

23 February 2023

Council

Minutes

Minutes of Council held on Thursday 23 February 2023 at 2.00 pm in the Austen/Byron Conference Room, Canham Turner

Present: George Garlick (Chair), Huey Arslan, Heidi Broadhead, Professor Rob Dover, Professor Becky Huxley-Binns, Vanessa Lee, Ursula Lidbetter, Professor Dave Petley, Neil Robinson, Rashmi Rungta, Matthew Swindells

In attendance: Ola Fadipe, Professor Phil Gilmartin, Jeremy Hartley, Professor Paul Hagan, Professor Andrew Heyes, Dr Chris Ince (Secretary), Ellis McGlone (Governance Officer), Dr Darren Mundy, Derek Ord (Assistant Secretary), Dr Dave Richards and Sarah Wilson

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42	Welcome, Apologies for Absence and Declaration Apologies were received from: Professor Stephen Hardy, Matt Jukes, Rosalyn Schofield, Julia Whittaker, Denise Wilson The Chair noted that due to the apologies received, there was not a majority of lay members physically present. To ensure a quorum was achieved for a key decision, the absent lay members had been contacted in advance regarding the approvals requested in minute 50 and confirmation would be sought following the meeting for other decisions taken.	
42	Minutes of last meeting The minutes of the meeting held on 8 December 2022 were approved as a correct record.	

43	Matters arising <u>Minute 21</u> – It was reported that the annual return and accounts for the Ferens Education Trust were still to be submitted and were more than 250 days overdue. This would be followed up as a matter of urgency. (a) <u>Action Summary</u> The Committee received an Action Summary. <u>Minute 82</u> - It was reported that the incoming Executive Director, Academic Services would lead on the management of harassment and sexual misconduct. Council would be updated in due course and the matter would be built into the future work plan <u>Minute 27</u> – Discussions would take place regarding the input of lay members in Digital Transformation Programme plans but not as formal Project Board members. It was noted that all items were in progress, complete or on the agenda for discussion at the meeting.	USCCO Sec
44	Chair's Report (a) <u>Update on the sale of The Lawns and Ferens Hall</u> The Chair reported that further discussions had taken place regarding the planned sale of The Lawns and Ferens Hall, with some useful conversations having taken place. (b) <u>New Chancellor</u> It was reported that the search for a new Chancellor was ongoing and that individuals on a shortlist were being approached to ascertain their interest in the role.	
45	Management Report The Committee received and noted the Management Report. The Vice-Chancellor highlighted sections of particular interest. (a) <u>Staff Departures</u> It was reported that two members of the University Leadership Team were to shortly leave the institution.	

