UNIVERSITY OF NEWCASTLE UPON TYNE

COUNCIL

13 December 2004

Present: Mrs M O Grant (in the Chair), the Vice-Chancellor, Professor J B Goddard (Deputy Vice-Chancellor), Professor T F Page and Professor E Ritchie (Pro-Vice-Chancellors), Dr J C Appleby, Mr L M Aviss, Mr N Blezard, Miss R Currie (Education Officer), Mr C Fitzpatrick, Professor M Goodfellow, Mr T Gorman (Communications Officer), Mr C J Hilton, Mr M I’Anson, Mr P M Johnson, Mr S J Lightley, Professor P J W Olive, Mr J D A Ramsbotham, Sir John Willis and Mr A M Wilton.

In attendance: Professor A C Stevenson (Pro-Vice-Chancellor), Dr J V Hogan (Registrar), Mr H B Farnhill (Bursar), Mrs V S Johnston (Director of Human Resources), Mr M Parkinson (Accountant) and Mrs L M Brotherton (Human Resources Officer).

Mrs L Braiden (Director of Student Recruitment) attended for item 15.

The student members were not present for the item presented under reserved business.

Note: Copies of documents are filed in the Minute Book and are normally available on request from barbara.akinhead@ncl.ac.uk or telephone 222 6087.

M I N U T E S

PART A : STRATEGIC ISSUES

15. STUDENT RECRUITMENT STRATEGY FOR 2006

Received a presentation from Mrs L Braiden, Director of Student Recruitment, on the Recruitment Strategy for 2006, together with an accompanying paper.

[Circulated with the Agenda as Document A. Copy filed in the Minute Book.]

Noted that:

1. the Chairman reminded all members that the bursaries and scholarships referred to in the paper must be regarded as commercially sensitive and therefore treated in confidence;

2. the University would shortly need to submit an access agreement to the Office for Fair Access (OFFA) seeking permission to charge the higher fee from 2006. Permission would be granted if, in the view of OFFA, the University was taking sufficient steps to commit a reasonable portion of its additional income both to pay bursaries to students from lower social economic groups and to take other measures to improve its outreach activities to socially disadvantaged groups;
3. there had been a great deal of concern over the last few years about widening participation and the University had made strenuous efforts to improve its performance;

4. despite the efforts made by the University, it was still difficult to meet the sort of benchmarks set by the HEFCE with regard to the proportion of students from state schools and those from lower social economic groups. Part of the University’s difficulties arose from its geographical location. Within the North East, the University more than met its benchmarks but, because of the limited catchment area, it was essential that the University continue to recruit from all parts of the UK and those coming from outside the region were more likely to come from higher social economic groups, partly because of the distances involved;

5. the University’s strategy involved:
   • improved marketing of the University and improved targeting of potential students;
   • a more strategic approach to the admissions decisions involving faculty teams;
   • more focus on the conversion of applications into registrations;
   • strategic financial incentives, especially for students from lower social economic groups;

6. it had recently been reported that three old universities had taken decisions to centralise their admissions process and not involve academic schools. The University had not decided to follow this procedure so far, although it was accepted that the current process should be reviewed to avoid unnecessary duplication;

7. a number of members commented on the importance of handling applications speedily and courteously;

8. the importance of the student experience was recognised and the University would need to balance the amount of money it wished to earmark for bursaries and other specific outreach activities against the amount of money it would be able to put into improving the student experience for all by reducing staff:student ratios and investing more in teaching support arrangements;

9. under the Government’s proposals, students would be better off whilst studying but would incur much larger debts which would need to be paid off once they were earning over £15,000 per year;

10. it was intended to submit the access agreement by 4 January 2005. It would not be possible for Council to be involved in any modifications required and therefore it would be necessary to authorise the Vice-Chancellor to undertake such actions as appropriate to ensure that the access agreement was approved.

Resolved that:

(i) The recommendations in the paper be approved and be worked into the University's access agreement for submission to OFFA.

