Present:
The Chair of Council
The Acting Vice-Chancellor
The Treasurer
Pro-Vice-Chancellor/Research (Professor D Smith)
Pro-Chancellor (Ms J Unwin)

Professor N Audsley
Mr S Bayley
Mr P Carpenter
Dr K Dittrich
Dr C Dye
Mrs L Fussell
Professor C Hunter
Mrs N Inchbald
Professor D Petrie
Ms S Shafi (GSA)
Mr R Sommers
Mr C Thompson
Mrs C Thomson
Mr J Durcan (SU)

In attendance:
Registrar & Secretary, Ms J Horsburgh (Secretary)
Pro-Vice-Chancellor (Teaching, Learning & Students),
Professor J Robinson
Pro-Vice-Chancellor (Partnerships & Knowledge
Exchange), Professor J Timmis
Director of Finance, Mr J Lindley
Director of Information Services and Acting Academic
Registrar, Mrs H Fraser-Krauss
Governance Officer, Dr P Evans (Assistant Secretary)
Governance Administrator, Ms B Carter Ellis
Vice-Chancellor’s Executive Officer, Mr I Wiggins
Business Intelligence Unit, Mr D Cashdan and Mr W
Mackintosh (for M18-19/9)
Director of Global Engagement, Mrs H Layton (for M18-
19/16)
Director of Health and Safety Services, Mr D Fowler (for
M18-19/20)
Chair of Audit & Risk Committee, Mr D Tecwyn (for
M18-19/24)

Apologies for absence were received from the Pro-Chancellor (Mrs D Jagger) and Dr
R Curwen.
Council considered an assurance report from the Pro-Vice-Chancellor (Teaching Learning and Students) on the quality of the student academic experience/outcomes and the reliability of degree standards (C.18-19/1).

Presenting his report the Pro-Vice-Chancellor reminded Council that together with other reports received from Senate over the last year it formed the basis of the new assurance requirement from governing bodies to the Office for Students (OfS) in respect of academic quality. Council then received a presentation covering the following areas:

- the external sector-wide framework for academic quality assurance, including the UK Quality Code and subject benchmark statements;
- internal processes overseen by Senate and the University Teaching Committee, including the external examiner system and annual programme reviews;
- the cyclical periodic review process of individual departments and associated action-plans;
- the metrics-driven elements of the Teaching Excellence Framework (TEF), including those drawn from other surveys (e.g. National Student Survey, Destination of Leavers etc);
- successful achievement of TEF Gold award (improvement from Silver the previous year) and joint 9th ranking in the THE’s Europe Teaching Rankings 2018 (comparing 240 universities across western and southern Europe);
- internal student surveys, including module evaluations;
- technical aspects of the TEF metrics, including the use of benchmarks and the importance of the associated narrative submission;
- disappointing results in the most recent NSS survey, with significant departmental variation and detailed follow-up work with departments to improve results.

During discussion of the Pro-Vice-Chancellor’s executive report, the following points were noted:

(a) Under-performance in key areas of the NSS was likely to detrimentally affect the University’s position in the next TEF assessment. As regards linkage to the institutional pedagogy, this was noted to be well aligned to the new NSS dimensions and as such was expected to deliver improvements in the coming years.

(b) Given the range of outcomes in respect of teaching quality from the various different evaluation methodologies, the difficulty was
acknowledged of developing consistency in external messaging and branding.

(c) The departments receiving additional support following the most recent NSS outcome were reported as Archaeology, Computer Science, Economics, Education, Environment & Geography, Health Sciences, History, Language & Linguistic Science and Social Policy & Social Work. The detailed action-planning for these departments was provided in the separate detailed NSS report (M18-19/31 below refers) and would also be the subject of a planned University Executive Board (UEB) strategy session.

(d) It was acknowledged that performance management on the basis of individual metrics could lead to perverse incentives, behaviours and outcomes (e.g. a highly weighted emphasis on student retention could lead institutions to retain struggling students at all costs, with consequential implications for other quality metrics such as degree outcomes).

