

Council

15 July 2025

- Present:** Joe Docherty (Chair), Rebecca Askew, Richard Dale, Oliver Foster, James Grierson, Anthony Jones, Denise Lievesley, Dan Lonsdale, Amir Michael, Cheryl Millington, Karen O'Brien, Nigel Perry, Philip Plyming, Corinne Saunders, Mike Shipman, and Terry Toney
- In Attendance:** Michael Izza, Mark Jagger, Tom James-Harrington, Caroline Johnstone, Neil Scott, Abi Taylor, and Amanda Wilcox (all items), Colin Bain for Minute 112, and James Walsh (Minutes).
- Apologies:** Andrew Baldwin, Jonathan Bewes, Leslie Ferrar, Nic Johnston, Cheryl McEwan, JJ Thakkar, Ari Sadanandom, and Rob Senior.

Minutes of a Meeting of Council held in PCL054

- 100. Welcome:** on behalf of Council, the Chair welcomed Caroline Johnstone, Tom James-Harrington, and Abi Taylor to their first meetings as observers at Council, prior to becoming full members from 1 August 2025.
- 101. Declarations of Interests in relation to Agenda Items**
Noted: Amir Michael in relation to agenda item 103a (Waterside Business Case), and Michael Izza in relation to agenda item 117 (Governance and Nominations Committee Report).
- 102. Minutes of Meeting held on 20 May 2025 (C/24/78 Confidential)**
Approved: the minutes of the meeting held on 20 May 2025.
- 103. Matters Arising**
Noted:
- a) **Waterside Business Case (C/24/79 Confidential):**
 - i) the update on the Waterside Business Case provided clarity on current income performance against the original business case and was welcomed by Council Members.
 - b) **Durham Union Society (DUS) Update:**
 - i) the University Secretary confirmed that the lease agreement for 24 North Bailey was close to being signed;
 - ii) maintenance works at the Pemberton Rooms were due for completion by April 2026. The University was currently finalising a licence to occupy the Pemberton Rooms for the DUS to sign by December 2025;
 - iii) an internal University disciplinary investigation into student behaviours, highlighted by a Palatinate article of an event on 19 June 2024, had concluded with appropriate action taken;
 - iv) the University continued to engage with Trustees of the DUS, who had taken seriously the outcome of the disciplinary investigation;
 - v) the Durham Students' Union (DSU) had agreed not to allow the DUS to be part of the Fresher's Fair until demonstrable change in behaviours could be evidenced.
- 104. Action Log and Schedule of Business (C/24/80 and /81 Confidential)**
Noted: the status of the Action Log and Schedule of Business.
- 105. Chair's Business**
Noted:
- a) **Chair of Council's Activities and Events (C/24/82 Internal):** activities undertaken by the Chair since the last meeting of Council;
 - b) **Updated Freedom of Speech Guidance (C/24/83 Public):**

- i) Council on 9 July 2024 approved an update to the University's Free Speech Code of Practice in advance of the implementation of the Higher Education (Freedom of Speech) Act 2023;
- ii) implementation of the Act was paused until 19 June 2025, when the Office for Students (OfS) published updated guidance, with an implementation date of 1 August 2025;
- iii) the University was confident that its current Code of Practice was compliant, but would continue to review the OfS's updated guidance and any identified changes to the Code of Practice would be brought for approval to Council;
- iv) independent common rooms were not well identified in the OfS guidance, and the University would work closely with them where rooms used for events, coming under the Code of Practice, were University owned;

Closed Minute

106. Vice-Chancellor's Report (C/24/84 Confidential)

Noted:

- a) recent National Student Survey (NSS) results had been extremely positive, particularly in relation to student voice for which partnership working with the DSU was recognised as being key. The NSS action plan would focus on continuing improvements to assessment and feedback;
- b) concern around the potential 6% levy on international student fees. The Russell Group and Universities UK (UUK) were continuing to actively campaign on this issue;
- c) changes to Competition and Markets Authority (CMA) rules were due to come into force, although the University felt it was in a good position and may provide a more detailed update to Council at a future date;
- d) in relations to admissions and recruitment the following:
 - i) international student numbers were difficult to accurately quantify at this stage of the cycle, although Home Office data was that international student visa applications were down;
 - ii) prospective international students were increasingly interested in career prospects and it was hoped that the soon to be published Graduate Outcomes continued to report positive postgraduate (PG) outcomes;
 - iii) the University had launched international PG scholarships in responding to an increasingly price sensitive marketplace and were considering replicating for international undergraduate (UG) applicants;
 - iv) nationally there was a reported movement of international students from business related degrees to Science Technology Engineering and Maths (STEM) programmes;
 - v) remaining in the top 100 QS world rankings was positive;
 - vi) home student recruitment continued to be robust, reflective of strong performance in UK leagues tables, with the Law School recognised in the top 3 law schools nationally;

Closed Minute

- e) the University was saddened by the recent passing of Simon James, who was a former Head of English Studies and had recently been part of the Convocation experts panel on 24 February 2025.

107. Senate Report (C/24/85 Open)

Noted:

- a) the Deputy-Vice-Chancellor had led on the development of a workload model which Senate had approved for implementation;
- b) Senate discussed the emergence of a Joint Education Institute (JEI) project, which in principle they were supportive of;
- c) **Annual Report Student Appeals and Academic Misconduct (C/24/87 Confidential)**
 - i) the University performed strongly in managing academic misconduct cases, with only the occasional appeal to the Office of the Independent Adjudicator (OIA) being partially upheld, which reflected the thoroughness of the processes the University had in place;
 - ii) Senate Discipline Committee did a lot of the work and the team supporting them should be commended for their efforts in supporting the process;

- iii) reflecting on continuous improvement principles, recommendations for updates to the General Regulations had been tracked changed in the report.
- d) **OfS E6 Harassment and Sexual Misconduct Regulatory Compliance (C/24/86 Internal)**
 - i) the OfS were introducing a new Condition of Registration in relation to Harassment and Sexual Misconduct which would be implemented from 1 August 2025;
 - ii) the University had undertaken a mapping exercise and concluded that it was compliant with the new Condition of Registration;
 - iii) areas identified in the mapping exercise which were not green, went beyond the scope of the new Condition and would be implemented over the next 12-months;
 - iv) in addition to the recent NSS, students had been asked an optional question about harassment and sexual misconduct. Institutions were due to receive individual data and an overall sectoral response, it was anticipated that the OfS would only publish anonymised consolidated sector-wide data.
- e) **Student Conduct Office Annual Report 2023-24: Student Complaints and Non-Academic Misconduct (C/24/88 Confidential):**
 - i) following an initial rise, caused by confidence in reporting systems, the number of sexual misconduct and violence reports had begun to plateau;
 - ii) the University continued to emphasise the importance of all students completing consent training;
 - iii) there was a national pattern of increasing seriousness of cases relating to sexual misconduct and violence, which required a societal and sectoral response;
 - iv) the length of consideration of complaints was being regularly reviewed, although some delays were due to intersections with partner agencies such as the Police.

Agreed: changes to the General Regulations as presented.

108. Students' Union Report (C/24/86 Internal)

Noted:

- a) the DSU were delighted with the outcome of the NSS, which had been achieved through a partnership effort between the DSU Education Officer, faculty level engagement, and unprecedented levels of student engagement. It would though be challenging to improve some of the NSS metrics further;
- b) the Chief Executive of the DSU had been in consultation with the Trustees of the DUS, with an offer to integrate the work of the DUS within the DSU;
- c) the list of successes provided by the President of the DSU during their tenure was impressive and worth celebrating;

Closed Minute

109. Financial Savings and Business Realignment (C/24/91 Confidential)

Received: Financial Sustainability and Business Realignment presentation

Noted:

- a) the report provided:
 - i) an overview of the 5-Year Financial Forecast to the OfS, which had been revised and approved by Council on 10 December 2024;
 - ii) a reminder of the necessity of the introduction of a Professional Services (PS) Voluntary Severance Scheme (VSS) to mitigate an in-year decline in income, mainly due to a less favourable international student recruitment market;
 - iii) that the Executive had recognised the challenges the Higher Education (HE) sector was facing with increasing costs and declining income and were considering how it might mitigate for different scenarios.
- b) the presentation from the Vice-Chancellor and Deputy-Vice-Chancellor covered the following areas:
 - i) the acute financial pressure that the entire sector was facing;
 - ii) early reflections on current student recruitment;
 - iii) the savings challenge the University had operationalised including: a PS and academic VSS with a £20m savings target over the next 2-years which had been achieved; and the need to reduce Other Operating Expenditure (OOE) by £10m;

- iv) plans in place to consider income growth, which would be discussed at the Council Strategy Day in September;
- v) a presumption that changes to income were structural, and that the University would need to consider how it realigned its business model to return to a surplus position in investing in quality teaching and research provision;
- vi) the new University Strategy, due to be implemented in 2027, presented an ideal opportunity to reposition the business model. A review period had been suggested halfway through, in 2032, at the point when the University celebrated its 200th anniversary.

Closed Minute

110. Budget 2025/26 (C/24/92 Confidential)

Noted:

Closed Minute.

- a)
- b) within the Budget was the £10m OOE saving and reduced Capital Plan;
- c) although international recruitment targets had been written down in December 2024, any further decline in student income or increased operating expenditure would need to be addressed through other in-year mitigations;

Closed Minute

Agreed: to approve the Budget 2025/26 as presented.

111. Refinancing Update (C/24/105 Confidential)

Noted:

- a) the Budget 2025/26 had presumed the refinancing of existing bank debt facilities;
- b) Ernst & Young had assisted on the scope, scale and restructure to the refinancing proposal;
- c) following agreement by Finance Committee, the University had sought expressions of interest, with the received refinancing terms detailed in the report;
- d) the brand and reputation of the University had resulted in favourable proposals being received;
- e) Council would approve the final refinancing option, however, it was content that Finance Committee be delegated to agree who the preferred lender should be in an extraordinary meeting of the Committee before the end of July 2025.

Agreed: to delegate the final decision of the preferred lender to an extraordinary meeting of Finance Committee.

112. Update on the Strategic Performance Indicators

Received: Research Performance Update presentation

Noted:

- a) the Strategic Performance Indicators (SPIs) had been updated to include ones relating to civic activity, with more work needed to produce a RAG rating for student support and wellbeing metrics;
- b) one of the SPIs related to research income performance, with the Pro-Vice-Chancellor (Research) invited to attend Council for a deep dive on this important SPI;
- c) the presentation by the Pro-Vice-Chancellor (Research) included the following areas;
 - i) the performance of research applications, awards and income up to and including Quarter 3 with extrapolated final predictions;
 - ii) physics related grants were on a 3-year cycle, with the previous cycle being 2022-23;
 - iii) examples of successful grants including ones relating to: Philip Leverhulme Prizes; Leverhulme Centre for Algorithmic Life; Engineering and Physical Sciences Research Council (EPSRC); Advanced Research and Invention Agency (ARIA); Strategic Commercialisation Ecosystem North-East (SCENE); Skills Hub for Accelerated Research Environments (SHAREing); philanthropic support for research; Horizon Europe;

- iv) research sustainability continued to be a challenge, with around 62% of research costs being recovered. Typically the Russell Group average for recovery of research costs was 68%, which the University was working towards, although public data was not available for the best performing institution.
- d) research income did not directly feed into QS World Ranking or result from the Research Excellence Framework, however, there was some correlation;
- e) research stories could be used to raise the University's profile, and citations were linked to research visibility. However, more was needed to raise research profiles across the disciplines, although QS weighted citations dependent on the discipline;
- f) the University's research reputation was a factor in attracting high-quality research staff;
- g) although there had been a decline in the QS World Rankings, the citation score for the University had improved.

Closed Minute

113.

