

## Council

25 October 2021

Minutes of the University Council meeting held on Monday 25 October 2021 at 2.00pm, ending at 4.40 pm, via MS Teams.

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**Present:** George Garlick (Chair), Phoebe Bastiani, Frances Hanson, Professor Susan Lea, Vanessa Lee, Ursula Lidbetter, Dr David Richards, Rosalyn Schofield, Matthew Swindells, Richard Thompson, Julia Whittaker, Denise Wilson.

**In attendance:** Professor Becky Huxley-Binns, Holly Burton, Professor Philip Gilmartin, Professor Paul Hagan, Professor Stephen Hardy, Jeremy Hartley, Professor Andy Heyes, Dr Chris Ince, Professor Lucy Mazdon.

Minutes: 1 - 21

### Action by

- 1 Welcome, Apologies for Absence and Declarations**

Apologies for absence were submitted on behalf of Matt Jukes, Derek Ord and Sarah Wilson. No declarations of interest were received beyond those included in the Register of Interests.
- 2 Introductions**

Council noted that time would be allocated for full introductions when it next met in person
- 3 Minutes of last meeting**

The minutes of the meeting held on 8 July 2021 were approved as a correct record. It was agreed that the minutes be published on the University website.
- 4 Matters arising**
  - (a) Action Summary

It was noted that all actions had been completed.

**5 Terms of reference, composition and membership 2021-22**

**RESOLVED:**

That the Terms of reference, composition and membership for 2021-22 be approved.

**6 Chair's Report**

The Chair noted that although the intention had been to hold the meeting in person and also meet informally after the meeting, the decision had been taken to move the meeting online. It was hoped that an in person meeting would be able to take place soon, subject to the latest Covid situation.

The Chair thanked lay members for their participation in the recent appraisal process. A draft report on insights to share and areas for development would be considered by ULT and then the Governance & Nominations Committee.

The Chair reported that he had visited the campus for the recent COO recruitment process and it had been excellent to see a vibrant campus with the return of students and staff.

Council noted that members needed to complete the online form to collect equality monitoring data, the register of interests and skills audit.

Any nominations for honorary degrees should be sent in confidence to the University Secretary.

**7 Estate Masterplan Strategy – Presentation**

The Vice-Chancellor introduced the item and thanked the Director of Estates and colleagues for the significant amount of work that had taken place to date.

The Estate Masterplan Strategy had been developed to support and align with the overall Strategy through to 2030, as approved by Council, as well as the University's supporting strategies. The work reflected anticipated changes in the student and staff population and consequent needs by 2030, whilst allowing for flexibility across this period.

The presentation provided an overview of the existing estate, plans for strategic disposals, the vision going forward and key themes from the stakeholder consultation process. It then looked at growth projections and modelling, future plans and mapping this data onto campus to give indicative plans and outline the next

steps. The Plan also outlined a range of measures to deliver on the carbon performance improvement required within the University's Strategy.

Council considered the assumptions behind the Plan including the predicted growth in student numbers. The Plan would need to be flexible to adapt to a range of potential scenarios over the period. One of the next steps in the process would be to refine the data and assess a range of scenarios. The Plan would be reviewed at least annually to make any necessary revisions and seek necessary approvals.

Council noted that there would need to be a clear narrative for the overall Plan that emphasised the benefits for students and staff and took account of the significant change this would involve across the campus and in the environment.

It was noted that the Plan would consider issues of greater collaboration, improved accessibility and the future of teaching delivery including the developing digital strategy. Further stakeholder engagement was planned, including with the student body and future students.

Council noted that the Vice-Chancellor would chair the Board overseeing the programme of work and a full report on the Plan and the governance arrangements would come back to Council in due course. Any specific plans would still require the appropriate approval from FIC or Council.

## **8 2030 Draft financial strategy and External funding options**

The Vice-Chancellor introduced the paper. This linked to the previous discussions and the need to attract external investment to accelerate the University's plans for the estate as well as other work to deliver on the new Strategy.

The Director of Finance reported that, following a review of the Strategy and sub-strategies, a picture of the necessary capital plans to deliver these had been developed. External funding was required to accelerate the delivery of these and the paper set out a high-level plan for how to deliver a £350m capital programme.