(e) The NSS data reported against different demographic categories was set out in the separate detailed NSS report.

(f) The University was making gradual progress in matters relating to assessment and feedback, a dimension in which the whole sector tended to underperform.

(g) As regards developments in the quality assurance landscape going forward, important changes included greater emphasis on progression in widening participation groups, replacement of the long-established Destination of Leavers Survey (M18-19/31 below refers) with new Graduate Outcomes data and extension of the TEF down to subject/departmental level (aggregated to give an institutional score).

(h) While teaching and degree standards remained high at the University, it was important to achieve consistency across all departments and student categories. This in turn had clear messages for presentation of the University’s offer to prospective students, which needed to be broadly drawn to include the more developmental employability aspects of the institutional pedagogy.

(i) Regardless of the new regulatory expectations in respect of widening participation and student diversity, the University needed to continue to drive improvement in these activities as they were central to its traditional values and identity.

Following discussion Council thanked the Pro-Vice-Chancellor for his informative report and agreed that it should continue to receive this
executive report on an annual basis. It also **decided** formally to authorise the Acting Vice-Chancellor as accountable officer to sign the required annual assurance return to the OfS in respect of the continuous improvement of the student academic experience/outcomes and the standards of awards for which the University was responsible.

18-19/6  **Vice-Chancellor Recruitment**  
*[FOI exempt/commercially confidential]*

18-19/7  **Membership/Terms of Reference**

Council **noted** its membership for 2018/19 and the Chair welcomed new members to their first formal meeting.

As regards its Statement of Primary Responsibilities (C.18-19/2), Council **approved** the following additional element in accordance with a recent internal audit recommendation:

> “To ensure that an effective framework is in place to manage the quality of the student academic experience and the maintenance of standards” (M18-19/5 above also refers)

In response to the suggestion that Council should establish its own academic quality sub-committee, it was agreed that this would represent a duplication of effort that would conflict with the University’s academic governance framework beneath Senate (especially the University Teaching Committee). However, it was agreed that further consideration would be given to how Council might engage more closely with academic matters in the context of its new assurance responsibility in this area.

18-19/8  **Declaration of Conflicts of Interest**

Members were invited to declare any potential conflicts of interest relating to the business of the meeting. The following matters were declared:

- the Treasurer declared an interest in the first loan covenant breach in 2013 (M18-19/4 above refers);
- the Finance Director, Treasurer, Deputy Treasurer and Chair declared an interest in the replicated loan covenant breach in 2017 (M18-19/4 above refers);
- as members of the scheme, staff members declared an interest in all matters relating to the USS (M18-19/15 below refers).

18-19/9  **Minutes**

The unreserved minutes of the meeting held on 18 July 2018 (C.18-19/3) were **approved**. Council also **noted** the action-schedule based on the
minutes (C.18-19/4), in particular the items that were to be considered at the current meeting.

18-19/10  Key Performance Indicators
[FOI exempt/commercially confidential]

18-19/11  University Strategy

Further to M17-18/97 (*University Strategy*) and related discussions at the recent Away Day, Council received a brief verbal report from the Acting Vice-Chancellor confirming that actions were being progressed in response to comments from members on specific areas of activity (e.g. student recruitment, international partnerships and apprenticeships).

18-19/12  Safeguarding Policy

Further to M17-18/102 (*Safeguarding Policy*), Council received a report on the development of the University’s safeguarding framework (C.18-19/6).

Introducing the framework as Acting Academic Registrar, Mrs Fraser-Krauss observed that it remained a work in progress which sought to safeguard vulnerable adults, children and individuals at risk of radicalisation (Prevent).

Comments on the proposed framework were noted as follows:

(a) It was suggested that the framework required some further work to accommodate more contemporary approaches to allegations of historical abuse and to reflect the full complexity of different possible abusive scenarios (e.g. adult/minor, staff/student, student/student etc).

(b) Stronger links were proposed with other University policies relating to public disclosure (“whistle-blowing”), bullying/sexual harassment and anti-slavery legislation. Reference was also required to any use by the University of NDAs as they might pertain in severance cases.