(ii) The Vice-Chancellor be authorised to undertake any further modifications required to the access agreement and inform Council of the outcome at its next meeting.
(iii) While the principle of ensuring that schools were able to participate fully in the widening participation activities be approved, some further consideration would need to be given to the appropriate mechanisms to permit schools to do this.

PART B : GENERAL BUSINESS

16. MINUTES

Resolved that the Minutes of the meeting held on 11 October 2004 be approved as a correct record and signed.

17. MATTER ARISING FROM THE MINUTES

Progress of business

Received a business tracking form.

[Circulated with the Agenda as Document C. Copy filed in the Minute Book.]

18. CHAIRMAN’S BUSINESS

(a) Working Group on Governance

Reported that:

(a) The CUC had now published its revised Guide for Members of Higher Education Governing Bodies in the UK which included the governance code of practice and general principles. This was an excellent publication which had been well received across a range of stakeholders. The Government was keen to ensure that councils were operating effectively.

(b) Mr C J Hilton had kindly agreed to reconvene a working group to consider the implications of the new guide and code and to report back to Council.

(c) The Chairman would consider membership of the working group in the light of the volunteers who had agreed to serve on this group and would report back on the membership to the next meeting of Council.

(b) Council Minutes

Noted that members of Council were asked for feedback on the style of minutes and whether the current format was too detailed in the light of both the introduction of the Freedom of Information Act and ongoing concerns about data protection.

(c) Council business and opportunities for strategic reflection

Noted that:

1. the Chairman had been discussing the need for Council to be able to focus in a more strategic way on a number of key issues. She therefore proposed that the meeting of Council on 7 February 2005 should be longer and include an in depth discussion of
the University’s overall financial position in the light of all its commitments. There 
would be a further longer meeting in May to discuss other strategic items;

2. the Chairman of Council would be writing to all members of Council about the 
meeting in February shortly.

(d) Professor Peter Baylis

Noted that Professor Peter Baylis would be retiring from his position as Pro-Vice-
Chancellor (Medical Sciences) at the end of the year. Council would wish to express its 
warm appreciation for all his excellent work on behalf of the University.

(e) The Chancellor

Council would wish to record its congratulations to the Chancellor, Chris Patten, on the 
announcement of his elevation to the House of Lords.

19. VICE-CHANCELLOR’S BUSINESS

(a) Deaths

Received a report on deaths recently announced by the University.

[Details filed in the Minute Book.]

Resolved that Council record its deep regret and sympathy for the relatives concerned.

(b) Deputy Chairman of CUC

Reported that Mrs M O Grant had been elected Deputy Chairman of the CUC and 
Council wished to express its congratulations to her on this appointment.

(c) Environmental research

Reported that the University had formed a strategic partnership with HSBC to help 
launch a new wave of environmental research. HSBC was putting £650,000 into 
a three year collaboration with Newcastle University and the University of East 
Anglia to support research into sustainable solutions to some of the world’s biggest 
environmental problems, including climate change. The project was part of the 
‘HSBC Partnership in Environmental Innovation’, a global programme to research climate change and other major forms of environmental damage, society’s 
awareness of the issues, and to develop technologies to overcome some of the 
problems.

(d) Chancellor’s pre-budget report

Reported that the Chancellor of the Exchequer had announced in his pre-budget report 
that Newcastle has been awarded ‘Science City’ status, along with Manchester and York. 
Newcastle would gain its share of £100m, set aside by the three North of England 
regional development agencies over a six-year period to further the development of 
science. The money would be used by One NorthEast to work with partners Newcastle
City Council, NHS, Newcastle University and the Centre for Life to advance work in areas such as life sciences, nanotechnology and other key research fields. The funding would also help establish new facilities in the city to house research and development. The Chancellor also stated in his report that the Government planned to change tax legislation which currently deterred universities from creating ‘spin out’ companies as, if academics owned shares in such a company, they had to pay income tax, even though their ability to cash in on the venture might be years away.

