



17 October 2022

Council

Minutes

Minutes of Council held on Monday 17 October 2022 at 2.00 pm in the Kingsley Suite,
Canham Turner

Present: Vanessa Lee (Acting Chair), Huey Arslan, Heidi Broadhead, Professor Becky Huxley-Binns (for item 10), Ursula Lidbetter, Professor Dave Petley, Rashmi Rungta (from item 3), Rosalyn Schofield, Matthew Swindells, Julia Whittaker, Denise Wilson (from item 8)

In attendance: Ola Fapide (until item 11), Professor Philip Gilmartin, Professor Stephen Hardy, Jeremy Hartley, Professor Andy Heyes, Dr Chris Ince, Dr Darren Mundy, Derek Ord, Dr David Richards, Sarah Wilson.

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		Action by
1	<p>Welcome, Apologies for Absence and Declaration</p> <p>Vanessa Lee, Chair of Finance & Investment Committee, was chairing the meeting in the absence of the Chair of Council.</p> <p>The Chair welcomed new members: Heidi Broadhead, Rashmi Rungta (from item 3).</p> <p>The Chair welcomed the Vice-Chancellor to his first meeting of Council.</p> <p>Apologies were received from: George Garlick, Paul Hagan, Matt Jukes, Neil Robinson</p>	
2	<p>Council Membership – 2 new appointments</p> <p>The Committee received recommendations from the Governance and Nominations Committee for the appointment of two new members.</p>	

	<p>It was noted that an external agency had been used to support the process and a formal panel had convened to consider the applications.</p> <p>RESOLVED:</p> <p>(i) That Rashmi Rungta be appointed as a lay member of Council, and of Audit and Risk Committee with immediate effect.</p> <p>(ii) That Andrew Haigh be appointed as a lay member of Council from 1 August 2023 and as a co-opted member of Finance and Investment Committee with immediate effect until 1 August 2023.</p>	
3	<p>Minutes of last meeting</p> <p>The minutes of the meeting held on 7 July 2022 were approved as a correct record and signed by the Chair.</p>	
4	<p>Matters arising</p> <p>(a) <u>Action Summary</u></p> <p>The Committee received an Action Summary. It was noted that all items were in progress or resolved.</p> <p>It was reported that in response to the increase in international student numbers, work had been ongoing to amend the catering provision accordingly. International students had been employed to advise on catering provision and specific international food offerings were now made weekly, along with a wide diversity of dietary requirements. Student reps would be engaged more widely during the year.</p> <p>It was noted that there were vacancies for chefs and that the ability to offer a diverse menu would be part of the selection process when filling these positions.</p> <p>The progress was welcomed and it was requested that the availability of a more diverse food offering be more widely publicised to all students.</p>	

<p>5</p>	<p>Terms of reference, composition and membership 2022-23</p> <p>The Committee received the Terms of Reference, composition and membership. It was noted that the only change was to include Risk in the title of Audit and Risk Committee. It was confirmed that this was a common title and that the committee was focussing more on risk. It was agreed that improvements in risk management had been made.</p> <p>It was noted that changes to the Charter were with the Privy Council and that final approval was expected shortly.</p> <p>RESOLVED:</p> <p>That the terms of reference, composition and membership 2022-23 be approved.</p>	
<p>6</p>	<p>Programme of Work</p> <p>(a) <u>Programme of Work 2022-23</u></p> <p>The Programme of Work 2022-23 was received for information. It was noted that the document should be updated regularly, and that receipt of a Sustainability Report should be included.</p> <p>Members were requested to feedback ideas for topical areas of discussion for future meetings. These should be sent to the Governance Team.</p>	<p>Sec</p> <p>All</p>
<p>7</p>	<p>Chair's Report</p> <p>The Chair welcomed the Vice-Chancellor and invited him to give his report.</p> <p>The Vice-Chancellor thanked all members for their work on Council and noted the work of the previous Vice-Chancellor in leading the University to its current financially strong position.</p> <p>The importance of the University in the city and region was noted and it was felt that more could be done in this area.</p> <p>The current challenging political situation was acknowledged, with no steer regarding Higher Education or research funding from the current Government.</p>	