	Dr Dave Richards was thanked for his significant contribution to the University, particularly in the areas of research and knowledge exchange, where he leaves an important legacy including Aura, research institutes, Lampada, and recent excellent REF results. It was confirmed that an interim PVC would be appointed for approximately six months whilst a permanent appointment is sought. Professor Andy Heyes was thanked for leading the Faculty of Science and Engineering with great skill, strategy and purpose, and leading them through a significant and impactful restructure. He had led on the DAIM initiative, establishing the University as a leader in the field. It was confirmed that Prof Phil Gilmartin would assume the role of Dean of FoSE for an interim period until a permanent appointment could be made. Prof Gilmartin was thanked for taking on this role. (b) <u>Industrial Action</u> It was reported that UCU industrial action was ongoing and that the numbers of staff taking part were reducing over time. It was noted that national negotiations were ongoing through ACAS and that strike action had been paused for a two week period as a result. It was noted that the impact on students had been relatively limited, with striking staff asked to cover the missing teaching at a later date, which most staff had done. It was noted that the purpose was to ensure that the impact of the action was on the University rather than the students. It was noted that where staff did not cover the missing teaching, this had been classed as action short of a strike and that a 20% pay deduction was made. It was confirmed that the Daily Telegraph had run a story on the University's stance. It was reported that the University's stance on ASOS had helped to minimise the impact on students and that despite some disagreements, the University retains a good relationship with the local branch of UCU. (c) <u>OFSTED Visit</u> It was reported that OFSTED had recently visited the School of Education and that the outcome of the inspection would be released soon.	
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	(d) <u>Change Project</u> It was reported that a change project would be undertaken to review and enhance academic support and student services. This would be a major project and managed in accordance with the University's procedures on change and was covered in more detail later on the agenda. (e) <u>Staff Consultations</u> It was reported that following the numerous meetings with all departments before Christmas, the results had been fed back to managers and would be publicised more widely in the coming weeks. (f) <u>Admissions</u> It was reported that admissions numbers were generally very good, but that the picture was complex and varied. UG applications were reported to be up by 4%, against a sector-wide reduction of 2%. However, Home UG applications were down 6% and this was offset by International UG applications being up by 45%. Nationally, applications to health-related courses were down significantly and applications to nursing at Hull were down by 12%. It was felt that this was due to a combination of negative publicity around NHS working and a return to normal levels following an increase in applications during the Covid pandemic. It was reported that applications from mature students were down by 38%, many of whom were local applicants to health-related courses. It was felt that the rising cost of living would have had a particular impact on these applicants. It was reported that Home PGT numbers were very low due to the improved employment prospects for graduates, the impact of Covid on recent graduates' HE experience and the rising cost of living. International PGT applications, however, were reported to be 44% higher, which equated to more than 5400 extra applications, posing a processing challenge. It was confirmed that the aim was not to increase numbers in a measured manner. The importance of distinguishing between applications and enrolments was noted as was the desire to raise the academic quality and English language skills of the intake. It was clarified that percentage of the student body that was international students had increased significantly The aim was to	
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	grow Home student numbers to ensure that the balance was managed. It was requested that a 'deep dive' into the makeup of the student population would be a useful information session for Council. (g) <u>Mandatory Training</u> It was reported that the take-up of the mandatory training in GDPR was close to 100%.	Sec
46	Vice-Chancellor Update from Consultations Council received a report of outcomes from the Vice-Chancellor's consultations with staff held before Christmas 2022. The report covered key themes and findings and outlined actions to be taken in response. (a) <u>Student Recruitment</u> The need to protect and enhance Home UG student recruitment was emphasised. It was noted that student recruitment from outside the region had dropped by a significant amount over time and in order to meet objectives this decline would have to be reversed. It was reported that work was underway on reviewing the admissions process and systems and that a project had commenced to improve the University's identity and brand. In order to be attractive to all students including those from outside the region, it would be essential to examine the academic portfolio. Work was underway to identify those subjects currently not recruiting effectively. (b) <u>Research capacity</u> It was agreed that the move to reduce the numbers of staff submitting to the REF and concentrating on improving quality had been a success. The focus would now be on sustaining or improving research quality whilst growing the size of the number of research active staff. It was reported that research reviews were ongoing and that additional research support was in place. It was noted that the default for academic appointments would in future be research and teaching. Exceptions would be possible, with specific approval. The academic career framework would be revised and the need for investment in research facilities was recognised.	