20. REPORT FROM SENATE

Considered a Report from the meeting of Senate held on 16 November 2004.

[Circulated with the Agenda as Document D. Copy filed in the Minute Book.]

(a) Annual Strategic Review

After noting:

1. that the Annual Strategic Review had produced a lot of performance information and showed some important and encouraging trends as well as some more difficult areas;

2. the concern about the proportion of first class honours degrees awarded in comparison with other universities;

Resolved that:

(i) Council endorse the report and the conclusion that the University’s overall performance in 2003/04 had been a successful one, with many areas of improvement over the previous year.

(ii) Given the strategic priorities identified for the coming year, the pre-commitments to the fund from previous decisions and the fact that the University had not achieved the planned increase in student income this year, there should be no open bidding process for the remaining headroom funds. If any priority areas emerged during the budget setting process, the Budget Setting Group would consider them at that time when the University’s overall financial position and commitments would be clearer.

(iii) The proposals for a Chair in Architectural Design, Chair in Hispanic Studies, Readership in French Studies and Chair in International Politics be approved.

(b) Revisions to the constitution and terms of reference of Executive Board

Resolved that the revised constitution and terms of reference of Executive Board, which were intended to make more explicit its responsibility for value for money issues and to permit the attendance, although not the membership, of the Director of Information Systems and Services and the Director of Planning, once appointed, at meetings of the Board, be approved with immediate effect.
(c) **Natural Sciences**

Noted that:

1. the University had received some adverse publicity concerning the position of physics. The decision had been taken to stop admitting students to full-time honours degrees in physics, but it was misleading to suggest that physics was closing as a subject. It was intended to offer physics as part of a natural sciences degree at undergraduate level, to continue to offer postgraduate programmes and research opportunities and to continue to undertake research in a range of physics disciplines, particularly nanotechnology, which had been flagged 5* in RAE2001;

2. the University had taken the decision partly arising from the difficulties of recruitment, the financial position for the support of natural sciences and the comparatively small size of the physics operation. In both the 1996 and 2001 Research Assessment Exercises, there had been a very close correlation between the size of units of assessment in physics and their rating, which had made it very difficult for our physicists to compete;

3. concern was expressed about the loss of a key subject, particularly in the light of the Government’s announcement about Newcastle as one of three science cities. It would, therefore, be worthwhile explaining to local MPs and others the reasons for the University’s decision and the steps that had been taken to strengthen the science base;

4. the decision concerning physics had only been taken after extensive discussions with the University of Durham, which retained a strong physics base.

(d) **Religious Studies and Linguistics**

Noted.

21. **REPORT FROM STRATEGY BOARD**  
(Minute 83, 19.7.2004)

Received a progress report on the Business School and Student Support Services building.  
[Circulated with the Agenda as Document E. Copy filed in the Minute Book.]

Noted that the University continued to make progress on the Barras Bridge development and had established a steering group, chaired by the Vice-Chancellor. This project was a very significant capital commitment and it was therefore essential that careful attention was paid to ensure that there could be no budget overruns. Council would be invited to take a decision about proceeding to the next stage of the Barras Bridge building in the New Year.

22. **REPORT FROM EXECUTIVE BOARD**

Considered a Report from the meetings of Executive Board held on 28 September and 16 November 2004.  
[Circulated with the Agenda as Document F. Copy filed in the Minute Book.]
(a) MR Centre -SRIF 2 Project -Campus for Ageing and Health – General Hospital Site

After noting that:

1. it had originally been envisaged that the MRC would contribute to the costs of the project but this had not proved possible. Instead, efforts had been made to secure funding from a range of sources, including One NorthEast. Currently there was a £1.8m shortfall on the funding. There was sufficient funding available within the Faculty to meet this cost should all the other external fundraising efforts not prove to be successful;

2. the originally preferred option of a two phase build would be significantly more expensive and would not comply with the conditions of the Northern Rock Foundation donation. It was therefore recommended to proceed with the project as a single phase complete build. As fundraising was not yet completed, there remained a financial risk to the University and hence it was felt to be appropriate to report to Council at this time;

Resolved that Council endorse Executive Board’s recommendation to proceed with the project as a single phase in the light of the strategic importance of the project to the University, on the strict understanding that the funding would not be a charge on the general Estate’s budget and would be met either through the reserves in Medical Sciences or from the external funding which had been identified although not yet secured.

