of this is painfully straightforward. The life expectancy of IT equipment is notoriously short (though unsuitability to perform the original purpose does not mean that an item of equipment should be thrown away). But the same disciplines of planning preventative maintenance and of having in place the capacity for corrective action if necessary are important. The increased use of IT in more or less all higher education activity means that a serious failure has the capacity to stop the institution functioning, and risk assessment and management are crucial.

Self-challenge questions

*   What do the EMS and condition surveys indicate about the condition of the estate in your HEI?
*   What do staff and student satisfaction surveys indicate about perceptions of the estate?
*   Are improvements in the EMS and condition survey commensurate with the level of maintenance expenditure?
*   Are the strategies supported by robust risk assessments and risk management plans?

A GOVERNOR'S DILEMMA 4:

Despite both increased expenditure on maintenance, and statistics that indicate that the maintenance backlog is being reduced in the HEI of which you are a governor, staff and student satisfaction surveys show increasing levels of dissatisfaction with aspects of the estate which could be addressed by improved maintenance. What should your role be in ensuring the issues here are addressed?

8. SUSTAINABILITY

8.1   Sustainability is increasingly seen as at the heart of future strategies for HEIs. The funding councils all have sustainability policies, so even if some HEIs do not currently prioritise the multitude of issues that arise in this context, they will come under pressure to do so. As such, sustainability will be a thread which will run through an HEI's estates strategy and into the main corporate plan. The expectation will be of sustainability being addressed in an integrated way, from teaching and learning and research to environmental impact and policies on social and economic well being, and governing bodies have a clear strategic role to play.

8.2   The word 'sustainability' is used in two overlapping senses in higher education. First, in relation to ensuring long term financial viability, which is self evidently a central preoccupation for an HEI and its governing body. The second meaning is to do with environmental sustainability, and is the focus of this chapter. Ensuring that institutional development is consistent with the sustainability challenge is something which all governing bodies will need to address, as HEIs should obviously be playing a major role in sustainable development, particularly when we are now about half way through the UN Decade for Education for Sustainable Development[30].

Building standards

8.3   A practical starting point for considering sustainability is building standards, and the need for better performance in environmental improvements. In terms of both new build and refurbishments, the starting point is meeting the Breeam good or excellent standard[31]. An assessment is made against a range of criteria and results in a single judgement. However, concern has been expressed by the Association of University Directors of Estates (Aude)[32] that compliance with the Breeam standards will actually not maximise potential benefits in the higher education context, and it is developing an alternative standard for HEIs[33]. In Wales there is a requirement that any new build using Welsh Assembly Government capital funding or land must achieve the Breeam excellence standard, and comply with a recycling standard.

8.4   Improvement in environmental performance through better building standards is a self evident good, but is not without its difficulties, and governors need to be aware of them. (An obvious example is the use of domestic windmills for private dwellings where impact may be negligible and installation costs would take up to 30 years to recoup.) Of course, the business case for improving environmental performance has to be subject to rigorous scrutiny, but there is a difficulty here in that changes to behaviour are also important, and education is an intrinsic part of the sustainability agenda. Therefore governing bodies need to encourage action on sustainability to be underpinned by initiatives to persuade staff and students to make their own contribution to environmental performance. In England, Hefce proposes to introduce a clear link between capital funding and carbon emissions, and HEIs will be required to produce carbon plans with performance against these being a factor in future capital allocations.

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30   More information on this is available at http://portal.unesco.org/education/en/ev.php,.
31   Building Research Establishment Environmental Assessment Method. See www.breeam.org/index.jsp
32   See www.aude.ac.uk/news/HE_BREEAM
33   A further valuable information source is Higher Education – Environmental Performance Improvement (HEEPI), which addresses areas of: buildings; environmental management systems; energy; procurement; transport; waste; and water. The website provides updated information as the legislation changes and good practice evolves, and is developing material on sustainable IT. See www.heepi.org.uk

The use of utilities

8.5   What lies at the heart of sustainability from the point of view of the estate and the IT infrastructure is the issue of minimising the adverse impact of an HEI on the environment, and maximising the positive contribution it makes to a healthy environment. This is obviously partly a matter of controlling the consumption of utilities, carbon emissions, and waste.

8.6   Even if HEIs were not inclined to look at their use of utilities for reasons of sustainability, increasing fuel costs will prompt them to do so. But in fact, trying to reduce utilities costs has long been a reality, encouraged by many governing bodies. Effective procurement is obviously important, as is the issue of how utilities are managed. Many HEIs have already introduced energy management systems which improve performance, yield savings and cover initial capital costs, often over a surprisingly short timescale. But the stakes are being raised the whole time. In addition to financial pressure there is now the imminent requirement on publicly funded bodies (including HEIs) to reduce their carbon output.