An initial high-level review of a potential financing investment of around £100m placed over a 30y period had been tested with external advisers. A number of options had been considered and this had been refined to consider a private placement in two

tranches and with a total £70m, plus other funding streams, as detailed in the paper

The paper set out the next step, which was a proposal to undertake soft market testing of the option and this could also then consider other areas such as consolidation of the existing EIB loan or accessing loans linked to sustainability measures. The intention was to bring this back to Council as an update on 9 December and have defined plans for Council to approve in Spring 2022.

Council noted that the plans also included extending the existing Revolving Credit Facility and it was expected to have this in place before the Financial Statements were approved at its next meeting.

Council discussed in detail a number of concerns around potential borrowing given the continued uncertainty in the sector and future Government Policy, as well as the University's own assumptions around student number growth. Any case for borrowing would need to show the rationale for accelerating the Plan faster than the forecast operating surplus would allow and the benefits that would be delivered.

The Director of Finance reported that the paper set out initial plans and there were many factors to refine including the phasing of any borrowing, the term of a loan and the overall amount to borrow. The University's liquidity had been tested over Covid and it could not undertake all the capital work planned and deliver on required academic estate improvements without external investment. The borrowing would also ensure it could deliver on carbon neutral plans outlined in Strategy.

Council noted that FIC had considered a more detailed confidential funding options paper that covered the wider sector context and looked at the options in more detail. This would be circulated to members following the meeting for information.

**RESOLVED:**

Council approved the proposal to investigate this further and that the points made in the meeting would be fed into the next stages of this process. A report would be made to the next meeting on progress.

## **9 Transformation Programme**

Council noted that the Programme had delivered the financial savings detailed in the approved Plan by the July 2021 target date. Phase 3 was now taking place and focused on systems and processes. This was taking longer due to Covid and also the complexity of the work that was required. There were some risks due to work on other activity, such as returning to campus, and staff vacancies but, where appropriate, revised deadlines had been approved at Transformation Sub-Committee.

## **10 Management Report**

Council received the Confidential Management Report and noted its contents.

Council congratulated the University on its best financial performance in the last seven years.

The Vice-Chancellor reported that student satisfaction was above the sector mean for UG, PGT and PGR students. This was an excellent result and staff had worked very hard to achieve this.

The University had moved up in two recent league tables and all of these results showed the benefits of the hard work of staff, success of the Transformation Programme and financial discipline.

Council noted that student recruitment would be covered later on the agenda but it had been a very challenging cycle with a reduction in home UG enrolments despite good progress on applications and offers. This was largely driven by the behaviour of other institutions around recruitment decisions and unconditional offers as well as Teacher Assessed Grades. The University had established two taskforces to look at UG and PGT recruitment and these would report to the Transformation Sub-Committee.

Overseas PGT recruitment had been very strong and showed a good team effort on a range of activities on recruitment and conversion, as well as the institutional stance on international PGT fees matching those for home students. There was no indication yet that other institutions were taking a similar approach on fees.

## **11 Education Strategy progress report**

The Pro Vice-Chancellor (Education) reported on positive league table movement including social inclusion measures.

The University's entry tariff was now matching sector median, which had made a big impact on overall performance. The University had also improved to sector median on other measures including student retention and outcomes.

The University was still confident it could deliver on the 1% home undergraduate market share ambition within the Strategy. There were targeted plans to improve the number of Higher Education Academy fellows, improve retention and learn lessons from Covid.

Measures were in place to support the OS PGT experience this year given the significant increase in numbers and the work this involves, especially around masters projects.

## **12 Student Recruitment Report**

Council noted the background, which had been discussed under the Vice-Chancellor's Management Report. Since the report a further 95 students had enrolled and the overall student numbers were now roughly on target against budget, but with different balance between UG and PGT.

Council noted that whilst undergraduate growth plans this year had not been achieved the University had met similar numbers to last year. This meant that it had not necessarily incurred additional growth costs and this would be reflected in the financial performance for the year.

Student accommodation occupancy was at 96%, so well above agreed minimum in the nominations agreements.