(b) Risk Management – Strategic Traffic Light Report

After noting that:

1. following concerns expressed by Council at its meeting on 11 October 2004, the format of the Strategic Risk Traffic Light Report had been revised. There would be consultation and revision of the content and further consideration of the format ahead of updating and reporting the Strategic Risk Register to Council in May 2005;

2. since the report to Council in October, the status of Risk 6, failure to meet recruitment targets, home and overseas, had improved from red to amber on the basis of the steps taken to manage the overall financial position and the implementation of the recommendations concerning an improved admissions process. It now seemed that, across the UK, there had been a reduction in the number of overseas students recruited for entry in 2004 and therefore particular attention would need to be paid to targets and plans for future years;

3. in order to ease some of the recruitment issues, Senate had taken the decision to start the academic year one week later from 2005-06 onwards;

4. concern was expressed that the University’s arrangements for the collection of fees from overseas students deterred some students and might actually hurt our recruitment policies. The new arrangements under which students had the opportunity to pay the full fee at registration and receive 2% discount or make two
instalments, with the second instalment due in November, had been approved after discussion at Executive Board and elsewhere;

5. concern was expressed about the Government’s policies with regard to visas, in particular the charge now levied. The University had written to complain about this policy, which seemed to be counter to the Government’s stated intention of supporting the recruitment of international students;

Resolved that:

(i) The issue concerning appropriate fee payment mechanisms for overseas students be considered by the Fees Working Group in the light of the concerns expressed by Council.

(ii) With regard to Risk 29, risk of severe business disruption through major incident, a report should be presented to the next meeting of Council on the timescale for the role-out of the emergency planning document to all operating units.

(ii) The revised Strategic Risk Traffic Light Report be approved.

(c) HEFCE Code of Practice: “Accountability and Audit” : Value for Money Strategy

Resolved that:

(i) The “value for money” policy be approved.

(ii) Mr Wilson be thanked for his clarification of the roles and responsibility with regard to the HEFCE guidelines.

(iii) Executive Board be requested to make a further report on the KPIs that it had identified at the first meeting of Council to be held in 2005-06.

(d) University Records Management Policy

Resolved that the University records management policy and implementation strategy, which would be kept under review by Executive Board, be approved with immediate effect.

23. REPORTS FROM AUDIT COMMITTEE

Considered Reports from the meetings of Audit Committee held on 13 October and 29 November 2004.

[Circulated with the Agenda as Documents G & H. Copies filed in the Minute Book.]

(a) Research Activity Survey

Noted that the University had been informed informally that the reduction in its QR grant would be £931,000. While this was disappointing, it was considerably less than the £1.5m which had been calculated as the worst case scenario.
(b) **Annual Report of Audit Committee**

Noted that Audit Committee intended to market test its external audit services during 2005-06.

**Resolved that:**

(i) **Audit Committee be requested to reconsider whether the word „generally” was required in the opinion on page 3 of the Annual Report.**

(ii) **The Annual Report of Audit Committee be approved and forwarded to HEFCE.**

[The remaining items in the Reports were noted.]

24. **REPORT FROM FINANCE COMMITTEE**

Considered a Report from the meeting of Finance Committee held on 14 October 2004.  
[Circulated with the Agenda as Document J. Copy filed in the Minute Book.]