8.7   The Carbon Reduction Commitment is an emissions trading scheme which is intended to incentivise HEIs and other organisations to reduce carbon outputs. The introductory phase takes effect in January 2010, and involves selling an allowance at a fixed price, so the greater the allowance the greater the cost . It is intended that variable pricing will come in for 2113. So there is a - perfectly understandable - double whammy here: energy costs increase, and profligate users will be charged for the privilege of being profligate. It is obvious that governing bodies will look to senior managers for ways of responding.

8.8   If this sounds like a back room exercise, then that impression could not be much further from the truth. Energy certificates became compulsory in 2008, so that every building is subject to an energy audit with a certificate produced for each one. Significantly, the certificate will have to be displayed at the entrance to the building, so that as understanding of energy performance increases, all users of a building will be aware of its rating.

8.9   The EMS data provide three important measures of utilities use:
- Energy consumption kW/h per student FTE non-residential.
- Water consumption cubic metres per student FTE non-residential.
- Notional energy emissions per square metre gross internal area.

As with all the statistics, performance can be considered both against aggregate data for all HEIs (overall and by quartile), and against comparators. The importance of these as indicators is growing, and as with energy certificates, there is an additional public dimension. Environmental performance is being assessed by People and Planet (a group encouraging green behaviour) in the form of a 'Going Green Table'[35]. It includes annual tables of green performance, and provides advice to students on how to campaign within HEIs. This is likely to result in pressure on the governing body, and there is now some evidence that such factors are increasingly likely to influence students' choice of institution.

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34 Information on the scheme in a reasonably user friendly style is available from the Carbon Trust on www.carbontrust.co.uk
35 See http://peopleandplanet.org/gogreen/greenleague2007/table. The 2008 table will presumably follow

8.10   Reducing utilities consumption and carbon emissions are challenging issues for HEIs for two main reasons. Firstly, the building stock is often far from ideal in terms of energy efficiency. Secondly, HEIs (like every other organisation) battle with the problem of persuading people that this is their problem. Yet as we know, students will themselves often be in the forefront of agitation for emission reduction. Creating a positive climate of expectation about responsible energy behaviour is important here.

8.11   So what can the governing body do? Several things:
- Firstly, ensuring sufficient emphasis on sustainability, and there is (in partnership with executive) a real leadership role for the board.
- Secondly, ensuring that its strategic role extends to sustainability, including adopting suitable KPIs. At a minimum this should include receiving - and discussing - an annual sustainability report.
- Thirdly, encouraging good practice in relation to a raft of operational issues concerning the estate and sustainability. This is both an oversight role and also one of providing support to the director of estates. For example, it will be necessary to receive reports on plans for reductions in energy consumption and carbon emissions.

Waste management

8.12   Waste management raises issues similar to those for utilities, and is an area of increasing regulation involving waste disposal, storage, recycling and transportation. Of course, HEIs have to deal not only with the sort of waste associated with a residential or commercial activity, but also with biological and radioactive waste, 'sharps' (syringes etc) and other materials that require special treatment. There are also waste management regulations which require any construction site with an estimated cost greater than £300,000 to prepare a site waste management plan.

8.13   So pressures are increasing to reduce waste, increase recycling and minimise hazard, all a challenge because of the nature of HEIs[36]. Ideally, a governing body should have approved a waste management policy addressing not only legal compliance but the necessary information and training to spread good practice throughout an HEI. As in other areas EMS data are available to compare institutional performance.

Transport

8.14   In terms of minimising environmental impact, the issue of transport also has to be considered by a governing body. It is now more than 30 years since Clerk Kerr (as President of the University of California) gave his famous definition of a university as a "series of individual faculty entrepreneurs held together by a common grievance over parking"[37], but transport remains contentious in many HEIs. There are at least two significant issues here for a governing body: travel and transport policy, and car parking.

36 Advice is available from the Environmental Association for Universities and Colleges, which summarises the legislative framework and provides advice on waste management. See www.eauc.org.uk
37 Kerr C, The Uses of the University, Harper Torchbooks, 1963

8.15   Although much of this area is for management, from the governing body perspective there is a need to approve a coherent transport policy. An HEI will not endear itself to staff or students by adopting a policy of promoting travel alternatives simply by, say, restricting car parking. As a governor, you will be able to look for this sort of coherence as part of the planning process. Such a policy also needs to address longer term issues, including the changing nature of some work within HEIs, and what are realistic expectations of attendance of staff and students on campus? These questions are not easy to answer, but if they can be found advantages may include reductions in the number of unnecessary journeys, and ultimately reductions in the size of the estate needed to sustain activity (and, dare one say, reductions in the pressure on car parks?).