(c) In terms of an appropriate policy statement on historic cases of abuse, it was suggested that this could refer to general principles such as proper investigation followed by suitable action to provide redress for victims.

(d) On the question of NDAs, it was generally agreed that these needed to be carefully worded in order to avoid accusations of cover-up and to ensure that reputational protection did not override the defence of victims.
Following discussion it was decided that the final version of the safeguarding framework should be submitted to Council for information.

18-19/13 Financial Transactions
[FOI exempt/commercially confidential]

18-19/14 Halifax Estates
[FOI exempt/commercially confidential]

18-19/15 Executive Report from the Vice-Chancellor
[FOI exempt/commercially confidential]

18-19/16 Executive Report on International Activity

Council received an executive report from the Acting Vice-Chancellor on key areas of international activity (C.18-19/9), noting the substantive investment (£500k p.a.) being made in this area. The Director of Global Engagement (Hilary Layton) attended the meeting for this item of business.

During discussion the following points were noted:

(a) As regards the acknowledged over-dependence on international students from the Chinese market, the Acting Vice-Chancellor observed that the initial phase of additional investment was in part intended to diversify overseas recruitment through the use of in-country agents in other locations.

(b) As regards progress with the York-Maastricht collaboration, this was now gaining momentum and would be taken forward by the newly appointed Pro-Vice-Chancellor (International), with funding ring-fenced in both institutions to support joint teaching and appointments. Consideration was also being given to a possible jointly-run facility in Brussels.

(c) In response to a query, it was reported that the University and its academic departments managed a large number of European and other exchange programmes, with ca. 500 students per annum taking the opportunity to study abroad (higher than the sector average as a percentage of the total undergraduate student population). The Acting Vice-Chancellor agreed to share an International Committee report on this matter with Council for information.

(d) In terms of building the University brand in overseas markets by further development of online programmes, the Acting Vice-Chancellor confirmed that, after an initial focus on the best opportunities indicated by market research, broader consideration
was now being given to other areas for online development, including in the arts and humanities and health areas.

(e) With regard to the benefits provided by the University's European connections and collaborations after Brexit, these would mainly relate to accessing EU research funds and supporting academic staff recruitment/exchanges.

18-19/17  
Financial Statements for the Year ending 31 July 2018

The Treasurer presented the financial statements for the year ended 31 July 2018 (C.18-19/11), also drawing Council’s attention to the report from the joint meeting of the Audit & Risk and Finance Committees at which the accounts had been reviewed in detail (C.18-19/10).

The Treasurer commented on the following key features of the accounts:

- income and expenditure compared to 2016/17;
- net cash position (£82m) and net worth (£400m);
- research income (£71m) and operating surplus (£18m);
- aspects of the balance sheet (net assets: £400m);
- movements in cash and loans since 2013/14;
- projected cash flow to 2022/23;
- trends in capital expenditure, net worth and staff/student numbers since 2015.

The Treasurer concluded his presentation by commenting on the University’s relatively healthy cash balances but also drawing attention to forecast income levels that did not keep pace with expenditure (in the context of depreciation charges). Reference was also made to the financial risks arising from the current government funding review, the USS pension situation and Brexit.

During discussion the following points were noted:

(a) The Finance Director drew attention to the wording agreed with the external auditors in respect of the loan covenant breach (Note 13 to the accounts refers) and to the revised wording of Note 28 (Post-Balance Sheet Events) in respect of a recent High Court ruling on the equalisation of guaranteed minimum pensions for men and women.

(b) The increase in staff costs related in part to pension provision but also to annual incremental progression for a proportion of the staff.

(c) On the question of the relation between staff and student numbers (SSRs), especially the potential impact on staff numbers of a decline in student recruitment, this was closely and routinely monitored by UEB
at departmental level. SSRs, which differed considerably across disciplines, were also one indicator used in certain league tables as they had an obvious impact on teaching. Major changes in SSRs could also oblige departments to modify teaching and assessment practices (e.g. teaching fewer modules to larger groups) and could also impact on student feedback in surveys such as the NSS.