	It was noted that early career researchers in particular would need support structures to allow them to flourish and to attract the best applicants. The difficulties of sourcing and sustaining research funding were discussed. (c) <u>Academic support and structures</u> It was reported that through the consultations both academic and support staff were clear that many professional services were not positioned appropriately to support academic activity. There was minimal support available in schools and it was felt that the support available was often distant. It was noted that students were also not happy with the student support access, often finding it difficult to know where to go, and frustrated at being passed from one area to another. It was proposed to consider placing a small amount of support in academic schools and consider the line management of support services, including those currently provided under the remit of the PVCs. It was noted that this change was yet to be communicated widely but a role and service mapping exercise would take place shortly. It was recognised that this would be a significant and essential project and there was a risk of reorganisation fatigue in support staff, who had undergone three difficult change projects in seven years. It was noted that the academic schools and faculties were not to be reorganised themselves but that the real risk of fatigue would have to be addressed partly through the provision of clear messaging around the reasons for the change. It was noted that the previous reorganisation had not been fully completed at the time and that there had been many changes and challenges recently which had affected the context of the organisation. There was felt to be a need to address the many clear capability gaps, and to ensure that staff are fully supported in the roles that they undertake. It was noted that students would welcome a single student hub but that if this were to be in the library, this must not be at the expense of valued study space. It was clarified that the silent	
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	study space would be protected and that other more flexible and varied study spaces would be investigated across campus. (d) <u>Leadership</u> It was reported that given the large number of projects ongoing and yet to start, some internally focussed and some external, there was a need for a Deputy Vice-Chancellor (DVC) post to work alongside the VC and COO and to ensure that academic support and academic delivery are coherent. It was confirmed that the proposed changes would all be included in budget preparations and forecasting. RESOLVED: That the role of Deputy Vice-Chancellor be reinstated.	
47	The Lawns and Ferens Hall The Committee received an update on the proposed sale of The Lawns and Ferens Hall. It was noted that following the decision not to sell the property to the Home Office, a meeting had been held with key stakeholders at The Lawns. The meeting had proved positive but few actions had been agreed. Discussions had been held regarding de-listing The Lawns, but this was felt to be very unlikely to be approved. The University was working with East Riding Council with a view to amend the local development plan and a pre-planning application was being considered. It was reported that there had been increased interest in the properties and that bids were expected. It was confirmed that the preference remains to sell both properties as one lot. Work on the imposition of restrictions on the end use of the properties was in progress. It was reported that the issue of the proposed sale to the Home Office had become very difficult and that the University had received many letters of objection. It had been felt that the property would have become a focus for far right protests. Although there was a wish to help and support those seeking asylum, the view of the local service providers was that they would not be able to cope in that situation, and that the greatest good for the greatest number of people was not to sell to the	

	Home Office. It was noted that the local stakeholders were now working together and engaged in seeking a solution. Council discussed its remit and charitable objectives and if by forgoing significant income in response to external protests it had acted appropriately. It was also raised that the decision could be seen as moving the needs of those seeking asylum elsewhere. It was confirmed that the decision was not ultra-vires, and that although the decision had been very difficult to make, if the sale had taken place, it was felt the impact on the reputation of the University would have been such that it would have been very difficult to repair, exceeding the direct financial consequences. It was confirmed that external advice had been taken on the impact to reputation and relationships with local stakeholders and it had been clear that the damage caused would have been more costly than the sale income. It was noted that if the site was sold for housing, there would be pressures on local services and it was confirmed that these contradictions had been explored with stakeholders.	
48	Cambridge Education Group (CEG)/London Study Centre The Committee received an update on the proposed London Study Centre, in partnership with CEG. This was confidential at this time. It was noted that further discussions had been held and that a draft business case had been developed and considered by ULT. It was confirmed that the contract would be for 5 years, with no negative impact on Hull based provision anticipated, although there would be links to the Hull campus. It was reported that there had been speculation in the press regarding the ownership of CEG, whose private equity owners may be seeking expressions of interest in CEG. This was not felt to have a material effect on the proposal and the University's interests would be protected in any contract. RESOLVED: That financial projections for the Study Centre be incorporated into the University's future financial forecasts.	

49	International Strategy Council received an International Strategy update. It was noted that the update covers all areas of International work, with areas of excellent progress, as well as areas for future attention. It was confirmed that the five themes of the International Strategy were in place and that progress was being made in all areas. The large increase in international student numbers was noted and welcomed, along with the work underway to understand and improve their experience. It was confirmed that in addition to the reduction in the PGT fee level, significant work had been undertaken to improve the reputation and brand of the University abroad which had helped recruitment and which may also inform the required improvements in Home UG recruitment. It was noted that the International tuition fee level would be higher next year but that applications had still increased, suggesting that the other work on recruitment had been impactful. It was noted that the IELTS requirement had also increased with no negative impact.	
50	Finance Update The Committee received a comprehensive Finance Update.	
	(a) <u>Finance Update</u> It was reported that the finance update included a P5 update and a Q1 forecast. It was noted that Actual deficit at P5 was £16.2m, £0.1 adverse to budget. The Q1 forecast was reported to give an expected operating surplus of £17.6m. Energy costs were reported to continue to be problematic and income was higher than previous year. It was noted that government energy cost support would cease at the end of March. It was confirmed that all financial covenants had been met, with ample headroom.	