8.16   One frequent aspect of transport policy, is whether it is reasonable to expect HEIs to play a role in promoting more sustainable transport in their locality. There are obvious steps which include: HEI bus services (to city centres or railway stations) if local public providers will not meet demand; subsidised travel or support in the form of loans for season tickets; facilities for cyclists; and supporting car sharing schemes which are becoming an increasing part of some local authority initiatives.

8.17   Parking is a topic that can stir ferocious debate even among colleagues who are normally models of equanimity. Few HEIs have sufficient capacity to allow everyone who wants to park on campus to do so, and this inevitably leads to fraught debates about where priorities should lie. A few elements are happily uncontroversial (eg priority for those with mobility problems), but from there on matters get worse with common tensions including: the priority - if any - to be given to staff relative to students; the categories of user that should be permitted to park; parking priorities related to issues such as safety, unsocial hours and so on. The problem with such debates is not that there is no validity to them, but that they are normally advanced with little or no evidence However, choices have to be made.

8.18   On top of all of this comes the issue of car parking charges, with arguments about whether different payment rates should be required of different categories of user or those with different levels of income. Overall, there is little chance of devising a solution that will not cause resentment somewhere, and the best that can be hoped for is a least bad solution. At the final decision point, governors will inevitably have some involvement, but they are best advised to see this as an area for management and to leave it to the professional staff concerned to take the bullets!

Information technology

8.19   So far, this chapter has focused primarily on the estate, but IT is, part of the same picture. Firstly, it is a significant consumer of power, both to run computing equipment and often to cool it - another double whammy. Secondly, IT equipment has a relatively short life expectancy, and safe disposal of redundant equipment has a significant environmental impact. Thirdly, properly used IT offers a means of improving environmental performance: for example, through changing transport practice, encouraging video conferencing, and so on. Even allowing students to enrol online will probably make the chore less onerous and save a journey. So IT has to be an intrinsic part of considering sustainability, both as a modest part of the disease and a potentially significant part of the remedy.

8.20 Important research in this area is being undertaken by Jisc through its SusteIT project[38] which suggests that the benefits of IT are partially offset by 'hidden' environmental, and, on occasion, social costs. A scaling up of findings at the University of Sheffield, Lowestoft College and City College, Norwich, suggests that UK universities and colleges as a whole: utilise around 1,458,000 computers, 249,000 printers, and 240,000 servers; will have IT related electricity bills of around £121m in 2009; and are indirectly emitting 528,000 tonnes of carbon dioxide emissions from this electricity use. The production, and disposal, of this equipment also involves the release of many hazardous substances, consumes large quantities of energy and water, generates large amounts of waste, and sometimes involves dangerous and exploitative working practices. (Discarded computers from UK universities have been seen, for example, at unsafe recycling sites in Africa.)

8.21 As a result, there is a growing consensus amongst experts, leading IT suppliers, and policy makers, that the combination of rapid IT growth, and negative environmental impacts of the kind described, make current IT practices and trajectories unsustainable. Several studies have suggested that IT is already responsible for 2% of global carbon emissions, and that its relative share will increase further.

Self-challenge questions

- What is your governing body's strategy for addressing the environmental sustainability agenda?
- What are your governing body's plans for addressing the Carbon Reduction Commitment?
- How effectively does your governing body acquit its leadership responsibilities for reducing the environmental impact of the HEI?

A GOVERNOR'S DILEMMA 5:

An ambitious and comprehensive plan for sustainability has been produced by a group of distinguished academics, some senior managers and representatives of the student union. It is an admirable piece of work, but it has been produced while efforts are still focused on implementing a strategic plan which already absorbs all of the institution's resources. How do you suggest your governing body should proceed?

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38 www.jisc.ac.uk/whatwedo/programmes/programme_jos/susteit.aspx

9. VALUE FOR MONEY AND PROCUREMENT

9.1   Estates and IT both involve large scale procurement, often entailing medium or long term financial commitments. As a governor you will be concerned about both, and perhaps the starting point should be the need to ensure value for money (VfM), particularly where expenditure is high. In some areas, this is a straightforward matter of market testing, but in both estates and IT there will always be a need in VfM terms to make decisions on a spectrum stretching from entirely in house provision to entirely out sourced.

9.2   In some areas - say lift maintenance - an HEI is likely simply to have a maintenance contract (subject, of course, to proper procurement and VfM tests). As a governor, in such cases you will probably have little or no input - the procurement procedures will have been approved by the governing body, which can thus be confident that they are fit for purpose. The procedures should, of course, be reviewed from time to time.

