

Minutes

Council

Date and time: 15 October 2020 at 2.00 pm ending at 3.50 pm

Venue: Video Conference

Present: George Garlick (Chair)

Phoebe Bastiani, John Duffy, Professor Phil Gilmartin, Frances Hanson, Professor Susan Lea, Vanessa Lee, Ursula Lidbetter, Professor Mark Lorch, Rosalyn Schofield, Richard Thompson, Julia Whittaker, Denise Wilson.

In attendance: Louise Cook, Professor Becky Huxley-Binns, Jeremy Hartley (items 1-9 only), Professor Andrew Heyes, Eve Kyte, Professor Lucy Mazdon, Dr David Richards.

Minutes 1 - 22

Action by

- 1 Welcome, Apologies for Absence and Declarations**
Apologies for absence were submitted on behalf of Matt Jukes, Matthew Swindells and Professor Una Macleod.
- 2 Minutes of last meeting**
The minutes of the meeting held on 2 July 2020 were approved as a correct record and signed by the Chair.
- 3 (1) Matters arising**
 - (a) Action Summary
The action summary was noted.
- 4 Chair's Report**
The Chair commented on the difficult climate in which the University was operating but was pleased to report good student numbers and improved league table positions. He advised that he felt that the communication with staff and students had been good and noted that the University was now moving into Phase 3 of the Transformation Programme. He expressed his thanks to all involved for their hard work during these challenging times.
- 5 (2) Terms of Reference and Membership**

The Terms of Reference for 2020/21 were submitted for annual approval.

It was reported that Professor Phil Gilmartin would be the Pro-Vice-Chancellor representative on Council for the forthcoming year.

Resolved:

That the Terms of Reference 2020/21 be approved.

6 Transformation Programme

The Vice-Chancellor reported that the University was currently in transition between Phases 2 and 3 of the Transformation Programme. It had been encouraging to see that during the transformation work there had been a rise in the league tables and an improved NSS score.

In addition to achieving the remaining savings, Phase 3 would focus on systems and processes. A detailed report had been submitted to the Transformation Sub-Committee earlier that day and further information would be submitted to the December meeting of Council.

The Vice-Chancellor commented on student numbers advising that they were in line with budget projections but that there were still significant risks posed by Covid-19 to accommodation occupancy, international student numbers and student retention. The non-pay moratorium remained in place and vacancies were being monitored carefully.

A draft of the new University Strategy had been written as the current strategy expired at the end of the year. Consultation with staff and students was underway and the Strategy would be submitted to Council in December.

Members commented on the achievement of savings via the Transformation Programme and the positive outcomes. The Vice-Chancellor reported that it was heartening to see improvements being recognised in improved league table positions which validated the work that had been done but, the process had been difficult and monthly pulse surveys had been put in place to gather staff feedback.

Members commented on the challenge of student retention and the PVC(Education) reported on the measures in place to address this.

7 (3) Management Report

A confidential report providing updates on activity within the sector and the University was submitted.

The Vice-Chancellor advised of the work undertaken with HUSU on induction which had resulted in good feedback from students and parents.

The Teaching Excellence Academy staff had worked hard to assist colleagues to adapt to blended learning and the Vice-Chancellor expressed her thanks for all that they had done.

The PVC(R&E) was working with researchers to ensure that laboratories remained open.

The Vice-Chancellor advised of the vast amount of work undertaken to ensure a safe campus and expressed her thanks to all staff who had been involved.

A Government Covid test centre had been opened on campus and could be utilised by the University as well as the general public. Covid cases were reported weekly. Staff and students were adhering to the Government guidelines and the University continued to work closely with Public Health England and Hull City Council.

The Vice-Chancellor commented on senior staff appointments including new Deans of FBLP and FHS and a Head of the Business School.

Members indicated that it was reassuring to see such low Covid-19 numbers amongst students and the Vice-Chancellor and Chief Operating reported on the contingency plans, that had had to be submitted to government, should those numbers increase to a level requiring a lockdown.

Members queried how online teaching was being received by students. The Vice-Chancellor reported that this was being monitored closely and that a report was to be submitted to ULT to understand any problems. The PVC(Education) advised of the arrangements put in place and reported that some students were enjoying it and engaging more but there were some that missed being on campus. The Chief Operating Officer reported that whilst it was difficult to prepare a set of metrics to measure the situation library spaces were reduced but what was available was being fully utilised, the use of online books had increased, online engagement had increased, gym utilisation had increased since last year, and support services were being accessed online rather than face-to-

face. The situation was being monitored continually to ensure that the University was delivering the University experience it had offered to its students.

The HUSU President reported that the majority of students were positive. They appreciated the hard work that was being undertaken and she felt that it was important for that to be fed back. There were issues with isolation and there were instances where online provision had not run smoothly but students were coming forward to advise the University so that issues could be addressed in a timely manner.