	It was reported that Finance and Investment Committee had recommended approval of an Uncommitted Money Market Loan Facility through Handelsbanken. This was reported to be a short term loan facility, repaid within the quarter of the loan, with a limit of £15m at a favourable rate. It was clarified that the facility would be confirmed by the external auditors in due course. RESOLVED: To approve the Uncommitted Money Market Loan Facility with Handelsbanken and provide delegated authority to Jeremy Hartley, Chief Financial Officer, to complete the opening of the facility on the terms set out in the update. Council received an update on the North Yorkshire Pension Fund. It was noted that the USS pension valuation process would start on 31 March 2023. The valuation at 31 March 2020 had indicated a deficit of £14bn and the indicative figure for 31 December 2022 was a surplus of £5bn. It was noted that there were a range of potential outcomes from the official valuation.	
	(b) <u>PP Statement of Account</u> The Committee received a Private Placement Statement of Account. It was noted that the Statement set out the current status of the private placement funds, and confirmed the allocation of funds to repay the EIB loan, as previously planned and approved.	
	(c) <u>Investor Update</u> The Committee received the Investor Update report, which had previously been supplied to Private Placement investors and which had been well received. It was noted that the placement had been included in Lloyds Bank annual report, with a positive mention of the University. It was noted that the Private Placement had recently been shortlisted for an award.	

	(d) <u>RCF Sustainability Linked Loan Proposal</u> 1 The chair of the Council reported that the purpose of the meeting was to discuss the University's proposed entry into a deed to amend the £40,000,000 revolving credit facility agreement originally dated 19 December 2014 between the University as borrower and Lloyds Bank plc as lender as amended and restated (inter alia) by a deed of amendment and restatement dated 13 April 2022 (the "Facility Agreement") to convert it into a sustainability linked loan which includes certain key performance indicators, sustainability performance targets and other conditions, compliance with which would result in a margin discount (the "SLL Deed"). The latest version of the SLL Deed was tabled for consideration. 2 It was reported that professional advice had been sought from Mills & Reeve LLP to provide legal advice on the SLL Deed and related matters. 3 The Council noted that the key terms of the SLL Deed were: 3.1 Sustainability Parameters - the University's key performance indicators would be carbon emissions, waste and diversity and inclusion. The University would set itself certain sustainable performance targets from 2023-2027 against those key performance indicators using an agreed baseline; 3.2 Margin Adjustment – depending on the number of sustainability performance targets achieved in each period of 12 months, the margin under the Facility Agreement would be adjusted by a certain percentage per annum as contained in the SLL Deed; 3.3 Rendezvous – amongst other things, if there was a change in law or regulation or the University's sustainability strategy that meant any key performance indicator or sustainability performance target was no longer relevant, realistic or achievable, the University and the Lender would enter into negotiations for no longer than 60 days with a view to agreeing new key performance indicators, sustainability performance targets or a new margin adjustment mechanism, failing which the loan made available under the Facility Agreement would be declassified as a sustainability-linked loan; and	
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	3.4 Sustainability Reporting – the University would be required to deliver to the Lender a sustainability compliance certificate for each period of 12 months setting out the performance of the University in relation to each key performance indicator for that period. 4 The Council further noted that: 4.1 the meeting had been properly convened and quorum was present; 4.2 the University intended to enter into the SLL Deed; and 4.3 the Council now needed to consider and, if thought fit, approve the SLL Deed and delegate such further powers to any two members of the Council and the Chief Financial Officer, Jeremy Hartley (the “Authorised Delegates”) as are necessary to further negotiate the terms of and progress the SLL Deed and to progress and approve any documents associated with the SLL Deed. 5 After due and careful consideration of the SLL Deed, the nature and scale of the liabilities to be undertaken pursuant to the SLL Deed and the commercial and financial consequences, direct or indirect, of the execution of any documentation deemed necessary to document the SLL Deed, the Council was unanimously of the opinion that: 5.1 the exercise by the University of its rights and performance of its obligations under the SLL Deed would not contravene any provision of the constitutional documents of the University or any agreement or any obligations of the University; and 5.2 the execution and delivery by or on behalf of the University of the SLL Deed and the exercise of its rights and the performance of its obligations thereunder would materially benefit the University and would be for the purpose of fulfilling its objects. 6 After due and careful consideration of the SLL Deed and taking into account their duties and obligations and the University’s constitutional documents and considering the University’s best interests, it was duly resolved by the Council that the following be and hereby are approved:	
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	6.1 all powers, authorities and discretions of the Council be delegated to the Authorised Delegates (acting alone or together) as may be necessary for the authorisation of all acts, matters or documents in connection with the SLL Deed including but not limited to: 6.1.1 authority to negotiate and finalise the documents required to give effect to the SLL Deed; 6.1.2 authority to approve and authorise the execution, delivery and performance of the SLL Deed and any associated documentation; 6.1.3 authority to execute the SLL Deed and any associated documents (as deeds if appropriate) with any amendments that the Authorised Delegates in their absolute discretion think fit (the approval of the Authorised Delegates in any such case to be conclusively determined by the signing of such documents or executing such documents as a deed (as the case may be)) and that such documents be dated and delivered to the other parties thereto; and 6.1.4 authority on behalf of the University to execute and do all such acts, deeds, documents, certificates and notices as the Authorised Delegates may considered expedient or desirable in connection with the execution or performance by the University of the SLL Deed or any other document or agreement connected to the SLL Deed.	
51	Capital Update The Committee received and noted the Capital Update, which showed a full year expenditure of £34m against a budget of £47.9m. It was confirmed that the Dennison Centre would be included in the Estates Planning in future.	