9.3   In other areas - security being a familiar example - there is likely to be a similar choice between in house provision and external contracting. Whichever option is chosen, the service should be assessed periodically against the market to ensure VfM. When the service is external, this will usually be a straightforward process when a contract approaches its end or renewal point. When the service is internal, it should still be assessed: normally at least every seven years, but more regularly might be appropriate. Since this inevitably causes anxiety among the staff concerned, it is important that this is seen as part of a normal review process, not a threat. This is of course a management matter, but as a governor you may need to be aware that when such issues are addressed there may be some background noise, or in extreme cases some pretty vigorous axe grinding.

9.4   In some other areas, procurements decisions may be less clear cut. HEIs will want their own maintenance staff to deal with routine work, but even that may sometimes peak to an extent that cannot be absorbed in house. Certainly there will be times when external contractors will be needed, for instance large scale refurbishment. The VfM issue here is a matter of establishing the optimum balance between in house and contracted work. Although it calls for a more elaborate and perhaps more speculative assessment, this should nonetheless be regular.

9.5   There are equivalent issues in IT. In some HEIs there have been moves to out source large areas of IT entirely, and there is an important policy issue here. The integrity of student or financial records is essential for all HEIs, so decisions to outsource such provision should be subject not just to rigorous VfM scrutiny but also to stringent risk assessment procedures.

9.6   The more common debates in IT are about whether to buy off the shelf IT packages, to develop them in house, or to seek a point between the two where a package which is commercially available is customised to accommodate institutional needs. It is worth noting here that, although the requirements of HEIs have many similarities, attempts to develop generic software have not been a great success. However, increased attention to shared services by the government and funding councils may

call into question current arrangements. At the time of writing the discussion of shared services has not progressed far in many HEIs (partially inhibited by the addition of VAT to shared service arrangements) , but the approach has been extensively used in the public sector, and it may be hard to argue that it could not equally be applied to higher education. If it does, some of the received ideas relating to institutional autonomy and what goes with it will need to be reconsidered, and the board will have a central role in the debate.

9.7   Whatever choices are made about IT procurement, there are common themes, relating perhaps to the 'value' rather than the 'money' element of VfM. Failures in computing systems in all sectors are notorious, at least partly because of an absence of fitness for purpose, and a frequent unwillingness to match IT systems with business practices. So, just as VfM tests are important in estates (but will create a degree of anxiety that will have to be managed) so there is a need to ensure that staff are on board if IT initiatives are to bring the benefits they should. Operationally this is not an issue for governors, but you will want to be assured that such factors have been taken into account in any VfM assessments.

9.8   Assessing VfM in these areas can be problematic, and it goes without saying that 'best VfM' does not necessarily mean 'cheapest'. Few governors will have the knowledge to assess the benefits of the IT systems for which a need is argued, and it is not their job to do so. Nevertheless, they need to be assured that a rigorous business case can be made. To take just one example, modern student records systems are now required to maintain an ever growing database without which a large modern HEI simply cannot function. On the other hand, it is not surprising if the argument for a new student system is met with some scepticism, particularly if the justification includes the argument that the only alternative is to recruit more staff!

9.9   Governors will want to be in a position to assure themselves that those responsible for a proposal have gone through the necessary processes. So in looking at major procurement proposals, a board might ask the following questions:

*   What will happen that shouldn't happen, or won't happen that should happen, if the institution does not commit to this initiative? What are the risks involved in undertaking it?
*   How has the need for the initiative been identified?
*   What is its cost benefit?
*   How have the proponents of the activity assessed that this is the most cost effective way of meeting the needs?

To an extent, such questions may be addressed through approval of strategic plans. But there will be a need for a more detailed look at the constituent parts of the strategy, whether as part of a project approval process or not.

9.10   The formal aspects of procurement may suddenly seem rather more straightforward than this. At the highest values (in round figures, goods over £128,000 or works over £3.6m), it is necessary to comply with EU procedures. In such cases, the requirements must be advertised in the 'Official Journal of the European Communities' (OJEC). The procedures also set out the timescales that must be adhered to: this means that it is inevitably quite a lengthy process.

9.11   Below these financial limits, an HEI's financial regulations will indicate the procedures to be followed (see the separate volume in this series on finance). In either case, ensuring that the tender specification is correct is an essential management task. This again underlines the importance of governors supporting the development of strategies and project plans in ways that assist the process of defining specifications. If that is achieved, the process should be straightforward provided that procedures are followed.

9.12   One of the thorny issues of procurement relates to the contracts for power. Prices can move quite rapidly (and historically not always upwards), so there can be a tension between the normal procurement process and achieving best value for money. In such cases, it would be expected that the chair of the governing body (or perhaps its finance committee) might act on behalf of the board to waive normal procurement procedures. It would, of course remain necessary to comply with EU regulations and be able to defend the action as good practice if it were challenged by another supplier.

