

Council

25 February 2025

- Present:** Joe Docherty (Chair), Rebecca Askew, Andrew Baldwin, Jonathan Bewes, Richard Dale, Leslie Ferrar, Oliver Foster, Nic Johnston, Anthony Jones, Denise Lievesley, Dan Lonsdale, Cheryl McEwan, Amir Michael, Cheryl Millington, Karen O'Brien, Nigel Perry, Philip Plyming, Ari Sadanandom, Corinne Saunders, Rob Senior, Mike Shipman, JJ Thakkar, and Terry Toney
- In Attendance:** Mark Jagger, Neil Scott, and Amanda Wilcox (all items), John Pritchard for Minute 63, and James Walsh (Minutes)
- Apologies:** James Grierson

Minutes of a Meeting of Council held in Mount Oswald Hub, South College

52. Welcome and Apologies

Apologies received from James Grierson.

53. Declarations of Interests in relation to Agenda Items

Noted: Ari Sadanandom in relation to agenda item 69 (Governance and Nominations Committee Report: 5 February 2025).

54. Minutes of Meetings held on 10 December 2024 and 20 January 2025 (C/24/35, /36 Confidential)

Approved: the minutes of the meetings held on 10 December 2024 and 20 January 2025, subject to the following amendments:

- a) Minute 31. a) to read: due to improvement in the financial markets, the University Superannuation Scheme was no longer in deficit. This meant the University could write back the provision previously made, giving rise to a profit for the year. However, without the write back the result would have been a deficit as budgeted;

Closed Minute

b)

55. Matters Arising

Noted: there were no matters arising.

56. Action Log and Schedule of Business (C/24/37, /38 Confidential)

Noted: the status of the Action Log and Schedule of Business.

57. Chair's Business (C/24/39, /40 Internal)

Noted:

- a) activities undertaken by the Chair since the last meeting of Council;
- b) in relation to the University's site licence for Zoom the following:
- i) with the University's site licence for Zoom due for renewal, noting an increase in the cost of the renewal and the in-place site licence for the use of Microsoft Teams, the University had decided not to renew its Zoom site licence;
 - ii) all meetings organised by the University would be held via Microsoft Teams from 12 March 2025 or earlier;
 - iii) where individual University staff required the use of Zoom to undertake essential research work, and where Teams was not a viable alternative, the University may support an individual Zoom licence. Individual licences were considerably cheaper than the site licence;

- iv) anecdotal evidence was that other Russell Group universities were cancelling their site-wide Zoom licences;
- v) any Council members experiencing difficulties because of the changes should contact the University Secretary or Head of Governance Support Services.

58. Chair of Council Appointment (C/24/41 Confidential)

Noted:

- a) following an extensive recruitment process, which began in June 2024, the Chair of Council Appointment Panel were delighted to recommend Caroline Johnstone as the new Chair of Council;
- b) as Chair of the Panel, the Senior Independent Governor (SIG) reported that the final four candidates interviewed were of outstanding quality. The Panel unanimously agreed that Caroline met all of the personal qualities which Council and the wider University community had recommended were required of someone fulfilling the role of Chair of Council;
- c) Caroline's experience in the public and private sector, including Board experience at Manchester and Leeds Universities, would be invaluable to the role, as would Caroline's time as a Partner at PricewaterhouseCoopers;
- d) on behalf of the Panel, the SIG thanked all those involved in contributing to the process, in particular the University Secretary and the external search consultants Odgers Berndtson.

Approved: the appointment of Caroline Johnstone as the new Chair of Council, initially as an Observer, and as a formal member with effect from 1 August 2025.