The Vice-Chancellor advised that following articles in the press regarding arrangements for the Christmas break, discussions continued between UUK and the government on this matter.

8 (4) Finance Report

Council received a confidential report providing the 2019/20 financial outturn and an overview of the year end process. Details in relation to the 2020/21 outlook and the capital programme were also provided.

The Director of Finance commented in detail on the report highlighting the factors that had led to the year end position. The position was better than last year and better than budget but more work did need to be done.

He advised that a joint meeting of Audit and FIC, to be held on 23.11.20, would receive the Financial Report and Annual Statement and a report on going concern. Scenarios and how the budget could be affected by various lockdown situations and potential student attrition over the next two years would be included.

All bank covenants with EIB had been met. The covenants for Lloyds did not apply as there had been no draw down at year end.

In terms of the current year, student numbers were slightly better than budget, with the exception of International undergraduates. Retention was also better than budget.

He reported on the capital programme and advised that the accommodation risks posed by the pandemic were being monitored closely.

Reference was made to the deferral of payments to HMRC and the Director of Finance reported that had had a positive impact on the budget position and the fulfilment of covenants. There would

remain sensitivity around the covenants until the University moved into a sustained surplus from 2021 onwards.

9 (5) Revolving Credit Facility

- 1 The Chair of the Council reported that the purpose of the item was to discuss the banking arrangements in place with Lloyds Bank Plc (the “Lender”). Following discussions with the Lender a draft revolving credit facility agreement had now been prepared (the “Facility Agreement”) pursuant to which a revolving credit facility of £25,000,000 (the “RCF”) was to be made available by the Lender to the University to be used towards the Borrower’s general working capital and general corporate purposes and the latest version of the Facility Agreement was tabled for consideration.
- 2 It was reported that professional advice had been sought from Mills & Reeve LLP to provide legal advice on the Facility Agreement and related matters.
- 3 The Council noted the key terms of the Facility Agreement were:
 - 3.1 Amount - £25,000,000;
 - 3.2 Facility type – revolving credit facility;
 - 3.3 Interest Rate – 200bps plus SONIA plus 7bps for compounded SONIA;
 - 3.4 Termination Date – 8 January 2023;
 - 3.5 Representations - the University will make certain representations set out in clause 18 of the Facility Agreement, some of which will be repeated from time to time;
 - 3.6 Information Undertakings – the University will need to provide the information undertakings specified in clause 19 of the Facility Agreement;
 - 3.7 Financial covenants – the financial covenants set out in clause 20 of the Facility Agreement would apply throughout the term of the Facility Agreement and would be tested by reference to the financial information specified in clause 19.1 and 19.2 of the Facility Agreement;
 - 3.8 Undertakings – the University will agree to comply with the undertakings set out in clause 21 of the Facility Agreement; and
 - 3.9 Events of Default – there are certain circumstances as set out in clause 22 of the Facility Agreement that will constitute an event of default and entitled the Lender to demand repayment of the Facility in full.

- 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 Facility Agreement; and
 - 4.3 the Council now needed to consider and, if thought fit, approve the Facility Agreement and delegate such further powers to the Vice Chancellor Susan Lea and Chief Operating Officer John Duffy (the “Authorised Delegates”) as are necessary to further negotiate the terms of and progress the Facility Agreement and to progress and approve any documents associated with the Facility Agreement.

- 5 After due and careful consideration of the Facility Agreement, the nature and scale of the liabilities to be undertaken pursuant to the Facility Agreement and the commercial and financial consequences, direct or indirect, of the execution of any documentation deemed necessary to document the RCF, 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 Facility Agreement 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 Facility Agreement 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 In relation to the RCF, it was noted that the Office for Students (the “OfS”) Terms and conditions of funding for higher education institutions for the period to 31 July 2020 provides that higher education institutions must apply the follow principles (together the “OfS Principles”) when entering into any new financial commitments such as the RCF:
 - 6.1 the risks and affordability of any new financial commitments must be properly considered;

- 6.2 financial commitments must be consistent with the higher education institution's strategic plan and treasury management policy;
 - 6.3 the source of any repayment of a financial commitment must be clearly identified and agreed by the governing body of the higher education institution at the point of entering into that commitment;
 - 6.4 planned financial commitments must represent value for money; and
 - 6.5 the risk of triggering immediate default through failure to meet a condition of a financial commitment should be monitored and actively managed.
 - 6.6 It was noted that the Council had fully considered the RCF in the context of the OfS Principles at the Meeting and had been satisfied in that regard, and the Chairman therefore noted that it would not be necessary for the Authorised Delegates to re-examine the issue.
- 7 After due and careful consideration of the Facility Agreement and the OfS Principles 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:
- 7.1 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 Facility Agreement including but not limited to:
 - 7.1.1 authority to negotiate and finalise the documents required to give effect to the RCF such documentation to include but not be limited to the Facility Agreement;
 - 7.1.2 authority to approve and authorise the execution, delivery and performance of the Facility Agreement and any associated documentation;
 - 7.1.3 authority to execute the Facility Agreement 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
- 7.1.4 authority on behalf of the University to execute and do all such acts, deeds, documents, certificates and notices (including, if relevant, any Utilisation Request) as the Authorised Delegates may consider expedient or desirable in connection with the execution or performance by the University of the Facility Agreement or any other document or agreement connected to the Facility Agreement.

