

22 February 2024

Council

Minutes

Minutes of Council held on Thursday 22 February 2024 at 1.30 pm in Austen/Blake Conference Room, Canham Turner.

Present: George Garlick (Chair), Heidi Broadhead, Professor Rob Dover, Andrew Haigh, Professor Kevin Kerrigan, Ursula Lidbetter, Dr Catherine Murray, Professor Dave Petley, Raji Destiny Ibrahim Raji, Rashmi Rungta, Neil Robinson, Rosalyn Schofield, Denise Wilson

In attendance: Joanne Gibbons, Professor Philip Gilmartin, Professor Stephen Hardy, Dr Chris Ince (Secretary), Professor Fiona Matthews, Professor Darren Mundy, Derek Ord (Assistant Secretary), Lilly Rockett, Professor Dirk Schaefer, Professor Laura Treadgold, Andrew Warnes, Sarah Wilson

Minutes 49 - 68

		Action by
49	<p>Welcome, Apologies for Absence and Declaration</p> <p>The Chair welcomed new members: Professor Laura Treadgold</p> <p>Apologies were received from: Jeremy Hartley, Professor Becky Huxley-Binns, Matt Jukes, Vanessa Lee</p>	
50	<p>Minutes of last meeting</p> <p>The minutes of the meeting held on 14 December 2023 were approved as a correct record.</p>	

51	Matters arising (a) <u>Action Summary</u> It was reported that all items were either completed or on the agenda for this or a subsequent meeting.	
52	Chair's Report It was reported that at a recent meeting with the OfS, it was confirmed that its current focus was on franchised provision. It was reported that the University does not currently offer any franchised courses.	
53	Management Report Council received the latest Management Report and the following areas were highlighted: (a) <u>Legal action</u> It was reported that a legal case had been launched in the sector, representing students alleging breaches of contract due to disrupted studies during industrial action and the Covid-19 pandemic. Although this had at first been related to other institutions, this had now expanded to most of the sector, including Hull. Legal advice had been sought and the University had agreed with the claimants that the case be paused at this point, with no further students added to the claim. It was felt that the risk to the institution was low at this stage, as the effects of industrial action were minimal and significant support was put in place during the pandemic. Internal complaints procedures, and if necessary, the OIA, would be the usual routes for any such complaint and very few had been received. It was also unclear what any redress may be possible, given that in the majority of cases tuition fees are not paid by the student directly. It was clarified that any other students from this cohort were now out of time to make a claim, but it may be possible that a judgement could change the situation, and this should be monitored and anticipated.	

(b) Sector challenges

It was reported that there remain many challenges to the sector, creating a very difficult operating environment. These include:

- A static tuition fee cap placing increasing restrictions on finances.
- A changing student demand, with a particular decline in mature students aged 21+ nationally
- Challenging rhetoric from government, particularly affecting international applications
- Changes to the visa regime and post-study work visas
- Increased international competition, notably from Canada, New Zealand, and USA
- High inflation, pay claims and energy costs
- Increasing concerns regarding research funding and increasing contributions from universities towards costs

(c) Financial Pressures

It was reported that the Home UG student recruitment figures were of concern, being approximately 10% lower than prior year, mainly from the 21+ cohort. International PG numbers were reported to be 60-70% lower across the sector.

It was confirmed that the focus now was on application management and conversion to acceptances and in due course, enrolments. A task group was meeting regularly, and a new group had been formed to review the academic provision to ensure that it is attractive and meets student needs.

A Voluntary Exit Scheme (VES) had been launched, targeted in part to areas where the staffing complement was not appropriately aligned to the student numbers. The aim was to rebalance the staffing numbers and lower the cost base. Other staff reduction options remain available if required.

It was reported that the planning process was undergoing review, to ensure that plans are better aligned to budgets and Strategy 2030.

It was noted that going concern financial scenarios were being examined, following discussion at FIC, and possible mitigating actions being considered, to ensure that covenants continue to be met.