	<p>It was felt that tuition fee levels would not be reviewed until after the next election and so were likely to remain unchanged for up to four years. Financial plans would be made accordingly, taking into account current high levels of inflation.</p> <p>It was confirmed that the University must aim to be a research-led civic institution, with research underpinning excellent teaching, whilst closely engaged with our local communities. The student experience must, however, underpin all endeavours. It was noted that much work had taken place in this area, but that there remained more that could be done to consolidate the University's foundation to thrive.</p> <p>It was confirmed that research was critical in terms of reputation, particularly internationally. The increase in student numbers should lead to higher staff numbers which provided an opportunity to increase the number of research-active staff.</p> <p>The good REF result was noted, but research capacity was felt to be too low, with a need to significantly increase the overall number of staff submitted in the next REF.</p> <p>It was reported that meetings were taking place with all departments, and with students and other stakeholders, to gather ideas and opinions. From these meetings so far, it was noted that staff morale was an issue due to difficult times through Covid and transformation. It was agreed that this must be addressed and staff be better supported. Internal communications was an area for improvement as was staff professional, management and leadership development. The need to include staff in transformation discussions was noted, and that different staff would require different types of support.</p> <p>Energy costs were again noted as a major challenge despite the government support package, and would be for some time. These would be discussed further later on the agenda.</p> <p>It was reported that an academic strategy, supporting Strategy 2030, was being developed and all academic areas would be analysed to identify research strengths. NSS results would be included to inform the strategy. Principles would be developed for making decisions regarding targeted investment which would be brought to Council in due course.</p>	
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	<p>The national student recruitment position was reported to be very complex, given recent grading changes and the varied responses to it from other institutions. The University had achieved good Home UG numbers against a very ambitious target.</p> <p>It was reported that OFSTED were to visit that week to reassess the University apprenticeship position.</p>	
8	<p>Management Report</p> <p>The Committee received and noted the Management Report.</p>	
9	<p>KEF Presentation</p> <p>The Committee received a presentation on the results of the KEF2 assessment.</p> <p>It was reported that the University was in a cluster of large, high research intensive and broad-discipline universities undertaking a significant amount of excellent research.</p> <p>The KEF2 results were reported to be very positive, with improvements in a number of areas. Areas for improvement were also identified and work had already commenced on the next submission.</p> <p>It was noted that it was important to prioritise the work, and that the results were comparative and so not all institutions could improve in all areas. It was felt to be important to publicise the result widely, as a success for the institution.</p> <p>It was clarified that the strong result in partnerships would also be a key factor in growing research in the future, as well as regional development. It was felt that the results could lead to more external investment.</p> <p>It was reported that both REF and KEF successes were linked to previous strategies and that regional results would be a challenge but external investment should show improvements.</p> <p>The central support provided to faculties to achieve the results was acknowledged as being a key factor.</p>	

10	NSS Results <p>The Committee received a presentation on the results of the NSS 2022.</p> <p>It was reported that there were several sections where the University was above the benchmark, and some subjects that had performed exceptionally well. Other subjects and areas were weaker and there were some challenging areas to improve.</p> <p>It was noted that Organisation & Communication and Timetabling were particular areas that required improvements and actions and responses were discussed.</p> <p>It was confirmed that the increased diversity of the student community would have had no direct effect due to the constituency of those being surveyed was limited to final year undergraduate students. It was confirmed that the International Student Barometer had shown positive results recently.</p> <p>It was noted that although some questions were not to be included in future NSS surveys, it remained important to ensure that organisation and management was as best as it could be. It was suggested that student communications during Covid, which had been excellent, be compared to communications since, to better understand what could be done better. It was suggested that students required messages through different means depending on their mode and location of work.</p> <p>It was noted that the cohort surveyed were the one most affected by Covid and that different universities had handled the return to face to face teaching in different ways, which would impact on overall results across the sector.</p> <p>It was agreed that the poor results related to timetabling were disappointing and that this must be addressed as soon as possible. It was reported that a working group had been formed to examine problems and implement solutions.</p> <p>It was clarified that students were surveyed on a regular basis and that the University was wary of over-surveying students, leading to 'survey-fatigue'. It was reiterated that the focus should not be the survey results but on the actions taken in response to them.</p>	
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11	Student Enrolment Update The Committee received a student enrolment update presentation. It was reported that Home UG enrolments were close to budget and significantly higher than the previous year. International PGT numbers were also higher but other categories were under targets and lower than the prior year. Overall enrolments were 830 above the previous year but were 449 below budget. It was clarified that Home PGT student enrolment was sensitive to the job market and that many students had chosen to enter employment rather than further studies. This was reported to have affected institutions across the sector to varying degrees, although data was not easily obtained. It was also noted that students entering PGT studies had experienced disrupted UG studies due to Covid, which may have affected their choice not to continue in Higher Education. It was confirmed that as some areas had not increased student numbers, staff increases had not taken place, which compensated the financial figures. It was confirmed that the CPO and CFO met frequently to plan the workforce in response to student demand. It was confirmed that the business plan was based on increasing student numbers and that this was focussed on Home UG and International PGT. There remained a need to manage staff numbers and student costs to respond to the numbers enrolled. Progression against the prior year was key. It was confirmed that further enrolments would be likely and therefore final numbers would increase. There would also be a second intake for some courses in January, in particular for DAIM, with a further three hundred PGT students expected to start. The high numbers for Home UG and International PGT were welcomed and staff thanked for their excellent efforts in achieving this.	
12	Carbon Reduction Update The Committee received a carbon reduction update presentation.	