(d) In terms of the balance between academic and support staff numbers (Note 7 to the accounts refers), the requirements of the external quality assessment and regulatory environment placed a considerable bureaucratic burden on all institutions, which in turn required sufficient administrative resources to protect the teaching/research time of academic colleagues.

(e) As regards the levels of cash generation reported in the accounts, it was acknowledged that this was not currently sufficient to support development of the estates masterplan, especially refurbishment of Campus West.

Following discussion Council approved the 2017/18 financial statements for signature and submission to OfS, subject to completion of the waiver agreements with RBS and EIB (M18-19/4 above refers). It also decided to authorise the Director of Finance to sign the associated representation letter to the external auditors (KPMG).

18-19/18 Student Residences Project
[FOI exempt/commercially confidential]

18-19/19 Urgent Decisions Group

Council considered a report in respect of the future operation of its Urgent Decisions Group (C.18-19/14).

Presenting the proposals the Registrar & Secretary commented on the intention to establish the group as formal sub-committee of Council with a standing membership to ensure greater consistency and a better understanding of the matters being considered under delegated authority.

During discussion the following points were noted:

(a) The recommendations linked to the broader intention to improve the awareness and understanding of all Council members as regards the complex financial transactions with which the University was engaged (M18-19/25 below refers).

(b) Council would be asked formally to delegate authority to the UDG in each case under consideration (by correspondence if necessary) and
would subsequently receive a synopsis report on the business transacted by the group.

(c) The scope of the group’s remit would be to consider urgent matters that could not wait until the next calendared meeting, such as significant financial transactions or contracts with external parties.

(d) Noting that the academic voice would be represented on the group by the Vice-Chancellor and Deputy Vice-Chancellor, the SU President queried why the proposed constituency did not also include student representatives. In response the Chair observed that all Council members would be asked to approve any delegation to the group and that UDG papers would be circulated to all members of Council for information and transparency, which would provide opportunities for student representatives to comment on the matter in hand if necessary.

(e) Noting the potential exposure to risk under the previous arrangements, the new process was generally welcomed, as long as it maintained a clear and agreed definition of urgency at a relatively high threshold.

Following discussion Council approved the specific recommendations to:

i) formalise the Urgent Decisions Group (UDG) as a standing sub-committee of Council;
ii) amend the constituency of the UDG to create a smaller group with a standing membership and revised quorum (section 4.1 of the report refers);
iii) supplement the Terms of Reference to clarify that the UDG could also be convened by Council by correspondence;
iv) agree the key principles for the group’s operation (section 4.3 of the report refers);
v) change the secretariat arrangements from the Finance Department to the Deputy Registrar.

18-19/20 Prevent Duty

Council considered the annual report for the Office for Students on University compliance with the statutory Prevent Duty (C.18-19/13).

Attending the meeting to present the report the Director of Health and Safety Services (Denis Fowler) commented that the high level of staff and student engagement with relevant policies across the University provided strong assurance in this area of statutory responsibility, which was further reinforced by effective partnership working with several external agencies. In this context the Registrar & Secretary reported that the new
monitoring framework for Prevent under the OfS was more rigorous than previously, but the University’s profile generally tended to raise fewer risks in this area than might be the case in other universities. It was also noted that the Prevent Duty Oversight Group included in its membership the G7 Prevent Regional Coordinator for the North East.

In response to a query on concerns about freedom of speech under the Prevent Duty, the Registrar & Secretary confirmed that the University’s general approach was to treat such matters as a safeguarding issue for staff and students. It was noted that considerable efforts were made to mitigate risks around visiting speakers (e.g. via special ticketing or chairing arrangements), and that no major issues had thus far arisen in the context of the University’s statutory obligation under the Education Act (1986) to ensure freedom of speech within the law on University premises.

Following discussion Council approved the Prevent Duty Annual Report for submission to the OfS and authorised the Chair to sign the associated accountability statement.