52	HUSU Update The Committee received the HUSU update report, outlining the work of the Presidents and the Union as a whole. It was reported that the HUSU election process had commenced and that results would be available on 13 March. A number of events had been held which had proved very successful including Unity in Diversity and LGBTQ+ History Month. HUSU were thanked for their excellent work on the recently completed TEF submission.	
53	Performance Indicators and League Table Update The Committee received and noted the University of Hull Performance Trends and KPIs, and league table update.	
54	Office for Students Update It was confirmed that there had been no OfS reportable events since the last meeting.	
55	Minutes of Committees (a) <u>Audit and Risk Committee – 23 January 2023</u> The minutes of the Audit and Risk Committee held on 23 January 2023 were received. (b) <u>Remuneration Committee – 31 January 2023</u> The minutes of the Remuneration Committee held on 31 January 2023 were received. (c) <u>Governance and Nominations Committee – 2 February 2023</u> The minutes of Governance and Nominations Committee held on 2 February 2023 were received.	

	(i) <i>GNC Terms of reference and composition</i> RESOLVED: That the Governance and Nominations Committee terms of reference, composition and membership be approved. (ii) <i>Committee appointments</i> RESOLVED: a. That the Rashmi Rungta and Ursula Lidbetter join the Governance and Nominations Committee membership with immediate effect to 31 July 2025. b. That Andrew Haigh join the Finance and Investment Committee and the Remuneration Committee from 1 August 2023 to 31 July 2026. (d) <u>Finance and Investment Committee– 2 February 2023</u> The minutes of the Finance and Investment Committee held on 2 February 2023 were received. (i) <i>Amended Financial Regulations</i> RESOLVED: That the amended Financial Regulations be approved. (e) <u>Honorary Awards Committee – 7 February 2023</u> The minutes of the Honorary Awards Committee held on 7 February 2023 were received.	
56	Valedictions Dave Richards and Andrew Heyes were thanked for their contributions to Council and the University over many years.	

57	Dates of Meetings 2022-23		All members
	Date of Meeting	<i>Deadline for papers</i>	
	Thursday 27 April 2023 at 2.00 pm	13/04/2023	
	Thursday 6 July 2023 at 2.00 pm	22/06/2023	
	Other dates to note: <u>Council Away Day</u> Wednesday 24 May 2022 <u>Council Dinner</u> Wednesday 5 July 2023		

Signature of Chair

Date of signature