	<p>The work undertaken towards a carbon neutral campus was highlighted, particularly the principles of Avoid, Reduce, Eliminate and Produce. The commitment to operate a carbon neutral campus by the end of 2027 was reiterated.</p> <p>The roadmap to carbon neutrality was discussed, and the energy consumption by campus building. It was clarified that some buildings used a high level of energy for their size, and that this was usually due to their age and design, function and limited ability to control heating in small zones.</p> <p>Current carbon saving interventions were discussed and it was noted that the previous possible interventions of mothballing Cohen and Venn buildings were not now planned to take place following further investigation. Several interventions had been agreed, with several more requiring further work before a decision could be taken.</p> <p>It was noted that a timeline of the work towards carbon neutrality would be a useful addition. It was also confirmed that the recent rises in energy prices had allowed the University to reconsider previous decisions and make changes where appropriate. It was noted that better solar panels could now be used as the savings were greater, however, such panels were now more difficult to source due to greater demand.</p> <p>It was confirmed that the issue should be part of a Sustainability Report and that Council should receive updates against KPIs. It was reported that the Sustainability Board was working on defining the context and communications related to the work underway.</p> <p>The importance of sustainability work not affecting the student experience was reiterated, as well as the importance of including staff and students in the strategy and ensuring continued engagement.</p> <p>It was confirmed that the University was believed to have the most ambitious target of any comparable institution.</p>	PVC-I
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13	Finance Update	
	<p>(a) <u>Year End 21/22 Update</u></p> <p>The Committee received a Year End 21/22 update.</p> <p>It was reported that the 21/22 total income was £193.3m, with an operating surplus of £20.6m, outperforming the previous 7 years.</p> <p>The cash position was reported to be £110.5m, favourable to both budget and previous year, driven by the private placement funding.</p> <p>After adjustments, a total deficit of £21.6m in the draft financial accounts was reported.</p> <p>An update on property disposals was received and noted. Progress was reported on all planned disposals.</p>	
	<p>(b) <u>Year to Date Performance</u></p> <p>The Committee received a presentation on YTD Performance.</p> <p>Overall comprehensive Income was reported to be £4.5m, £0.6m adverse to budget and £2.3m favourable to previous year.</p> <p>Pay was reported to be £0.5m favourable to budget and non-pay £3.8m adverse to budget.</p> <p>Surplus movements were outlined, compared to budget and prior year.</p> <p>It was confirmed that all financial covenants had been met, with sufficient headroom. None of the internal trigger points had been reached.</p>	
	<p>(c) <u>Draft Statutory Accounts</u></p> <p>The Committee received the draft statutory accounts.</p> <p>It was reported that the management accounts showed total comprehensive income for the year of £4.5m and that the financial accounts showed a total comprehensive deficit of £21.6m, mainly driven by a £38.5m USS pension cost.</p>	

	<p>Consolidated EBITDA was reported to be £37.5m, and the 2021/22 balance sheet position showed reserves of £195.5m.</p> <p>It was reported that there were no new accounting judgements added since the previous year.</p>	
	<p>(d) <u>Latest View Forecast</u></p> <p>The Committee received the 2022-23 Latest View Forecast.</p> <p>It was reported that the latest view forecast showed an operating surplus of £18m, £6.3m adverse to budget and £2.6m adverse to prior year.</p> <p>It was noted that the tuition fee income was reduced compared to budget and that energy costs had increased by £9.5m.</p> <p>It was reported that accommodation was approximately 93% occupied, but that there were issues with some international students arriving with families, having not arranged any accommodation. The University did not own any accommodation suitable for families and students needed to obtain this via the private accommodation market.</p> <p>It was clarified that delays in staff recruitment could affect morale of existing staff but that staff numbers were always aligned to student numbers. It was reported that there was a high staff turnover and it was proving difficult to recruit staff in some areas. Many changes had been made to release pending vacancies and to prioritise posts, and it was hoped that through continuous improvement changes, there will be a reduction in staff requirements.</p> <p>It was clarified that the USS pension funds were not negatively affected by recent gilt movements, similarly to the other pension funds.</p> <p>It was noted that a £300k provision for international taxes relates in the most part to old academic provision overseas, which was no longer running.</p> <p>The rise in energy costs was discussed and it was noted that there was much uncertainty in accounts in all sectors. It was confirmed that scenarios and sensitivity analysis had taken place on costs to ensure that these were fully understood.</p>	