Self-challenge questions

•   How is the value for money of estates and IT provision in your HEI judged by your governing body?

•   How is the governing body involved in and/or informed of the outcome of value for money studies in estates and IT?

•   How does the governing body assure itself that procurement processes for estates and infrastructure comply with legal requirements, your HEI's own regulations, and general good practice?

•   What links exist between the outcomes of value for money studies, the strategic planning processes, and project management processes?

10. PROJECTS

10.1   Many governing bodies have the power to approve all projects with a value greater than a certain level - £3m, for instance. In estates and infrastructure, this is quite a low financial threshold. Such powers may be delegated, but that may simply shift the locus of decision making rather than ensuring effective project procurement. In areas such as estates and infrastructure, very significant resources will be committed to projects, and the risk of things going wrong is very high.

10.2   The power to approve projects is entirely understandable in terms of ensuring that the governing body can execute its responsibilities, but it is not without problems. For example, is it just adequate for a governing body to approve a list of projects? If the answer is (an unsurprising) 'no', then the question is how much detail should be provided to meet the spirit of the power. The danger as ever is that the further the scope is extended, the more approval and monitoring may impinge on the timely initiation and completion of a project, and the greater the risk that the governing body will effectively become involved in management.

10.3   The key to finding a balance in such matters lies in ensuring that robust project management procedures exist in which the governing body has confidence. Such procedures will reflect an HEI's practice on risk management. If this is the case, the governing body will have a ready means of seeing what risks are associated with a project and how they will be managed. Even so, establishing effective project management procedures in HEIs is not always straightforward, for three main reasons.

10.4   First, large scale projects will justify the full project management approach of systems such as Prince 2, and may well warrant appointing a project management specialist, but smaller projects are unlikely to do so. So there is a need for assessing project scale. and then assuring that the proper project management expertise is assigned. This is not, of course, your role as a governor, but it is reasonable to expect that you will be assured that such processes are in place.

10.5   Second, the structure of HEIs can tend to segment responsibility unhelpfully. If, for instance, there is to be a new building, is the project to be defined purely in estates terms, or to include all elements (for example the transfer of staff, students, equipment and all the associated learning, teaching, research and administrative functions)? If so, then the project documentation and activities must address the entirety of the programme and show how the necessary expertise is going to be harnessed. Perhaps most importantly, staffing and staff training must also be scheduled as an intrinsic part of the process.

10.6   Finally, although project management is well known in estates and IT departments, it is not common to define non-physical initiatives as projects (like the introduction of a new academic department), when to an outsider that would appear to be precisely what they are. So there may be an issue of determining when a formal project structure is appropriate.

10.7 So, in acquitting its statutory responsibility, a governing body with a formal stipulation to approve projects should at the least be able to assure itself that such questions have been adequately answered. Those governing bodies without such formal powers will nevertheless wish to consider what their policy should be. If the prerequisite for being assured that a proper project management procedure has been introduced, there are several other considerations that follow:

- Does an HEI have enough staff skilled in project management to sustain the activities to which it is committed through its strategic plan? Prince 2 requires a number of clearly differentiated roles, and considerable expertise and a degree of discipline in how the process is conducted.
- Does the budgeting process intermesh effectively with projects which may run to various timescales over more than one financial year? There are in effect two questions here. One is about funding a given project across two or more financial years; the second is about the impact of projects in aggregate on an HEI's financial planning.
- What are the risks of the project running over the allotted time and resource, and are the steps to mitigate the risks adequate? The frequent need to conclude projects by the start of the academic year may be a factor here.
- What are the arrangements for interim reporting of progress against milestones?

10.8 There is a further component of the project management process in which governors may well be appropriately involved without straying beyond governance. It is a matter of good practice that there should be a formal end to a project, and that this should include an evaluation of what has been achieved and what lessons have been learnt. Governing bodies might wish to consider what involvement they might want in evaluation or in considering the outcome of evaluations.

Self-challenge questions

- Has your HEI introduced fit for purpose project management policies and procedures, and how is the governing body assured that they are implemented effectively?
- Does the governing body receive appropriate summary reports on the progress of projects, including adherence to time and resource constraints?
- How is the governing body enabled to take an overview of the effects of completed projects and the lessons learnt from the implementation?

11 THE PRIVATE FINANCE INITIATIVE

11.1   The Private Finance Initiative (PFI) was initiated by the government in the early 1990s, and is an approach to funding construction that you should be aware of as a governor, even if it has not yet been used in your HEI. It constitutes part of the Public Private Partnership initiative described by the Treasury in the following terms:

"Public private partnerships (PPPs) are arrangements typified by joint working between the public and private sectors. In the broadest sense, PPPs can cover all types of collaboration across the interface between the public and private sectors to deliver policies, services and infrastructure. Where delivery of public services involves private sector investment in infrastructure, the most common form of PPP is the Private Finance Initiative.