## **13 Finance Report**

The Director of Finance reported that the draft outturn for the financial year 2020/21 (before pension or statutory adjustments), which showed a £2.2m surplus, being £6.1 favourable to budget and £9.1m to prior year. All banking covenants had been met.

Council noted the changes from the management accounts to the statutory account reporting format, including £14m pension accounting adjustment.

Council noted the requirement to issue a letter to confirm continued financial support for Lampada Digital Solutions Ltd. It had reported its best financial result since creation with a £1.4m turnover and had made a profit. A full report would come to the joint FIC/Audit meeting in November. This requirement was expected to continue for future years as it was a wholly owned subsidiary.

Council noted that the University had fixed its energy supply prices to the next year and was considering the procurement approach beyond this.

Council noted the report in the papers on the USS pension scheme. The situation had been resolved but was still subject to a statutory consultation.

#### **14 HUSU Report**

The HUSU President reported on a very positive Welcome Fest, excellent student attendance at events, and a strong sign-up for course representatives and elections for part-time officers.

The current atmosphere on campus was very positive with good engagement from students as they can return to an on campus experience. There was an increase in activity from international societies and a range of social activities taking place.

HUSU was sharing its approach on women's safety with other students' unions. It was also learning lessons from other universities as well. The plan was to keep momentum going and working with external organisations and campaign groups.

#### **15 OfS Conditions Update and Reportable Events**

Council received the Report.

#### **16 University of Hull Performance Trends and KPIs**

Council received the Report.

**17 Prevent Report – Update**

Council received the update and noted it would approve the Report for submission to the OfS by email.

**RESOLVED:**

The Report and return to the OfS would be circulated to Council for approval

**18 Minutes/Executive Summary of Committees**

(a) Transformation Sub-Committee – 30 September 2021

The minutes of the Transformation Sub-Committee held on 30 September 2021 were submitted.

**RESOLVED:**

- (i) That the minutes be noted.
- (ii) That the Transformation Sub-Committee Terms of Reference, composition and membership 2021-22 be approved.

(b) Audit Committee – 13 September 2021

The minutes of Audit Committee held on 13 September 2021 were submitted.

**RESOLVED:**

That the minutes be noted.

(c) Finance and Investment Committee – 30 September 2021

The minutes of the Finance and Investment Committee meeting held on 30 September 2021 were submitted.

**RESOLVED:**

- (i) That the minutes be noted.
- (ii) That the Finance and Investment Committee Terms of Reference, composition and membership 2021-22 be approved.

(d) Remuneration Committee – 4 October 2021

The minutes of the Remuneration Committee held on 4 October 2021 were received.

**RESOLVED:**

- (i) That the minutes be noted.
- (ii) That the Remuneration Committee Terms of Reference, composition and membership 2021-22 be approved.
- (iii) the Senior Staff Remuneration Report be approved.



**19 Valedictions**

**All members**

There were no valedictions.

**20 Dates of Meetings 2021-22**

<b>Date of Meeting</b>	<i>Deadline for papers</i>
Thursday 9 December 2021, 2.00pm	<i>25 November 2021</i>
Thursday 24 February 2022, 2.00 pm	<i>10 February 2022</i>
Thursday 28 April 2022, 2.00 pm	<i>14 April 2022</i>
Thursday 7 July 2022, 2.00 pm	<i>23 June 2022</i>
<b>Other dates to note</b>	
Tuesday 24 May 2022, Council Dinner	
Wednesday 25 May 2022, Away Day	

**21 Any other business**

(a) Future membership of Council

Council noted that most of the lay members reached the end of a term of office at the end of the current year. Most of these were in their first term and members were eligible to serve for up to three terms. Governance & Nominations Committee would consider this at its next meeting and make recommendations to Council on re-appointments.

(b) Property disposals

Council considered an additional confidential paper on property disposals. This covered the sale of Ferens Hall and The Lawns in Cottingham. Council approval was requested with the proposal to move ahead with Heads of Terms on a £7.1m unconditional offer. The intended use of the property was not known but there was no perceived conflict of interest if this was intended for student accommodation in the future. The source of funds from the buyer would be confirmed during the process.

**RESOLVED:**

That the recommendations in the paper be approved.

Signature of Chair

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Date of signature

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