

Council

28 April 2022

Minutes of the University Council meeting held on Thursday 28 April 2022 at 2.00pm, ending at 3:45pm, in the Austen/Blake Conference Room, Canham Turner.

Present: George Garlick (Chair), Dr David Barrett, Phoebe Bastiani, Frances Hanson, Professor Susan Lea, Vanessa Lee, Ursula Lidbetter, Dr David Richards, Neil Robinson, Rosalyn Schofield (via Teams), Matthew Swindells, Richard Thompson, Julia Whittaker.

In attendance: Professor Philip Gilmartin, Professor Paul Hagan, Professor Stephen Hardy, Jeremy Hartley, Professor Andy Heyes, Dr Chris Ince, Dr Darren Mundy, Derek Ord, Sarah Wilson.

Minutes: 59 - 72

Action by

59 Welcome, Apologies for Absence and Declarations

Apologies for absence were submitted on behalf of Professor Becky Huxley-Binns, Matt Jukes, and Denise Wilson.

Members were welcomed to the first in-person meeting of Council since the start of the Covid-19 pandemic.

60 Minutes of last meeting

The minutes of the meeting held on 24 February 2022 were approved as a correct record. It was agreed that the minutes be published on the University website.

61 Matters arising

(a) Action Summary

The Committee received the action summary.

52 - It was noted that the Privy Council has been contacted regarding the proposed changes to the Charter and Statutes. No issues had been identified by them as part of the informal process.

Formal changes would be prepared for submission and the process of approval would continue.

62 Chair's Report

The Chair reported that he had recently visited the University of York and had met with its Chair of Council to share good practice.

It was reported that interviews for the new Vice-Chancellor had taken place and that an informal offer had been made to the unanimously preferred candidate. Negotiations were underway and following the receipt of all references, a formal recommendation would be made to Council for approval. It was hoped this would take place the following week.

63 Management Report

The Committee received the Management Report to Council.

The Vice-Chancellor noted the report contents and highlighted the Strategy 2030. There had been excellent engagement with the Strategy, which had been shared widely. A new Head of Internal Communications had commenced work and was ensuring that the Strategy was owned by all staff.

It was noted that planning permission had been sought for the design of the winner of the mural competition.

In relation to the situation in Ukraine, it was reported that the University was seeking to support those affected wherever possible, including seeking to connect with universities in Ukraine. It was confirmed that there were a small number of Ukrainian and Russian students at the University, who were able to access support if needed.

It was reported that there was a high level of staff absence due to Covid-19, particularly in hospitality and catering.

It was noted that the Times Higher Education Impact rankings had been released and that the University was ranked 81st overall from more than 1,600 universities across 99 countries, which was seen as a significant achievement. The University was ranked 25th for Peace, Justice and Strong Institutions and 35th for Reduced Inequalities. It was reported that the University would be likely to increase in these rankings again next year. Thanks were expressed to all staff and students involved across the University.

It was reported that student recruitment through UCAS was up 6.9% and Home UG was up 1.9%. International UG applications were up 40%, and it was noted that many were from UK residents.

It was noted that firm acceptances for undergraduate offers were up 8.7%, with most decisions due to be made by early June.

A number of offer holder days had been held and work towards the clearing period had commenced. It was reported that approximately 500 students may need to be recruited through clearing. It was noted that the very high PGT numbers would help to mitigate any shortfall in UG fee income.

It was confirmed that there had been several improvements to the recruitment process this year, including a project to review the process and enhance accountability and support in faculties. Several new types of activity had been introduced, including digital channels. It was noted that the relaxing of Covid rules had allowed more face to face activity, resulting in on campus activities taking place three times per week. There was also an intensive outreach programme to enhance our relationship with offer holders and thus improve conversion.

It was confirmed that all universities will likely be seeking to maximise their recruitment this year, as all institutions will be anticipating increased costs due to inflation and energy prices, whilst no increase in the regulated UG fee.

It was confirmed that the target of 1% of the home UG market remained and was still being worked towards.

It was reported that the number of international PGT applications and acceptances was significantly raised, with 18,000 applications to date. It was noted that a lot of work was required to support this change in demographic and ensure that a high quality experience is delivered both through the application process and as a student.

It was confirmed that the current Russian sanctions would have a negligible effect on the University's student recruitment.

It was confirmed that the University had engaged with PGT international students through the International Student Barometer, and that some very favourable feedback had been received. Efforts were also underway to further internationalise the campus.

It was confirmed that talks had been held with local landlords regarding the need for accommodation that is more suitable for international students and their families. More engagement was also taking place with local communities and the local Council regarding the impact of a significantly larger number of overseas students.

64 Transformation Programme

It was reported that the Transformation Programme had undergone a change in its governance arrangements and would no longer be required as a separate standing item on the Council agenda.

65 Finance

(a) Finance Update

The Committee received a finance update presentation.

It was reported that the financial position for the year to date was favourable to budget and prior year, the cash position was slightly adverse to forecast. The cash balance was forecast to be above budget and all covenants were forecast to be met. The operating surplus was still impacted by Covid-19 restrictions.

It was noted that the financial KPIs are now aligned with the newly agreed covenants related to the Revolving Credit Facility (RCF) and the Private Placement.

The positive impact on the cash flow forecast of the private placement was highlighted.

It was reported that the 2022/23 planning process was well underway and high level operational plans had been received the previous week, which would feed into budgeting.

It was confirmed that the University was continuing to work towards previously agreed targets, including having overall pay and non-pay costs in line with sector averages.

It was noted that inflation was a risk, with 3% budgeted for together with a 1% pay increase. Inflation was currently approximately 7%, and difficulties were expected and would be planned for. In addition, increases in National Insurance and the National Minimum Wage were expected to have an impact.