"The Private Finance Initiative (PFI) is a small but important part of the government's strategy for delivering high quality public services. In assessing where PFI is appropriate, the government's approach is based on its commitment to efficiency, equity and accountability and on the Prime Minister's principles of public sector reform. PFI is only used where it can meet these requirements and deliver clear value for money without sacrificing the terms and conditions of staff.

"Where these conditions are met, PFI delivers a number of important benefits. By requiring the private sector to put its own capital at risk and to deliver clear levels of service to the public over the long term, PFI helps to deliver high quality public services and ensure that public assets are delivered on time and to budget[39].

11.2   This description of the PFI was usefully provided by David Batty and Matt Weaver in the Guardian:

"Private consortiums, usually involving large construction firms, raise the capital finance to design and build a public sector project. They are also contracted to maintain the buildings while a public authority, such as a council or NHS trust, uses them. This means the private sector is responsible for providing cleaning, catering and security services. Once construction is complete, the public authority begins to pay back the private consortium for the cost of the buildings and their maintenance, plus interest. The contracts typically last for 30 years, after which time the buildings belong to the public authority"[40] .

11.3   The crucial elements of PFI schemes are clear. They are intended to allow public bodies including HEIs to procure buildings or services without having to borrow the funds, to share or obviate the risk inherent in the undertaking, and to obtain services where the competence or cost effectiveness of a private company may exceed the public body's. These are self evident attractions, but it is worth dwelling on the underlying premises.

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[39] See www.hmtreasury.gov.uk/documents/public_private_partnerships/ppp_index.cfm
[40] See www.guardian.co.uk/society/2006/may/03/politics.theissuesexplained

11.4 Firstly, the income to the company is the means by which it services the debts incurred and secures profit. The issue, then, is does this approach offer better value than if an HEI were to finance the activity itself? Leaving aside running costs, financially the undertaking may make sense as a PFI if a company can borrow more cheaply than an HEI, or if it can secure more income from services than an HEI would be able to. Clearly, the financing should be scrutinised as part of business planning to see how the options compare. (Of course, there may be other financial reasons for preferring PFI, for instance if an HEI does not want to take a further loan on to its books.)

11.5 Secondly, risk is to be shared, with all parties minimising their risk by introducing limits on liability, penalty clauses for failures to meet targets, and so forth. If the transfer of risk from an HEI is to be a reality, the terms of the contract are critical, and will call for the most careful scrutiny.

11.6 Finally, there is the implication that companies will be able to provide services more cost efficiently than HEIs: while this may be true, it will be necessary to ensure that performance is acceptable, and that remedies for under-performance are available. An HEI may also need to come to a view on the acceptability of companies possibly increasing efficiency through worsening staff pay and conditions of service.

11.7 The Hefce website gives some details of PFI case studies in English HEIs[41], and generally, they relate to the procurement of student residences. This is unsurprising: the attraction for an HEI and private partner are clear when there is an identifiable income stream that will be generated from an initiative, and with relatively free standing activity against which risk can be assessed. It has to be said, though, that it is striking that the examples do not relate to mission critical activity. The case studies given are useful in that they contain descriptions of problems encountered as well as successes.

11.8 The issues for governors in this initiative are extensive, and raise the questions about the balance to be struck between ensuring that the governing body is properly involved without usurping the roles of those who carry executive responsibility, and without causing undue delay.

Self-challenge questions
- What part if any does PFI play in your HEI's strategies?
- If your governing body were to consider PFI funding, has it sufficient expertise to robustly assess the process?
- Looking back on the last main project that your governing body approved, in retrospect what might have been the advantages and drawbacks if PFI funding had been sought?

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41 See www.hefce.ac.uk/finance/procurement/pfu/

ANNEX A: SOME KEY INFORMATION SOURCES

There is a substantial amount of information available on estates and infrastructure in higher education, but the most useful sources for governors wanting to know more include:

The websites of the various funding bodies (*www.hefce.ac.uk* for England; *www.sfc.ac.uk* for Scotland; *www.hefcw.ac.uk* for Wales; *www.delni.gov.uk* for Northern Ireland) are useful and changing sources of information. It is likely that you will go most frequently to the body that funds the institution with which you are involved, but of course there are sometimes developments elsewhere in the UK that may be of interest to you. The Hefce site is particularly comprehensive and contains much material of relevance outside England.

