

Council

1 February 2022

- Present:** Joe Docherty (Chair), Joanna Barker, Jonathan Bewes, Kay Boycott, Camila Caiado, Leslie Ferrar, James Grierson, Alison Hastings, Denise Lievesley, Antony Long, Colin Macpherson, Amir Michael, Cheryl Millington, Rebecca Morris, Liadi Mudashiru, Karen O'Brien (Vice Chancellor), Nigel Perry, Kate Pretty, Corinne Saunders, Terry Toney, and Seun Twins.
- In Attendance:** Sandip Biswas (Lay Member Observer), Alison Blackburn (Interim University Secretary), Janette Brown (Lay Member Observer), Declan Merrington (PG Academic Officer), Stephen Willis (Chief Financial Officer), and Kelly Knapp (Minutes).
- Apologies:** Ari Sadanandom and Andrew Tremlett.

Minutes of a meeting held on 1 February 2022 via Zoom
(All documents listed are filed with the official copy of the Minutes)

Action

- 57. Welcome**
The Chair welcomed Sandip Biswas, Janette Brown and Karen O'Brien to their first meeting of Council.
- 58. Declarations of Interest**
a) C Caiado, Professor of Statistics in the Mathematical Sciences Department, declared an interest related to the Vice-Chancellor's Report.
b) A Michael, Associate Dean for MBA and DBA Programmes in the Business School, declared an interest related to Estates and Development Update.
- 59. Minutes of Meeting 7 December 2021 (C/21/46)**
Approved: The minutes of the meeting held on 7 December 2021 with the exception of 34(d) that was to be updated to read: "the University was a principal partner in the region's City of Culture bid with the Executive Dean (Arts and Humanities) spearheading efforts."
- 60. Matters Arising**
Noted: There were no matters raised.
- 61. Action Log (C/21/47) and Schedule of Business (C/21/48)**
Noted: The status of the Action Log and Schedule of Business.
- 62. Chair's Business**
a) **Joint Council & Senate Meeting:** The Chair thanked those involved in organising the Joint meeting that had taken place the previous day. The meeting was an informative session on the University's Civic and Regional Engagement that focused on cultural, business, and public affairs and policy activities. As the meeting was held virtually, a dinner will be arranged at a later date offering Council and Senate members the opportunity to discuss this and other topics further. **AB**
b) **Chancellor Appointment:** The Senate was identifying representatives for potential inclusion on the appointment panel and once received these would be assessed alongside Council members who had already volunteered, to determine the best balance of skills and representation. The aim was to finalise the panel composition within the next few weeks.

- c) **University Secretary Appointment:** The Chair thanked Council members who had volunteered to be part of the appointment panel and confirmed that the timeframe for applications to be received had begun and would close in mid-February.
- d) **Council Meetings:** The remaining meetings for the academic year were scheduled to take place in person and would include a pre-Council event the evening prior to the meeting. Council Committee Chairs were asked to use their discretion in determining if their remaining meetings were to be held in-person or virtually.

63. **Vice-Chancellor's Report (C/21/49)**

Received: A report updating Council on key matters addressed by the Vice-Chancellor and the University Executive Committee (UEC) since the Vice-Chancellor's Report on 7 December 2021.

Noted:

- a) The Vice Chancellor was pleased to be attending her first Council meeting and thanked Council members for time provided and knowledge shared since her appointment was announced. Special acknowledgement was given to the Chair of Council and to the Provost, who had served as Interim Vice Chancellor. The Students' Union had been very welcoming, and the Vice Chancellor looked forward to working with the President and the Union.
- b) The Vice Chancellor's early priorities would focus on three areas: (i) equitable access for students to the University, (ii) culture and behaviours, and (iii) mental health and wellbeing for staff and students.
- c) Initially, the Vice Chancellor planned to expand her knowledge and understanding of the University prior to making significant decisions. She had been very impressed with the calibre of academic staff and students.
- d) Recent changes to the University's approach to Covid that included a commitment to provide in-person teaching, where possible, maintaining staff and student safety, and a testing regime.
- e) Industrial action was anticipated, and preparations were underway to help mitigate the impact.
- f) Efforts had begun by departments / teams to develop actions plans in response to feedback from the Staff Survey.
- g) The formal investigation of the incident at South College had concluded resulting in a number of recommendations. The process was ongoing and being a personnel matter remained confidential. The staff member continued to serve as Principal of South College.