18-19/21 University Ethics Committee

Council considered a report from the Registrar & Secretary on the future operation of the Ethics Committee (C.18-19/15).

It was noted that the main recommendation related to moving consideration of research ethics into a new sub-committee under the University Research Committee (and therefore under Senate oversight) while also establishing a new Governance and Ethics Committee under Council to consider non-academic ethical matters. As regards the fourteen departmental/subject-level ethics committees, it was noted that these played a crucial role in reviewing the ethical implications of staff and student research projects (as required by the funding councils and other external agencies), and as such would continue in their current format. Council noted that potential ethical issues arising from non-academic activities (e.g. fundraising, ethical investment etc) would henceforth fall within the proposed remit of the new Governance and Ethics Committee.

Following discussion Council approved the specific recommendations that:

(a) the current University Ethics Committee be reconstituted as the University Governance and Ethics Committee, with a new constituency and terms of reference;
(b) the departmental/subject-level ethics committees report into the academic governance structure under Research Committee/Senate;
(c) a new Ethical Framework be developed to supersede the University’s current Ethics Code of Practice;
(d) further consultation and approval be undertaken through Research Committee with regard to the establishing the optimal research ethics sub-committee structure under Senate;

(e) the draft constituency and terms of reference of the new Governance and Ethics Committee be approved.

In addition, noting that the membership of the former University Ethics Committee had not been renewed and its annual meeting cancelled during the current term while the review was in train, Council approved the recommendation that the Appointments Committee be asked to approve temporary membership for a final one-off meeting to consider the annual reports on 2017/18 from the departmental sub-committees.

18-19/22 Remuneration Committee

Council received for information a report from the meeting of the Remuneration Committee held on 12 October 2018 (C.18-19/16).

The Committee’s recommendation that its lay membership be reduced from four to three (not including the ex officio membership of the Pro-Chancellor/Chair and Treasurer) was approved.

18-19/23 Risk Management

Council received for information the current corporate risk register and considered a progress report from the Finance Director on recent process improvements in risk management (C.18-19/17).

During discussion it was agreed that as a mitigating action on the corporate register simply monitoring a risk was insufficiently specific, although it was acknowledged that maintaining such top-level oversight did tend to generate responsive actions elsewhere in the risk management framework. On the matter of risks in the research area, it was proposed that greater emphasis was needed on research margin and contribution rather than simply on raw income.

18-19/24 Audit & Risk Committee/Internal Audit Annual Reports

Council considered the annual reports from the Audit & Risk Committee (C.18-19/18) and the internal auditors (C.18-19/19), noting that both reports would be submitted to the OfS by 3 December 2018 as annual accountability returns.

Attending the meeting to present the reports, the Chair of the Audit & Risk Committee (ARC) drew Council’s specific attention to the following matters:
changes in the ARC membership to include three Council members, in accordance with the HEFCE Audit Code (in place until July 2019);
oversight of risk management developments (M18-19/23 above refers) under the new executive Risk Review Group;
emphasis on data quality assurance during the quinquennial HEFCE Assurance Review visit (March 2018);
ARC commentary on mitigating factors in respect of internal control at the University in response to the downgraded overarching assurance opinion from internal audit;
resourcing issues in certain areas of the central administration as the University moved away from its previous highly devolved management model;
overarching ARC assurance to Council that satisfactory governance, internal control and risk management arrangements were in place, with improvements required in certain specific areas.

Council noted the following points in discussion:

(a) The internal auditors’ comment on reporting lines in the University’s governance framework, which had arisen as a cross-cutting theme in their medium-risk recommendations over the year, related to ongoing efforts to rationalise current structures, especially as regards the number of informal working groups and linkage between central management and faculties/departments.

(b) Reference by internal audit to control weaknesses around the use of purchase cards had arisen from self-assessments undertaken by a sample group of departments, which had confirmed considerable variability in compliance culture across the University.

(c) As regard the formal requirement for the ARC to report on the quality of data submitted by the University to external agencies such as the Student Loan Company, the Director of Planning had been invited to attend the Committee’s next meeting to provide an overview of the University’s participation in HESA’s “Data Futures” project and further development of the Business Intelligence Unit.