114. Council Strategy Day Agenda

Noted:

- a) the incoming Chair thanked all Council Members for their warm welcome and looked forward to meeting them all individually over the coming months;
- b) the September Strategy Day would involve:
 - i) short Council meeting on Monday evening to deal with two urgent items of business; and a presentation on the external view of the University to catalysing Member thoughts in advance of the Strategy Day;
 - ii) Tuesday would be full-day programme focussing on: the short- and medium- term challenges; blue-sky diversification of income options; consideration of plans for the new University Strategy;
 - iii) Council Members were asked to share any thoughts over the content of the Strategy Day with the incoming Chair or University Secretary.

115. Finance Committee Report: 19 June 2025 (C/24/96 Internal)

Noted:

- a) the matters discussed by Finance Committee at its meeting on 19 June 2025;

Closed Minute

- d) the Pro-Vice-Chancellor's (Education) work on space utilisation and associated curriculum reform was welcomed as it provided an opportunity to rethink the University's estate;
- e) DARO's fundraising efforts were ahead of schedule, with Council due to receive an update during the new academic year;
- f) due diligence was being undertaken on the commercialisation spin-out fund.

116. Audit and Risk Committee Report: 18 June 2025

Noted:

- a) the matters discussed by Audit and Risk Committee (ARC) at its meeting on 18 June 2025;
- b) due to financial mitigations the risk scores for people and estate had increased;
- c) the updated strategic risk report was felt by ARC to be an accurate statement, with caution noted about the number of risks the University was currently dealing with, although these were unavoidable;
- d) initial thoughts were that the internal audit process led by KPMG was in a healthier place, although this would be tested by ARC in the new academic year;
- e) the deep dive into cyber security had been reassuring, noting the conclusion to the roll out of the Distribution IT Operating Model (DITO);
- f) ARC would embark on a tender exercise for the external auditors, with a proposed appointment to be brought to Council for approval.

Agreed:

- a) recommendations in the Strategic Risk Report as presented;
- b) the Internal Audit Plan 2025/26 as presented.

117. Governance and Nominations Committee Report: 16 June 2025 (C/24/100 Internal)

Noted:

- a) the matters discussed by Governance and Nominations Committee (GNC) at its meeting on 16 June 2025;
- b) GNC had recommended the appointment of Michael Izza to Remuneration Committee once James Grierson's term of office concluded on 31 July 2025;
- c) Council would be asked to deal with the appointment of a Head of a Maintained College as a Staff Member of Council by-circulation;
- d) following the conclusion to the actioning of recommendations culminating from the Statutes; Council Effectiveness; and Senate Effectiveness Reviews, Council was asked to close-down the work of the Governance Reviews Implementation Group (GRIG).

Agreed:

- a) the appointment of Michael Izza to Remuneration Committee from 1 August 2025;
- b) closure of the work of the GRIG.

118. People and Organisational Development Committee Report: 16 June 2025

Noted: the matters discussed by People and Organisational Development Committee (PODC) at its meeting on 16 June 2025.

119. Ethics Committee Report: 28 May 2025

Noted: the matters discussed by Ethics Committee at its meeting on 28 May 2025.

120. Remuneration Committee Report: 11 June 2025

Noted: the matters discussed by Remuneration Committee at its meeting on 11 June 2025.

121. HE Policy Briefing: KPMG and Wonkhe

Noted: details of a policy briefing on the higher education policy landscape issued by KPMG and Wonkhe.

122. Dates of Future Meetings

Noted: the dates of future meetings: 9 September (Strategy Day), 4 November, 16 December 2025, 24 February, 19 May, 27 October, 15 December 2026.

123. Valedictions:

- a) on 14 July 2025 a thank you meal had been held at University College for Council Members for whom this would be their last Council:
 - i) on behalf of the University, the Senior Independent Governor, and Vice-Chancellor thanked Joe Docherty for his years of service covering periods as Chair of Council, Chair of Finance Committee, and a Lay Member. Their calm demeanour and dedication to the role would be much missed. Joe thanked the University for the opportunity to serve and wished everyone the best for the future;
 - ii) on behalf of Council, the Chair thanked James Grierson, Anthony Jones, Dan Lonsdale, and Amir Michael for all their input and efforts as Members of Council and Trustees of the University.
- b) on behalf of Council the Chaired thanks Bex Walton for all her support for Council Members prior to her taking up a new role away from the University.