(a) **University Financial Statements 2003-04**

After noting:

1. a good financial performance during 2003-04;

2. that, although the University had a large number of debtor days, its overall management of debt appeared to be good with comparatively low write-off of bad debts;

  **Resolved that the audited consolidated Financial Statements of the University of Newcastle upon Tyne for 2003-04 be approved.**

(b) **Insurance**

  **Resolved that the report on the University’s insurance arrangements be approved.**

(Minute 22(d), 15.12.2003)

Received an oral progress report from Mr L M Aviss, Chairman of the Committee set up to review the relationship between the University and the Union Society.

Noted that:

1. the University gave approximately £1m a year to the Union Society and it was important that this money was both adequate and well spent;
2. the review presented an important opportunity to review some key issues with regard to the relationship but it touched on some difficult issues stretching back to the 1925 Trust Deed;

3. as part of the work of the review group, visits had been arranged to other universities;

4. Mr Aviss expected to be able to report after the two meetings in January;

5. a number of the issues which the group had discussed appeared to be non-contentious, such as the separation of funding streams for recreational and high performance sport, but the legal relationship between the University, the Trustees and the Union Society was proving particularly problematic;

6. the Communications Officer of the Union Society expressed his appreciation of the work of the review group and his commitment to the maintenance of the principle of an independent Student Union.

26. **ANNUAL REPORT OF THE UNIVERSITY 2003-04**

Received the Annual Report of the University for 2003-04.  
[Circulated with the Agenda. Copy filed in the Minute Book.]

Noted that:

1. 2003-04 had been a successful year. The University continued to make major investment in its estate which now amounted to some £80m plus over the last five years. The headroom campaign for new professorial and senior posts had been successful;

2. the University had attracted worldwide publicity for its stem cell research;

3. a version of the Annual Report would be available on the web as well as in hard copy form.

27. **QUARTERLY REPORT ON THE ACCOUNTS**

Received the accounts for the 1st quarter to 31 October 2004.  
[Circulated with the Agenda as Document K. Copy filed in the Minute Book.]

Noted that while some progress had been made on the necessary efficiency gains by the four budget holders for 2004-05, the current position was still disappointing and improvements were required for the six month report.

28. **STRATEGY BOARD MINUTES**

Received the Minutes of the meeting of Strategy Board held on 6 July 2004.  
[Circulated with the Agenda as Document L. Copy filed in the Minute Book.]
29. **REPORTED BUSINESS**

Received a report of action taken in accordance with agreed procedures, approved where necessary by the Vice-Chancellor on behalf of Senate and/or the Chairman of Council on behalf of Council, and by other University bodies and Chairmen.

[Circulated with the Agenda as Document M. Copy filed in the Minute Book.]

**PART C : RESERVED BUSINESS**

30. **MATTER ARISING FROM THE MINUTES**

**Senior Staff appointments**  
(Minute 14, 11.10.2004)

Considered a paper from the Director of Human Resources concerning senior staff appointments and confidentiality.

[Circulated with the Agenda as Document N. Copy filed in the Minute Book.]

After noting that:

1. the Statutes laid down certain procedures for the appointment of senior posts;
2. further work was still required on a number of aspects of the recruitment selection procedures for senior posts including the consultation mechanisms;
3. the HR department would review the current selection mechanisms with a view to making a report to Council in due course;
4. as part of the review by the HR department, consideration should be given to the value of lay members of Council serving on professorial appointment committees;

**Resolved that:**

(i) *Senate should be consulted on the proposed changes, where it was entitled to express a view.*

(ii) *Council should delegate authority to the Chairman of Council to confirm senior appointments (with the exception of the Vice-Chancellor and the Secretary to Council) which would then be reported as soon as possible.*

(iii) *Guidance should be provided to selection committees, applicants and all those involved in the process on the level of confidentiality that would be maintained during the process and the need for discretion in dealing with any applicant details. The chair of the selection committee should determine at what point the outcome of the process should become public.*

31. **REPORT FROM SENATE**

[This item was withdrawn from the Agenda.]