This volume has made extensive reference to the Estate Management Statistics. The 2006-07 statistics are available on *www.hefce.ac.uk/pubs/hefce/2008/08_41* and at the EMS web site at *www.opdems.ac.uk*. Subsequent editions will be made available annually.

For estates, the website of the Association of University Directors of Estates (*www.aude.ac.uk*) is a helpful source of information. Some of the website is available only to registered users: if you think you need to access material that is not generally available, you should discuss the matter with your director of estates or governing body clerk.

For sustainability, the picture is changing fast as the concerns with sustainability grow. For buildings, the Breeam (Building Research Establishment Assessment Method) website is useful: *www.breeam.org*. The website for Higher Education Environmental Performance Improvement (Heepi) focuses on issues beyond buildings and is particular to higher education; it is developing in interesting directions: *www.heepi.org.uk*

In IT, the website of the Joint Information Systems Committee (*www.jisc.ac.uk*) may be of use, as may that of the Universities and Colleges Information Systems Association (*www.ucisa.ac.uk*). These websites are, though, aimed at practitioners, so it may be that these sources provide more detailed information than governors require.

There is then of course a plethora of websites dealing with specific issues - health and safety, data protection and so forth. The clerk of your governing body should be able to advise on which is most useful for any particular enquiry.

ANNEX B: RESPONSIBILITIES OF THE GOVERNING BODY FOR ESTATES - EXTRACT FROM THE CUC GUIDE FOR GOVERNORS

The CUC Guide for Governors[42] identifies the following responsibilities of the governing body in relation to estates:

- Develop an estate strategy for the institution which underpins and facilitates the HEI's corporate plan and academic objectives in teaching and research.

- Encourage a culture of efficient space use.

- Manage, review and allocate space to departments according to their needs while maximising the efficient and effective use of a valuable and scarce resource.

- Design and control the implementation of major capital and minor works.

- Maintain the institution's buildings, services and grounds through an established policy and programmes of planned and reactive maintenance, complying with current legislation, health and safety, and good practice.

- Assess systematically and regularly the condition of the institution's properties and services and prepare programmes for their maintenance.

- Manage the institution's property portfolio, disposing of and acquiring properties and managing legal and commercial documentation.

- Embrace the principles of sustainability and be environmentally conscious wherever possible in planning, design, operation and maintenance of the estate and buildings.

- Communicate widely and effectively with users at all stages of works, and with stakeholders and community groups to foster good relationships between the HEI and wider community, particularly local and planning authorities.

- Determine the scope of the estate function, ensuring at all times that the role of 'intelligent client' can be fulfilled and the estates resource is matched to the current workload.

- Ensure estates expertise is present on the governing body.

- Ensure as far as possible that financial systems match costs to individual buildings.

- Ensure an estates development plan is in place where substantial change is envisaged to the existing buildings, and make certain that future needs of the institution are • Ensure the estate is adequately insured and values of rebuilding are regularly reviewed.

- Ensure that a business recovery plan is in place.

- Ensure that estates is represented at senior management level and that the calibre of the estates director matches the senior role.

- Ensure adequate budgets are set to run, maintain and reinvest in the estate.

- Undertake peer review of estates performance.

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41 CUC, (2009), Guide for Members of Higher Education Governing Bodies in the UK (revised edition), available from www.shef.ac.uk/cuc

ANNEX C: SUGGESTED ANSWERS TO GOVERNORS' DILEMMAS

Dilemma 1 (page 11)

This is not one dilemma, but two, and the different issues need to be separated. On the one hand, there is a question of the level of understanding and expertise on the governing body about estates matters; on the other there are the concerns about the drive and vision of the director of estates.

There is a first step which relates to both issues. You will want to establish the extent to which these concerns are shared by other governors. If others do share them, then you will want to raise the matter outside a meeting with the chair of the governors. Depending on the chair's response, you would probably expect the chair to raise any concerns about the director of estates with the head of institution.

In terms of the governing body's expertise on estates matters, you would expect the issue to be referred to the Nominations Committee with a view to finding at least one member who can supply the necessary knowledge and skills. You may also agree that thought should be given to creating or strengthening an estates committee, which could draw on more lay inputs than could be justified on the governing body.

The managerial issues relating to the director of estates are, of course, for the head of institution, not you or the governing body, but you will want to ensure that the governing body's roles in developing the estates strategy and monitoring its implementation support the messages that the head of institution is giving the director of estates.

Dilemma 2 (page 18)

Your response here must depend to a degree on the circumstances (including the financial circumstances) of the HEI, and on how you read its internal politics. Do you have a sense of who else on the governing body (lay members, staff or students) shares your concern, and how does it manifest itself? If not, this would be a good starting point.