59. Vice-Chancellor's Report (C/24/42 Confidential)

Noted:

- a) following an intensive recruitment and selection process, a preferred candidate had been identified to become the new Chief Operating Officer (COO). Due to the need to finalise provisional acceptance of the position, Council would be asked to approve the appointment by-circulation;
- b) Council had received an update on work being undertaken in relation to the QS World Rankings at its meeting on 10 December 2024. Since that meeting, the Marketing & Communications Team had further increased research visibility being undertaken by the University with the launch of Global Research News and Global Week an important part of the messaging, ensuring that the University featured in the minds of influential academics who would be contributing to the QS World Rankings Survey;
- c) in relation to the Pro-Vice-Chancellor (PVC) (Colleges & Student Experience), the following:
 - i) noting the imminent announcement of a new COO, the Executive had taken the decision to suspend the role of PVC (Colleges & Student Experience) and not recruit to the post;
 - ii) the Vice-Chancellor had met with the Heads of Colleges prior to informing Senate of the decision to suspend the role;
 - iii) although some concerns had been raised about the decision, the COO would be an important representative of the Colleges Directorate at UEC, and Council would be considering proposals later in the meeting about securing College representation in Council's membership.
- d) noting the conclusion to the refitting of Boldon House, investigations would be undertaken by Governance Support Services about the feasibility of holding a future Council meeting at Boldon House;
- e) in relation to student recruitment the following:
 - i) undergraduate (UG) recruitment continued to perform well in relation to home and international student numbers;
 - ii) postgraduate (PG) international numbers continued to be volatile across the sector, with the emergence of price sensitivity in markets where previously this had not been the case;

- iii) the University was continuing to develop its Transnational Education offer and there was an encouragement for students to undertake 3+1 or 2+2 study options of UG leading to PG study;
- iv) there had been a slight increase in students from the United States wanting to study in the UK, although it would take several years for this market to grow sufficiently to mitigate the decline in other international markets.
- f) the re-emergence of a youth movement scheme in Europe was welcome news, although initially it was likely to focus on employment rather than student movement and would not impact on the fee status for European students.

60. Senate Report (C/24/43 Confidential)

Noted:

- a) Senate's discussion of the development of an academic workload model. Not all departments had a workload model and the proposals could be adapted to suit local needs;
- b) in relation to the Exceptional Regulations the following:
 - i) in response to the threat of external factors such as a pandemic or cyber-attack, the Office for Students (OfS) expected universities to respond by taking all reasonable steps to avoid or limit disruption to students;
 - ii) due to Council being responsible for the organisation of teaching and research, through its accountability to the OfS, the implementation of Exceptional Regulations required Council approval; the Exceptional Regulations were felt to be sufficient to meet OfS requirements, although each institution would respond differently to any disruption to students and OfS approval was not required for how institutions would avoid or limit any disruption;
 - iii) members of Council had received an email from the University and College Union (UCU) about concerns relating to the Exceptional Regulations.

[Secretary's Note: following the meeting, it was clarified that the UCU had contacted Council on 31 October 2024 raising concerns over the consultation relating to the Exceptional Regulations, following Senate's consideration of the proposals on 15 October 2024. Senate though had subsequently reviewed the Exceptional Regulations on 26 November 2024 and 4 February 2025, endorsing them for approval by Council. There has been no further communications from the UCU on the Exceptional Regulations].

Agreed: implementation of the Exceptional Regulations

61. Students' Union Report (C/24/44 Internal)

Noted:

- a) the President of the Durham Students' Union (DSU) was sympathetic towards the University's position in relation to the necessary savings it was making, although students were concerned if the savings might impact on their experience at the University;
- b) the launch of the University's Access and Participation Plan was highlighted as an excellent example of how the DSU and the University worked well together in developing a Plan which had been approved with no amendment from the OfS;
- c) in relation to the Durham Union Society the following:
 - i) following concerns raised by the President of the DSU at Council on 5 November 2024 about the behaviour of some members of the DUS, more evidence had come to light through an article published in the student newspaper the Palatinate;
 - ii) it was noted that the DUS had admitted behaviours at an end of term event were not acceptable and the Trustees of the DUS had been informed;
 - iii) the University Secretary was currently finalising lease and a licence to occupy agreements for the DUS use of University property, with this process having begun before the recent media coverage;
 - iv) due to the independent charitable status of the DUS, the University could not involve itself in how the DUS was run or how Trustees were elected. However, the Trustees had recognised that, in responding to poor behaviours, they needed to have a closer dialogue with DUS Trustees around expectations on DUS operations and behaviours;

- v) students engaging in any inappropriate behaviour could be disciplined through the student misconduct procedures;
- vi) when it operated appropriately, the DUS provided an excellent training ground for debating skills, and the profile of its speakers was impressive.