64. **Update: Estates and Development (Verbal)**

Received: A verbal update on the University's potential acquisition of The Sands from Durham County Council (DCC), which aligned with information contained with the Finance Committee Report (C/21/60).

Closed Minute

Noted:

Agreed:

- a) Negotiations to proceed between Durham County Council and the University regarding the purchase of The Sands.

65. **Senate Report (C/21/50)**

Received: A report summarising the matters discussed by Senate at its January 2022 meeting.

66. **Students' Union Report (C/21/51)**

Received: A report providing insight on national matters of student interest, significant local matters of student interest, and successes and matters of note for Durham Students' Union.

67. **Office for Students (OfS) Accountability Return (C/21/61)**

Received: The components of the Annual Financial Return for review and approval prior to submission to the OfS by the 1 March deadline.

Noted:

- a) The University's annual report was prepared utilising an integrated reporting framework that had been adopted by the University over the past four years. Earlier drafts of the current report had been reviewed by both the Audit & Risk Committee and Finance Committee who had also been advised of the anticipated changes.
- b) Apologies were expressed over the late distribution of the materials.
- c) The audit was several weeks overdue and not finalised. The delay related to a technical review by the Auditors of the accounting treatment of the lease agreement for the Mount Oswald Colleges. There was agreement the lease was an off-Balance Sheet item, but a proportion of the lease should be reflected annually. Conclusion of the matter was anticipated within the coming days and was anticipated to result in an immaterial adjustment to the financial statements and further clarification to the narrative.
 - i. The accounting treatment of similar arrangements within the Higher Education sector were being revisited with expectations for increased transparency around long-term lease agreements. The overall agreement would remain an off-Balance Sheet item, but annually an element would come onto the Balance Sheet resulting in an offsetting asset / liability.
 - ii. The Finance Committee had challenged the accounting treatment for Mount Oswald and were confident what had been proposed was the best way forward.
- d) The Management Letter was also expected to be amended to include an additional control recommendation which did not have an impact on the financial integrity of the information provided.
- e) The audit had been problematic from the start following a delayed handover from the previous Auditors and significant changes in personnel within the Finance Team. Grant Thornton had worked very well to meet the challenges as had the existing members of the Finance Team. There had been lessons learned that would be leveraged in the future.
- f) The Audit & Risk Committee had met with Grant Thornton, including private discussions only with the Lay Members.
 - i. Based on the weaknesses identified by the Auditors the internal audit plan had been adjusted.
 - ii. Assurance had been received that there was a recognition of the issues and a commitment to rectify; both Audit & Risk Committee and Finance Committee would monitor progress.
- g) The OfS Annual Financial Return was a five-year forecast that, in general terms, helped provide assurance to the Regulator that the University could continue to do business in the foreseeable future. The information reflected "business as usual" and incorporated adjustments for the unique activities that had affected the University the past couple of years (e.g., Covid pandemic, over recruitment, etc.) that were not anticipated to impact the University in the future.

Approved:

- a) Annual Report and Financial Statements for the year ended 31 July 2021 subject to changes being confirmed via Chair's Action in collaboration with the Finance Committee Chair and Audit & Risk Committee Chair.
- b) The OfS Annual Financial Return 2021.

Agreed:

- a) Letter of back-to-back representation to be presented to Council.

SW**68. Division and Establishment of Economics and Finance Departments (C/21/52)**

Received: A proposal to establish two separate Departments (a Department of Economics and a Department of Finance) from the current Department of Economics and Finance.

Noted:

- a) In 2018 Council had approved the establishment of the Business School, providing the foundation for future changes to its structure, of which the proposed splitting of the Department of Economic and Finance was one.
 - i. The proposal summarised feedback following a consultation process that included staff and students.

- ii. The proposal had been reviewed and endorsed by Provost's Board, University Executive Committee, and Senate.
- b) The appointment of an Interim Head of Department for twelve months in lieu of the standard three-year period was proposed to help facilitate the transition and provide an opportunity for a permanent Head to be identified from existing staff and new hires joining the University during that period. The proposal had been endorsed by the Board of Studies and Senate.
- c) Alignment of staff with the two new Departments would be determined in collaboration between the employee, Head of Department and Human Resources, over a period of transition.
- d) The proposed split aligned with the Strategy as a move which would facilitate better external recognition that could be leveraged for accreditation, research, as well as staff and student recruitment.

Approved:

- a) The establishment of a Department of Economics and a Department of Finance, from the current Department of Economics and Finance, with effect from 01 August 2022.
- b) The establishment of a Board of Studies for each Department, with effect from 01 August 2022.