	<p>It was noted that the sector had experienced a large amount of negative publicity recently. Some articles related directly to the University were noted to be largely inaccurate or out of date.</p> <p>(d) <u>University Successes</u></p> <p>It was reported that despite the challenging environment, the University would continue to prudently invest in major projects that would help secure the future, such as estate improvements, net zero transition, digital transformation, identity and brand and admissions transformation.</p> <p>It was noted that several major research projects were soon to commence, bringing significant funding to the institution. Opportunities also existed through the excellent relationship with HUSU, with possible local authority devolution and the recent re-start of internal leadership training.</p>	
54	Finance Report	
	<p>(a) <u>Finance Update</u></p> <p>Council received the Financial Update.</p> <p>It was reported that the current focus was to mitigate the financial challenges faced. The operating deficit was reported to be £14.1m, £2.1m adverse to revised budget. The cash balance was reported to be £80m, including private placement funds.</p> <p>Income, pay and non-pay expenditure were all reported to be adverse to the revised budget.</p> <p>It was noted that the current VES would help with pay costs, and that there were opportunities to reduce non-pay expenditure.</p> <p>There was reported to be a reduced attrition of students, which was a welcome sign, with the assumption that the related data was flowing correctly.</p> <p>It was confirmed that all financial covenants were being met and were being closely monitored.</p> <p>It was reported that a Listing Enhancement report for The Lawns and Ferens Hall had been produced and a development plan was being created.</p>	

	<p>It was reported that the USS pension scheme had been revalued and that the consultation had recently finished. As a consequence, both employer and employee contributions had reduced, and some benefits had been reinstated. The savings to the University were reported to be £2.8m in 2023/24 and approximately £5m in 2024/25.</p> <p>It was reported that the plan to exit the North Yorkshire Pension Fund was progressing, with consultation taking place with the small number of remaining staff members.</p> <p>It was confirmed that the Financial Regulations would be reviewed during 2024 and brought through Finance and Investment Committee and Council in due course.</p>	CFO
	<p>(b) <u>PWC Financial Sustainability Report</u></p> <p>Council received the Report and associated summary which added a Hull context to the findings. It was noted that the Report was produced using 2022/23 data.</p> <p>The financial challenges to the sector were outlined, looking at both current state and likely future issues.</p> <p>It was noted that despite continued successes in the HE sector, including steady domestic enrolments, popularity with international students, and excellent research, the challenges to the sector are many and mounting.</p> <p>It was clarified that the outstanding tuition fee debt of students from Nigeria was closely monitored and had significantly reduced. The University was working closely with HUSU on this matter.</p> <p>It was confirmed that the continued commitment to achieving net zero carbon on campus by 2027 would require discussion and decision in the near future. It was noted that the creation of solar farms was now delayed due to both planning and grid connection issues largely outside the control of the University. It was confirmed that work was continuing to gain planning permission, and a successful outcome was expected.</p> <p>It was felt important to clearly anticipate the position in 2027, so that expectations and messages could be managed. Other options such as carbon offsetting would be considered.</p>	

	<p>The use of available funds was discussed, considering the lengthy period before the solar farms were likely to be able to be built.</p> <p>It was suggested that sustainability could be a topic for discussion at the next Away Day.</p>	Sec
	<p>(c) <u>Capital Investment Committee Update</u></p> <p>Council received and noted the Capital Investment Committee Update.</p>	
55	<p>Enterprise Resource Planning (ERP) Business Case</p> <p>Council received the ERP Final Business Case.</p> <p>It was confirmed that a detailed discovery and negotiation process had taken place, and that the financial details were now settled. It was reported that the Business Case had been discussed in detail at FIC and that its discussion included the decision to go for a best-in-breed solution, the possible benefits this would bring, and the deliverability of the project in the time allocated.</p> <p>It was confirmed that information on benefit realisation would come to the April meeting of Council.</p> <p>It was noted that due to the tight timescale of the implementation, staff leave might be restricted at times. It was confirmed that plans were in place to handle legacy systems following implementation.</p> <p>It was noted that the project budget had changed since earlier documentation and that this had been discussed in detail at FIC.</p> <p>RESOLVED:</p> <p>That the ERP Project Business Case and associated budget be approved.</p>	COO / Sec
56	<p>Risk Register</p> <p>Council received the updated Risk Register, and proposals to make changes to the Register to better align with strategy and KPIs. Changes made had incorporated comment received from ULT, ARC and Council.</p>	