10 (6) National Student Survey 2020

Council received a report detailing the results of the National Student Survey 2020 that were published on 15 July 2020 and outlined actions being undertaken by the University.

The PVC(Education) reported that overall satisfaction was up 1.22% to 84.18%. The survey had highlighted two areas that had fallen below the OfS benchmark – feedback and timetabling. A new Interim Academic Registrar was in post and was undertaking work to review student records and the operation of the timetable. The annual programme of monitoring had been removed and progress journals introduced. The University Student Experience, Employability and Engagement Committee (USEEEC) continued to work with students as partners during these unprecedented times.

Reference was made to the feedback target of 20 days and it was queried whether this was too long. The PVC(Education) reported that it was necessary in some instances but, it was accepted that a more nuanced approach needed to be considered.

Resolved:

That the report be noted.

11 (7) UoH/HUSU Code of Practice 2020

The Chief Operating Officer reported that the University of Hull/Hull University Student Union Code of Practice was subject to annual review. This had recently been undertaken and the Code of Practice was submitted for approval.

Resolved:

That the University of Hull/Hull University Student Union Code of Practice 2020 be approved.

12 (8) International PGT Fees

Council received a confidential report setting out a proposal to reduce International PGT fee levels to those of Home PGT fee levels for 2021 entry. The proposal had received approval from ULT and Senate (via Chair's Action).

The PVC(International) commented on the proposal confirming that all other discounts that were already being offered to International PGT students would be removed so that a clearer offer could be made.

Resolved:

That the proposal to reduce International PGT fee levels to those of Home PGT fee levels for 2021 entry be approved.

13 (9) Hull University Students' Union Report

HUSU submitted a report detailing the priorities for each of their Presidents.

14 (10) University of Hull Performance, KPIs and League Table Position

Council received a confidential report setting out Institutional KPIs.

15 Office for Students

The Chief Operating Officer reported that whilst communication with the OfS was reduced, interaction directly with government had increased due to the current situation.

15 (10) Apprenticeship Sub-Contracting Statement

Council received a report which included a statement, as required by the Education and Skills Funding Agency, which set out the University's sub-contracting rationale.

Resolved:

That the Apprenticeship Sub-Contracting Statement be approved and published on the University's website.

16 Modern Slavery Statement

Council received a report regarding the requirement for the University to publish an annual slavery and human trafficking statement on its website.

A Member advised that she had completed the online Modern Slavery Training and had been impressed and pleased to see the work being done by the University Ethics Committee.

Resolved:

That the Modern Slavery Statement to 31.07.19 be approved and published on the University website.

17 Minutes of Committees

(a) Transformation Sub- Committee

The minutes of the meetings held on 24 June and 29 July 2020 were submitted.

Resolved:

That the minutes be noted

(b) Audit Committee

The minutes of the meeting held on 21 September 2020 were submitted.

The Chair of the Audit Committee reported on the robust process that had been undertaken to select a provider of Internal Audit services.

Resolved:

- (a) That the minutes be noted;
- (b) That the Terms of Reference be approved, and
- (c) That it be noted that the appointment of Internal Auditors was dealt with via Chair's Action.

(c) Finance and Investment Committee

The minutes of the meeting held on 1 October 2020 were submitted.

The Chair of the Finance and Investment Committee reported that she would discuss with the Chair of the Audit Committee the alignment of the Terms of Reference.

Resolved:

- (a) That the minutes be noted, and
- (b) That the Terms of Reference be approved.

18 Business Transacted via Chair's Action

(a) Approval of Honorary Award

Council noted the decision to award an Honorary Degree.

(b) Appointment of Internal Auditors
Council noted the decision to appoint Internal Auditors.

19 Valediction
None

20 Calendar of future meetings

Date of Meeting	<i>Deadline for papers</i>
2pm Thursday 10 December 2020	26.11.20
2pm Thursday 25 February 2021	11.02.21
2pm Thursday 29 April 2021	15.04.20
Council Away Day 26 May 2021	
2pm Thursday 8 July 2021	24.06.21

21 Any other business
Members suggested that the positive reaction from students to the University's provision during the pandemic could be utilised during recruitment for 2021 students.

Approved as a correct record by Council 10 December 2020.