It was noted that the costs of utilities were expected to double in the next year, from a current cost of £3.5m pa. In response, the University was seeking to accelerate the change to use of solar farms and heat pumps. It was noted that these cost increases would affect the whole sector.

It was confirmed that the target surplus for 22/23 was challenging in the current circumstances, but that there were improvements that could be made in terms of more efficient processes and systems. Council would receive the budget for approval at its next meeting following further work and discussion at ULT.

(b) Capital Programme Update

It was confirmed that the disposal of two properties, The Lawns and the Dennison Centre, were progressing well.

It was confirmed that the current focus of the capital programme was on the network refresh, at a cost of approx. £4m.

It was clarified that a high level overall capital plan had been prepared and had been used to support the current forecasts. This was now being refined to show more specific plans. It was agreed that a more detailed, defined plan would be created, and that all significant building projects would come to Council for discussion and approval as separate business cases, in line with the Financial Regulations. It was expected that the first to do so would be the new solar farm. It was agreed that each of these individual plans would also need to be seen as part of an overall plan incorporating all expected work in the capital programme.

CFO

c) USS Update

It was reported that the JNC had met to agree the new contribution rate which had now been set.

It was noted that UHPAS was currently undergoing an actuarial valuation.

66 External Financing

The Committee received a report regarding the recent External Financing process.

It was reported that the subject of External Financing remained confidential until formally communicated to staff, students and the public.

It was noted that further detailed information on the external financing would be provided to Council at its annual Away Day.

As background to the private placement, the Vice-Chancellor explained that the University had successfully worked through the Transformation Programme and the recent impact of Covid-19 and was now in a position where an investment in the campus was required, to both refurbish and replace facilities, and invest in new opportunities. The University needed to move from a difficult financial position in the past to one where investors would have confidence in the institution, as the University would not have been able to generate the surplus required to make the changes needed. The investment was therefore necessary to secure the future of the University.

It was noted that the Investor Presentations showed the current University position and the future Strategy, and where it required investment.

It was clarified by the CFO that a Private Placement was a long term loan, required as banks were usually not willing to lend over more than 5 years.

It was reported that the University had secured through a Private Placement, £86m from three investors, for between 12 and 20 years. A renegotiation of the RCF for £25m over 5 years had also been achieved.

It was agreed that it was a significant achievement for the University to attract this level of investment, and that it was a testament to the staff for all that had been achieved through the Transformation Programme. It was noted that the process of securing the investment had taken a large amount of work by many staff and the management of the institution.

It was confirmed that questions had been raised by the investors about the charitable status of the University and any possible change to that, and that reassurance had been given.

It was noted that the Investor Presentation would be kept as a live document and refreshed regularly.

It was confirmed that the finance would be used to support the capital programme, and that a detailed explanation of the governance of the individual and overall projects would be brought to the next meeting of Council.

CFO

It was clarified that the funds would be invested until required, and that annual reports and compliance certificates would be required by the investors.

It was confirmed that the investment had been achieved through the use of a Green Finance Framework, in line with the aims of the University Strategy 2030. This was the first Green issuance made by a UK university and showed commitment to the Strategy. This would be externally reviewed.

It was confirmed that internal and external announcements regarding the investment would be made in the following week.

67 HUSU Report

The Committee received an update from the HUSU President Team.

It was noted that the team had reduced to three from an initial five, as members of the team had taken up new positions elsewhere. There would be four sabbatical positions in 22/23.

It was reported that much of the work of the team was now focussed on handover preparation and concluding campaigns. Work had taken place relating to sustainability and outreach, a donation station had been created, and work had taken place with international students on many issues.

It was reported that the mental health strategy had started to move focus from staff to students and there were plans in place to raise awareness.

It was confirmed that the new Wetherspoons had proved successful so far, and had attracted visits from other Students' Unions. The last HUSU Council of the year had taken place and many awards ceremonies were to be held.

68 University of Hull Performance Trends and KPIs

The Committee received and noted the Performance Trends and KPIs.

69 University Almanac 2022/23

The Committee received and noted the University Almanac 2022/23.

70 Minutes/Executive Summary of Committees

(a) Senate – 16 March 2022

The minutes of Senate held on 16 March 2022 were received.

RESOLVED:

- (i) That the minutes be noted.
- (ii) That the Annual Statement of Research Integrity be approved.
- (iii) That the Tuition Fee Schedule for 2023/24 be approved.
- (iv) That the Honorary Awards Committee Terms of reference and Membership 2021-22 be approved.

(b) Transformation Sub-Committee – 21 March 2022

The minutes of the Transformation Sub-Committee held on 21 March 2022 were received.

RESOLVED:

- (i) That the minutes be noted.

(c) Audit and Risk Committee – 21 March 2022

The minutes of the Audit and Risk Committee held on 21 March 2022 were received.

RESOLVED:

- (i) That the minutes be noted.
- (ii) That the Risk Management Update and Risk Register be noted.

71 Dates of Meetings 2021-22

Date of Meeting	<i>Deadline for papers</i>
Thursday 7 July 2022, 2.00 pm	<i>23 June 2022</i>
Other dates to note	
Tuesday 24 May 2022, Council Dinner	
Wednesday 25 May 2022, Away Day	

72 Any other business

OfS Reportable Events

In response to a query, it was confirmed that a note of OfS reportable events would be included as a standing item on the Council agenda in future. It was noted that the appointment of a new Vice-Chancellor was a reportable event. The private placement had been reported to the OfS but there had been no response to date.

Secretary

REF Results

It was noted that the REF results would be released in early May. An update would be provided at the Council Away Day with a full presentation on research at the July Council meeting.

Signature of Chair

Date of signature