Agreed:

- a) to discuss with the DUS the messaging on its webpages making it clearer that the organisation was an independent charity for the benefit of Durham University students, but separate from the University; **AW**
- b) Council to receive an update on progress relating to lease arrangements and relationships between the DUS, its Trustees and the University later in this academic year. **AW**

62. Financial Savings and Business Realignment (C/24/45 Confidential)

Received: Financial Savings and Business Realignment Presentation

Noted:

- a) the Deputy-Vice-Chancellor & Provost presented to Council on the financial savings and business realignment process that the University was engaged in, covering the following areas: the context behind the need to reduce expenditure; the rationale about why Professional Services (PS) had been initially asked to consider Voluntary Severance (VS); update on the current situation regarding the VS Scheme; the timeline for consideration of the VS Scheme applications and next steps should they be necessary;
- b) the Vice-Chancellor and Deputy-Vice-Chancellor had held several briefing sessions for PS Staff, with over 1,000 people attending either in person or online;

Closed Minute

- f) Council were keen to support the Executive where necessary in managing the reduction in expenditure;
- g) staff had appreciated the clear communications from the Executive, with PS Heads being kept regularly updated by the Deputy-Vice-Chancellor in relation to appropriate messaging to other managers and staff;
- h) savings would have to meet the financial target set, with Finance Committee and Council receiving an update on progress at every meeting as a standing item.

63. Strategic Performance Indicators (SPIs) and Strategy Bi-Annual Update: 2024/25 (C/24/46 Confidential)

Noted:

- a) Council thanked the Director of Strategic Planning & Insight for improvements to the reporting model in developing a one-page dashboard, which aided understanding of progress being made against the SPIs;
- b) the use of lead indicators may supplement analysis of relevant performance indicators;
- c) in relation to two of the 'red' rated SPIs the following:
 - i) Citation Metrics:
 - I) citation performance lagged and it would take some time for the metric to improve, although the growth in research income was a positive sign of likely future improvements;
 - II) the decline of citations since 2022 may have been due to greater investment of other institutions worldwide, however, more research would be undertaken in finding the reasons behind the declining performance;
 - III) despite the financial challenges, the University continued to invest in attracting world-leading and highly-cited scholars to Durham.
 - ii) Postgraduate Research (PGR) Students:
 - I) the development of the Doctoral School was planned to help support PGR Students and improve the SPIs related to this area;
 - II) there had been a decline in funding for Centres for Doctoral Training which was impacting on the opportunities to recruit high-quality PGR students.

64. Senate Ordinances Part 2 (C/24/47 Public)

Noted:

- a) Senate had considered several Ordinances and endorsed minor changes for Council's approval;
- b) this was likely to be the last of the major review of recommendations resulting from the Statutes Review, Council Effectiveness, and Senate Effectiveness Reviews, with Governance & Nominations Committee to oversee the closure of activity from the Governance Review Implementation Group.

Agreed: the changes to the Senate, Faculties and Academic Electoral Assembly Ordinances as presented.

65. Head of College Re-Appointment (C/24/48 Confidential)

Noted: following satisfactory completion of their appraisal, Council was asked to approve the extension of Professor Wendy Powers as the Head of University College.

Agreed: to approve the extension of Professor Wendy Powers as Head of University College until 31 July 2030.