Having done this, how you play things will depend rather on what you have found out, but essentially your approach is likely to reflect some indisputable points. An HEI's strategy should always be based on its educational and research policies which strike a balance between providing a clear sense of direction and leaving room for manoeuvre when circumstances change or opportunities arise. However, neglect of the infrastructure may mean that an opportunity cannot be taken because the necessary facilities are not in place, and the opportunity will have been lost by the time the infrastructure has been developed - this is a particular problem given the lead times on estates and some IT projects.

The focus for you as a governor must of course be on the development, implementation and evaluation of the strategy: how does the risk of missing tricks, or of simply reacting to market opportunity rather than driving policy forward, manifest itself? And how does the HEI propose to respond to the manifestations? In raising questions such as these, you need to recognise that you are likely to have to play a long game. A bust-up with the chair and/or head of institution is likely to be counter productive: it is more likely to help the institution if you use the opportunity afforded by the processes of planning, implementing and evaluating strategies to steer policy and practice towards a healthier balance between strategic direction and opportunism.

Dilemma 3 (page 26)

The issue here must be pressed. You have to be in a position to get behind the statistics to establish whether the assurances you are being offered are misleading, or there are problem areas in the institution (in which case you should be seeking the assurance that they are being addressed), or that there is a credible explanation for statistics which are some kind of aberration.

You will be able to explore such issues if the governing body is given the opportunity for a detailed discussion of the issues with the appropriate health and safety experts. This will also provide an opportunity for a briefing on the related issues of the regime with which the HEI must comply and where responsibility for compliance lies. This does not have to be unduly long: if it is structured properly around the particular issues then it will not detract from the conduct of other business at a scheduled meeting.

Dilemma 4 (page 40)

Through the governing body, you have to make sure this is addressed. The apparent contradiction may well be nothing of the sort. It may be that maintenance effort is not being focused on the things that are the daily bugbears of staff and students, and this may be for good or bad reasons - the maintenance of a boiler is not going to be of any great interest to anyone, but if it breaks down in January, you can be sure that the complaints will flood in. But it is equally possible that the estates department's priorities take insufficient account of users' priorities. And it is also always possible that the institution is the victim of its own success here - if some but not all teaching rooms are refurbished, it is understandable if those still stuck in the old rooms feel more resentment than they would have done otherwise.

The crucial point here is that, without getting drawn into the minutiae of prioritising and scheduling maintenance, the governing body must seek the assurance that maintenance budgets, like any other budgets, are being appropriately spent. Asking the director of estates to explain the mismatch of statistics and user perceptions should provide the appropriate trigger to ensure that the matter is understood and addressed as necessary.

Dilemma 5 (page 45)

Instances like this are very tricky. On the one hand, responding to the growing sustainability agenda is a very high priority, and simply kicking a proposal into touch is as inappropriate as it is politically unwise ('politically' here being spelt with a small or a large 'P'). The difficulty from your point of view as a governor will be to try to avoid a polarisation of the debate into two camps, one in favour of the new sustainability strategy and the other the 'sitting tenants' of the agreed strategy.

The first question that has to be considered, ultimately at the right time by the governing body, is whether the sustainability plan is good and addresses sustainability issues which the HEI has to address. If the answer is no, then the plan's advocates must be told what steps should be taken to deal with identified deficiencies. But if it is right for the institution, this has to be made explicit by the governing body. It will then follow that the question is not whether to adopt the policy but when and how it can be adopted. Are there elements of the sustainability strategy that can be implemented without detriment to the existing

strategy? Where is there scope for postponing or cancelling elements of the existing strategy so that sustainability initiatives can be resourced? Where can elements of the existing strategy and the sustainability strategy be spliced together so that the objectives of both can be satisfied? And so forth.

It is not, of course, your role as governor to become involved in the horse trading that some of this will involve. But it is the board's job to provide the appropriate steer to the HEI, and, by helping the debate and calling for proposals that seek the kind of amendments to the strategies referred to in the paragraph above, you are likely to be in a good position to oversee the processes to ensure that neither party is allowed to sulk in its tent or lob grenades at the other 'faction'.

ABOUT THE AUTHOR:

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Retired from the University of Bradford in 2007. He worked there for thirteen years, as Registrar and Secretary and latterly as Deputy Principal. He worked in higher education for a total of thirty five years, starting at the Open University in 1972. After a range of jobs, he was appointed as Registrar at South Bank Polytechnic (as it then was) in 1989 before moving to Bradford in 1994. His responsibilities there included the University's governance and legal functions, but, as head of a unitary administration, he was concerned with the challenges of leading and coordinating the activities of discrete departments, and of ensuring their relationship with the University's statutory bodies were proper and effective.
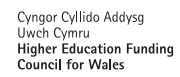
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