	<p>Although this was not the final version, it was noted that the existing risks had been mapped to new ones, linked to the Strategy and KPIs.</p> <p>It was confirmed that all risk ratings would be reconsidered by ULT.</p> <p>It was noted that many of the risks were always changing and that ULT would require an improved wider view of risk, plans and strategy.</p> <p>It was noted that some risk levels were improving, but that if several were to worsen simultaneously, this could cause major difficulties.</p> <p>The simpler model was welcomed. It was noted that there also existed a list of issues that were being tracked and if necessary new risks could be added, risks removed, and ratings amended.</p>	
<p>57</p>	<p>Planning Process and Cycle - Presentation</p> <p>Council received a presentation regarding the new planning and budget cycle.</p> <p>It was reported that the framework includes review of resourcing and course portfolios.</p> <p>It was confirmed that for 2024/25, the process would be compressed, and that guidance and templates had been issued. In future years, the process would commence earlier in the cycle to give more time.</p> <p>A planning steer had been provided to budget holders, to guide their plans and requests. It was confirmed that student number planning had completed and that this would feed into the budgets and plans. It was noted that some areas may wish to offer new programmes and that this would require investment. It was also noted that programmes with low numbers could be withdrawn. It was confirmed that contingency plans would be needed to address financial challenges.</p> <p>The process was noted to be more strategic and proactive, designed to distribute resources in a careful way. More detail would come to the April meeting of Council.</p>	<p>DVC / Sec</p>

	<p>It was noted that the process timescales were tight this year but due to the requirement for less detail and a high-level response only, departments were not experiencing significant difficulties.</p> <p>It was noted that having a realistic plan and closely following it would be vital for future success.</p>	
<p>58</p>	<p>International Committee Annual Report - Presentation</p> <p>Council received a presentation on the University’s International Strategy.</p> <p>The presentation covered international student recruitment, diversification of source countries, external factors affecting recruitment, global rankings and their importance, recent strategic alliances, and case studies.</p> <p>It was clarified that the University uses a range of data to identify potential markets for student recruitment. It was noted that there is some cost in moving into a new market in order to set up marketing, agents, etc.</p> <p>It was reported that there are various drivers for selecting overseas institutions we wish to work with. Existing points of contact are helpful, as well as areas in which we can build a critical mass, including where we have numerous existing links.</p> <p>It was confirmed that international students had been included in the focus groups and meetings regarding the new brand and identity.</p> <p>It was noted by HUSU that there had been significant progress in attracting students from Nigeria, despite the recent financial issues affecting recruitment. Such students were reported to be seeking a degree and experience which could then be taken back to their home country. HUSU wished to work with the University on focus groups to enhance and manage international student recruitment. This was welcomed and would be explored.</p>	<p>PVC(Int) / HUSU</p>

<p>59</p>	<p>Fundraising Campaign</p> <p>Council received and noted an update on the proposed fundraising campaign.</p> <p>It was reported that a full update presentation would be delivered at the next meeting of Council.</p>	<p>DARO / Sec</p>
<p>60</p>	<p>Update on Governance Review</p> <p>Council received a verbal update on the external review of Governance by Advance HE.</p> <p>It was reported that a verbal interim update had been received recently by Governance & Nominations Committee, with main areas of note highlighted. Thanks were expressed to all who had taken time to meet with the reviewers or complete surveys.</p> <p>It was noted that the final report would be made available to an additional meeting of the Governance and Nominations Committee on 25 March. Members of Council would be welcome to attend.</p> <p>It was suggested that the Report and wider issues of governance may be a suitable topic for the Council Away Day.</p> <p>It was noted that a large amount of information and comment had been supplied during the review process which would be aggregated in the Report. Members were invited to comment on the Report if it was felt that an important issue had not been fully addressed.</p>	<p>Sec</p>
<p>61</p>	<p>Hull University Students' Union Report</p> <p>Council received and noted the latest update from HUSU.</p> <p>It was reported that a high number of complaints regarding accessibility had been received earlier in the year but after working closely with Estates, there had been significant improvements. It was noted that the transparent communications had been especially welcome.</p>	