69. Financial Agreement and Memorandum of Understanding with the Recognised Colleges 2021/22 - 2025/26 (C/21/53)

Received: The revised Memorandum of Understanding (MoU) and associated appendices with the Recognised Colleges, St Chad's and St John's.

Noted:

- a) Council had received the revised MoUs, in alignment with their scheduled five-year review, at its December 2021 meeting. The supplemental information addressed the questions that had been raised at that time.

Approved:

- a) The revised Memorandum of Understanding (MoU) and annexes with the Recognised Colleges, St Chad's and St John's

70. Policy and Procedure for Student Complaints of Harassment and Bullying Against Staff (C/21/55)

Received: A proposal to introduce a Policy and Procedure for Student Complaints of Harassment and Bullying Against Staff.

Approved:

- a) The Policy and Procedure for Student Complaints of Harassment and Bullying Against Staff.

Trudy Coe (AdvanceHE) and Joanne Race joined the meeting for the next item.

71. Inclusive Culture Leadership Programme (C/21/56)

Noted: The meeting included a 90-minute workshop designed to support Council in their governance of the University' approach to equality, diversity and inclusion, and to further develop their capacity to provide oversight of, and direction to, the inclusion agenda.

Jonathan Bewes, Trudy Coe, and Joanne Race left the meeting.

72. University Strategy Implementation Committee Report (Verbal)

Noted: A report of the matters considered by University Strategy Implementation Committee at its meeting on 12 January 2022 would be presented to Council at its next meeting.

73. Audit & Risk Committee Report (C/21/58)

Received: The report of the matters considered by Audit & Risk Committee at its meeting on 14 January 2022.

Noted:

- a) As previously noted, the Committee had met with the Auditors regarding the audit and associated findings in preparation of the Annual Report.
- b) The Committee had undertaken a “deep dive” on reputational risk that provided assurance the risk was managed; further discussion of the risk at Council had been recommended.
- c) There had been a high volume of internal audit work completed that included the identification of a number of recommendations related to Colleges, linked to the College Handbook. The Committee was reviewing timelines to help ensure actions were being managed.

74. Governance and Nominations Committee Report (C/21/59)

Received: The report of the matters considered by Governance and Nominations Committee at its meeting on 19 January 2022.

Agreed:

- a) As the paper outlining amendments to the strategic risk related to governance and management and its continued priority and focus following completion of the Council Effectiveness Review had not been circulated prior to the meeting, members would provide feedback / approval to the University Secretary via Email following the meeting. **ALL**

75. Finance Committee Report and Financial Items (C/21/60)

Received: The report of the matters considered by Finance Committee at its meeting on 25 January 2022.

Noted:

- a) The increased Local Exhaust Ventilation funding request would be used to address legacy issues and ensure the University is aligned with current requirements. However, requirements continue to evolve, and any new future requirements would need to be addressed and funded accordingly.
- b) The acquisition of Boldon House presented an opportunity to accommodate a large number of staff in one location and thereby freeing space on campus for other use. The assumption was that the space would be utilised by Professional Services staff but required further work to confirm.

Agreed:

- a) Increasing the funding of the Local Exhaust Ventilation Project by £616,644 to a new total investment of £5,582,147.
- b) Ongoing work to assess the best utilisation of Boldon House and the associated costs to adapt the building for use by the University, which once defined would be presented to Council for review and approval.

76. Business Agreed by Circulation since the last meeting

Received and Noted:

- a) 23 December 2021 – Approval of LIBOR Transition
- b) 17 January 2022 – Approval of Head of Department (HoD) Nominations:
 - i. Professor Jamie Tehrani – HoD Anthropology 1 August 2022 – 31 July 2025
 - ii. Professor Sarah Semple – HoD Archaeology 1 August 2022 – 30 November 2022
 - iii. Professor Tom Moore 1 December 2022 – 30 November 2025
 - iv. Professor Andrew Parker – HoD Marketing and Management with immediate effect
- b) 28 January 2022 – Approval of Head of Department Nominations:
 - i. Professor Matthew Johnson – HoD Computer Science 1 August 2022 – 31 July 2025
 - ii. Professor Christopher Greenwell – HoD Chemistry 1 February 2022 – 31 July 2025

77. Dates of Future Meetings

Noted: The dates of future meetings: 15 March 2022, 10 May 2022, 7 June 2022, and 12 July 2022.