66. Finance Committee Report 17 February 2025 (C/24/49 Confidential)

Noted:

- a) Finance Committee had focussed much of its meeting on the quarterly financial forecasts which demonstrated the University's current financial position. The forecasts were not encouraging, but explained why the necessary financial savings were having to be made in-year in order to return the University to a more sustainable financial position;

Closed Minute

- c) the Revolving Credit Facility was due to expire in October 2026, however, due to the timescales involved, it was important to start the process via a mini-tendering exercise now. Council would be informed of the outcome of the tender in due course;
- d) in relation to the Quarter 1 Financial Forecast:
 - a. noting the timing to the year-end, the University normally aggregated its expenditure over a 2-year period. This resulted in a previous underspend of £21m being offset by a £16m overspend and an overall £5m aggregated surplus;
 - b. discussions were taking place for a reprioritisation of the Capital Plan which would be shared with Council once plans had been developed.
- e) Finance Committee had agreed by-circulation proposals for a scholarship which may help attract international students from countries where interest was declining. The scholarship itself did not require many additional applicants for a positive return on investment;
- f) although the Committee had agreed, in principle, a total returns approach to philanthropic funded endowments, it was not clear if Finance Committee had the authority to make such a decision, or if it required Council approval.

Agreed: to clarify if the Total Return on Investment Policy required Council or Finance Committee approval. **NS**

67. Audit and Risk Committee Report (ARC) 22 January 2025 (C/24/50 Confidential)

Noted:

- a) In relation to the US Generally Accepted Accounting Practice (GAAP) Accounts the following:
 - i) ARC agreed to delegate final approval to the return to the Chair, pending the final version of the Auditors Report, although no issues had been raised;
 - ii) in the US there had been discussions about closing the Department of Education, this may impact on future US GAAP returns and would be closely monitored.
- b) resulting from the current financial environment that the University was operating in and the earlier discussion on savings, ARC was recommending to Council that the residual risk score for SR02 Business Model and Financial Sustainability move from 20 to 25.

Agreed: to increase the residual risk for SR02 to 25.

68. People and Organisational Development Committee 27 January 2025 (C/24/51 Internal)

Noted: the matters discussed by People and Organisational Development Committee on 27 January 2025.

69. Governance and Nominations Committee (GNC) 5 February 2025 (C/24/52 Internal)

Noted:

- a) the matters discussed by GNC at its meeting on 5 February 2025;
- b) GNC had also endorsed several Council membership changes for Council to approve;
- c) due to changes to the process for approving Heads of Department and the inclusion of the position of Chief Operating Officer, there were some minor changes to the Council Ordinance which GNC has endorsed for Council to approve.

Agreed:

- a) the extension of Professor Ari Sadanadom's Term of Office as a Staff Member of Council until 31 July 2028;
- b) the process for seeking expressions of interest for a Head of College to join Council as a Staff Member;
- c) the appointment of Michael Izza as a Lay Member of Council from 1 August 2025;
- d) amendments to the Council Ordinance as presented.

70. Campaign Board Report (C/24/53 Confidential)

Noted:

- a) the matters discussed by the Campaign Board at its meeting on 23 January 2025;
- b) the Board was actively supporting the soft launch phase of the new philanthropic campaign, with some significant donations recently announced;
- c) Council would receive a more detailed update from the Chair of the Board and the Director of Development and Alumni Engagement at a future meeting.

71. Register of Sealings (C/24/54 Confidential)

Noted: the Register of Sealings for information.

72. HR and OD Report on Key Staffing Matters (C/24/57 Confidential)

Noted: the report for information.

73. WonkHE/KPMG HE Policy Briefing (C/24/55 Public)

Noted: the document for information.

74. OfS offering help for Financial Sustainability Blog

Noted: the link for information.

75. Business by Chair's Action or By-Circulation (C/24/56 Internal)

Noted: action taking by Chair's Action or By-Circulation since the last meeting of Council, relating to:

- a) approval of the Access and Participation Plan;
- b) the appointment of a Co-opted Member of ARC;
- c) the appointment of a new Head of Collingwood College.

76. Dates of Future Meetings

Noted: 20 May and 15 July 2025.