	<p>It was reported that complaints had been received regarding reasonable adjustments, but that few students had been willing to engage any further with HUSU to discuss in detail and seek resolutions.</p> <p>It was noted that PGR students had reported feeling in a hybrid staff-student situation and were experiencing varied support between different departments and faculties. It was noted that work had commenced with faculties to introduce events for PGR students to encourage sharing of experiences.</p>	
62	<p>Whistleblowing Annual Report</p> <p>Council received and noted the Annual Whistleblowing Report. It was reported that no concerns were raised through the formal process during the year.</p> <p>It was noted that a lack of concerns raised may be an indication that the process was not working as well as it should be, and that staff may not be aware of the process.</p> <p>It was noted that a number of grievances are raised through HR, but none had required the use of the whistleblowing process.</p> <p>A report of staff grievances would be considered for a future meeting.</p> <p>Action would be taken to raise awareness of the Whistleblowing Policy with all staff.</p>	<p>USCCO / CPO</p> <p>Gov Mgr</p>
63	<p>Council Away Day</p> <p>It was noted that the next Council Away Day would be held on 22 May.</p> <p>Suggestions for topics to cover should be forwarded to the Secretary or Governance Manager.</p> <p>It was suggested that ‘horizon scanning’ may be a suitable topic.</p> <p>It was agreed to amend the start time of the Away Day to 11:00.</p>	<p>All</p>

64	Minutes/Summaries of Committees	
	<p>(a) <u>Audit and Risk Committee – 22 January 2024</u></p> <p>The minutes of the ARC meeting held 22 January 2024 were received and noted. It was noted that a report on student housing would be coming to the next meeting.</p>	
	<p>(b) <u>Finance and Investment Committee – 1 February 2024</u></p> <p>The minutes of the FIC meeting held 1 February 2024 were received and noted. It was noted that the ERP Business Case had been approved earlier in the meeting.</p>	
	<p>(c) <u>Governance and Nominations Committee – 1 February 2024</u></p> <p>The minutes of the GNC meeting held 1 February 2024 were received and noted.</p> <p>Members were reminded to complete the Council EDI survey; an email reminder would be sent shortly.</p> <p>RESOLVED:</p> <p>That the Terms of Reference for Governance and Nominations Committee be approved.</p>	All
	<p>(d) <u>Honorary Awards Committee – 5 February 2024</u></p> <p>The minutes of the ARC meeting held 5 February 2024 were received and noted.</p> <p>It was reported that four nominations for awards were presented, and that all were female, in response to recently raised concerns regarding diversity of nominations.</p> <p>RESOLVED:</p> <p>That the four nominations for honorary awards be approved.</p>	

65	<p>Modern Slavery Statement – Annual Review</p> <p>Council received the updated Modern Slavery Statement.</p> <p>RESOLVED:</p> <p>That the Modern Slavery Statement be approved and made available on the University website.</p>	Gov Mgr						
66	<p>Dates of Meetings 2023-24</p> <table border="1" data-bbox="316 723 1185 920"> <thead> <tr> <th data-bbox="316 723 751 763">Date of Meeting</th> <th data-bbox="751 723 1185 763"><i>Deadline for papers</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="316 763 751 842">Thursday 25 April 2024 at 1.30 pm</td> <td data-bbox="751 763 1185 842"><i>11 April 2024</i></td> </tr> <tr> <td data-bbox="316 842 751 920">Thursday 4 July 2024 at 1.30 pm</td> <td data-bbox="751 842 1185 920"><i>20 June 2024</i></td> </tr> </tbody> </table>	Date of Meeting	<i>Deadline for papers</i>	Thursday 25 April 2024 at 1.30 pm	<i>11 April 2024</i>	Thursday 4 July 2024 at 1.30 pm	<i>20 June 2024</i>	All members
Date of Meeting	<i>Deadline for papers</i>							
Thursday 25 April 2024 at 1.30 pm	<i>11 April 2024</i>							
Thursday 4 July 2024 at 1.30 pm	<i>20 June 2024</i>							
67	<p>Other dates to note</p> <p><u>Council dinner</u> Thursday 4 July 2024, 7.00 pm</p> <p><u>Council Away Day</u> Wednesday 22 May 2024, 11.30 am</p>	All members						
68	<p>Any other business</p> <p>(a) <u>BBC Chair</u></p> <p>It was noted that Hull alumni, Dr Samir Shah CBE, had been confirmed as the next Chair of the BBC.</p>							