(d) In response to comments by one lay member on a perceived over-emphasis on risk management, which it was suggested could have a paralysing effect on innovation and institutional development, it was noted that this linked to the current high levels of uncertainty in the sector on a range of key issues and how best to mitigate against the risks presented by this volatile and unstable external context. It was however acknowledged that to be effective risk management required sharp focus on top-level risks, informed by a clear understanding of institutional risk appetite in different areas of University activity. In this context it was agreed that risks could also be viewed as opportunities,
or simply as challenges, and that an understanding of the associated risks and risk appetite should form part of Council’s consideration of strategic and budgetary proposals from management.

18-19/25  

**Future Operation of Council**

Further to initial discussion at its recent Away Day, Council considered a report from the Registrar & Secretary on the future operation of Council (C.18-19/21).

The Chair commented that the overarching intention was to enhance the knowledge and understanding of all Council members in order to ensure effective collective decision-making, especially as this pertained to major financial decisions (M18-19/19 above also refers) and fulfilment of its fiduciary responsibility as the governing body of an exempt charity. In this context, the Registrar & Secretary observed that simply increasing the number of formal meetings was unlikely to improve Council effectiveness, hence the proposal in the paper to re-format the current arrangements to extend meetings over two days (including networking, briefing and departmental visits).

The following points were noted:

(a) It was important to acknowledge that to some degree and at certain points of the year Council’s agendas were dictated by the deadline requirements for external assurance reporting to the OfS.

(b) Members were entitled to submit suggestions to the Chair for possible agenda items if they felt these were relevant to Council’s governance oversight role.

(c) Top-level recommendations from publicly available reviews of governance effectiveness at other universities (e.g. the Halpin Review at the University of Bath, M17-18/116 refers) might provide some relevant points of best practice to be considered.

(d) Some comments were made on the current size of Council (twenty-two members) with reference to the CUC’s Higher Education Code of Governance which acknowledged that, while there was no optimal governing body size, factors to consider included the nature of the institution, the range of skills required and the number of internal members deemed necessary. It was also noted that changing Council’s current constituency would require passing a formal resolution to petition the Privy Council to amend the University Statutes.
Following discussion Council decided to ask the Chair and Registrar & Secretary to consider further which of the options set out in the paper might usefully be implemented during the current year.

18-19/26 Financial Out-Turn

Council received for information a report on the financial out-turn for the year ended 31 July 2018 (C.18-19/22).

18-19/27 Research Income in 2017/18

Council received for information a report on the final outcome for research income in 2017/18 (C.18-19/23).

18-19/28 Student Complaints

Council received for information the annual report on student complaints in 2017/18 (C.18-19/24).

18-19/29 Council Attendance in 2017/18

Council received for information a report on attendance by members in 2017/18 (C.18-19/25).

18-19/30 Business from Committees

Business from the following committee meetings was noted and/or approved (C.18-19/26):

(a) Audit & Risk Committee: 21 September and 19 October 2018
(b) Student Life Committee: 14 June 2018
(c) Finance Committee: 28 September and 19 October 2018 (including approval of revised Financial Regulations, version 12 [31 August 2018])
(d) Estates Committee: 2 October 2018

18-19/31 Unreserved Business from Senate

Council noted the following unreserved business from the meeting of the Senate originally scheduled to be held on 16 October 2018 [postponed until 12 November 2018 due to a major incident on Campus West]:

(a) National Student Survey 2018 (C.18-19/27)
(b) Postgraduate Taught Experience Survey 2018 (C.18-19/28)
(c) Destination of Leavers from Higher Education (C.18-19/29)
(d) Regulation 12/Intellectual Property (C.18-19/30)
(e) League Table Update (C.18-19/31)
18-19/32  Use of Seal

Council approved the use of the Common Seal of the University (*details available in the Registrar and Secretary's office*).

18-19/33  Date of Next Meeting

The date of the next meeting was noted as Wednesday 23 January 2019 (12:00).