	<p>It was clarified that the current energy costs had been fixed for winter 2022 and summer 2023, and that future contracts were being examined.</p> <p>RESOLVED:</p> <p>That the 2022/23 budget expectations be reset to an operating surplus of £18m, down by £6.3m, be approved.</p>	
14	<p>Performance Indicators and League Table Update</p> <p>The Committee received and noted the Performance Trends and KPIs.</p> <p>It was noted that the Times Higher World University Rankings 2023 had recently been released and that the University had risen from a rank of 600-800 to one of 501-600, which was a very pleasing result.</p>	
15	<p>Harassment and Sexual Misconduct Cases</p> <p>The Committee received information related to Harassment and Sexual Misconduct.</p> <p>It was reported that much work was underway on this issue, including through USEEEC. It was noted that the OfS was also consulting on a new condition if registration in this area, in early 2023.</p> <p>It was agreed that focus must be kept on this issues and that members should feedback to Governance on any specific information that they would like to be included in a future report.</p>	All
16	<p>Prevent duty: Institutional Return 2021/22</p> <p>The Committee received information related to the 2021/22 Prevent duty Institutional Return.</p> <p>Members were invited to send comments to Governance, and it was noted that a final report would be considered and approved by Council via email in November 2022.</p>	All

17	Minutes/Summaries of Committees	
	<p>(a) <u>Audit and Risk Committee – 12 September 2022</u></p> <p>The minutes of the Audit and Risk Committee held on 12 September 2022 were received and noted.</p> <p>RESOLVED:</p> <p>That the Audit and Risk Committee Terms of reference and composition 2022/23 be approved.</p>	
	<p>(b) <u>Finance and Investment Committee – 29 September 2022</u></p> <p>The minutes of the Finance and Investment Committee held on 29 September 2022 were received and noted.</p> <p>RESOLVED:</p> <p>That the Finance and Investment Committee Terms of reference and composition 2022/23 be approved.</p>	
	<p>(c) <u>Remuneration Committee – 4 October 2022</u></p> <p>The minutes of the Remuneration Committee held on 4 October 2022 were received and noted.</p> <p>RESOLVED:</p> <p>(i) That the Remuneration Committee Terms of reference and composition 2022/23 be approved.</p> <p>(ii) That the Annual Senior Remuneration and Severance Report be approved.</p>	
	<p>(d) <u>Senate – 10 August 2022 and 5 October 2022</u></p> <p>The minutes of Senate held on 10 August and 5 October 2022 were received and noted.</p> <p>RESOLVED:</p> <p>That the Senate Terms of reference and composition 2022/23 be approved.</p>	

<p>18</p>	<p>Dates of Meetings 2022-23</p> <table border="1" data-bbox="316 331 1190 689"> <thead> <tr> <th data-bbox="316 331 751 371">Date of Meeting</th> <th data-bbox="759 331 1190 371"><i>Deadline for papers</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="316 376 751 450">Thursday 8 December 2022 at 2.00 pm</td> <td data-bbox="759 376 1190 450">24/11/2022</td> </tr> <tr> <td data-bbox="316 454 751 528">Thursday 23 February 2023 at 2.00 pm</td> <td data-bbox="759 454 1190 528">09/02/2023</td> </tr> <tr> <td data-bbox="316 533 751 607">Thursday 27 April 2023 at 2.00 pm</td> <td data-bbox="759 533 1190 607">13/04/2023</td> </tr> <tr> <td data-bbox="316 611 751 685">Thursday 6 July 2023 at 2.00 pm</td> <td data-bbox="759 611 1190 685">22/06/2023</td> </tr> </tbody> </table> <p>Other dates to note:</p> <p><u>Council Away Day</u> Wednesday 24 May 2022</p>	Date of Meeting	<i>Deadline for papers</i>	Thursday 8 December 2022 at 2.00 pm	24/11/2022	Thursday 23 February 2023 at 2.00 pm	09/02/2023	Thursday 27 April 2023 at 2.00 pm	13/04/2023	Thursday 6 July 2023 at 2.00 pm	22/06/2023	<p>All members</p>
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<p>19</p>	<p>Any other business</p> <p>(a) <u>Trustee appointment to The Ferens Education Trust</u></p> <p>The Committee received a request to appoint a new Trustee to the Ferens Education Trust.</p> <p>It was reported that the Trust annual return and accounts had been overdue due to delays with an independent examiner but that this had been resolved and the accounts submitted.</p> <p>RESOLVED:</p> <p>That Dr Kat Sanders be appointed Trustee to The Ferens Education for three years.</p>											

Signature of Chair _____

Date of signature _____