NEWCASTLE UNIVERSITY

COUNCIL

22 October 2012

Present:  Mr Mark I’Anson (in the Chair), the Vice-Chancellor, Professor Ella Ritchie (Deputy Vice-Chancellor), Dr John Appleby, Professor Alan Boddy, Mr Neil Braithwaite, Professor Vicki Bruce, Mr Mike Davison, Mr Colin FitzPatrick, Professor Deborah Henderson, Ms Jacqui Henderson, Mr Peter Johnson, Mr Jeff McIntosh, Mrs Heidi Mottram, Ms Laura Perry (President, Students’ Union), Mr Simon Pleydell and Ms Rachael Thornton (Education Officer).

In attendance:  Professor Suzanne Cholerton, Professor Steve Homans, Professor Tony Stevenson and Professor Nick Wright (Pro-Vice-Chancellors), Dr John Hogan (Registrar), Mr Richard Dale (Executive Director of Finance), Mrs Veryan Johnston (Executive Director of Human Resources) and Mrs Lizzie Taylor (Executive Officer (Governance)).

Apologies:  Dr Peter Andras, Mr Robert Hull, Mrs Kate Priestley, Mr Paul Walker, Professor Chris Day and Professor Charles Harvey.

MINUTES

21. DECLARATIONS OF INTEREST

No declarations of interest were received.

22. MINUTES

The Minutes of the meeting of Council held on 10 September 2012 were approved as a correct record and signed.

23. MATTERS ARISING FROM THE MINUTES

Audit Committee Effectiveness Review [Minute 12, 10.09.2012]

Reported that:

(a)  At its meeting on 10 September 2012, Council resolved that the Audit Committee Effectiveness Review Report should be considered at the next meeting of Audit Committee. It was also resolved that the Chair of Audit Committee should prepare a response to the report, on behalf of Audit Committee, to be submitted to the next meeting of Council. The response should be discussed with the Chair of Council and Mr McIntosh prior to the meeting of Council.

(b)  Due to pressure of business at its meeting on 4 October 2012, Audit Committee will now consider the Effectiveness Review report at its meeting on 8 November 2012. Council will receive the Committee’s response at its meeting on 10 December 2012.

24. HEALTH AND SAFETY

Received a report from Mrs Veryan Johnston, Executive Director of Human Resources, on current health and safety issues affecting the University, including performance measures and actions taken.
Noted that:

1. Mr Brian McBride, the new Head of Health and Safety, has been reviewing other universities’ reporting arrangements to determine why the University’s statistical returns appear to suggest it has a higher incidence of accidents. A report on this issue will come to Council on 10 December 2012 via Executive Board.

2. The Health and Safety Executive has implemented new charging arrangements. The changes will be monitored closely to determine whether they result in any changes in behaviour.

25. CHAIR’S BUSINESS

1. Congratulations

On behalf of Council, the Chair recorded his congratulations to Mrs Veryan Johnston, Executive Director of Human Resources, on being appointed Chair of Universities Human Resources (UHR) from 1 October 2012.

Council also congratulated Dr John Hogan, Registrar, who had recently been appointed Chair of the Russell Group Registrars.

2. Council Briefing Sessions (formerly Council Induction Programme)

The Chair reminded members of the Council Briefing Sessions and encouraged members to attend.

The forthcoming meetings from the programme are:

8 November 2012, 9am, room L5.15, King’s Gate: Meeting of Audit Committee.

10 December 2012, 11am– 11.45am, Room L5.18, King’s Gate: Deputy Vice-Chancellor, general overview of the University’s engagement and internationalisation activities.

Members of Council who would like to attend either of the above sessions are asked to inform Lizzie Taylor (Lizzie.Taylor@ncl.ac.uk).

3. Report from CUC Meetings

Issues including local pay, payments to Chairs and lay members, an ongoing CUC Governance Review and student recruitment were discussed at a recent meeting of the CUC Northern Group.

At a recent national meeting, members received presentations from Shami Chakrabarti, Director of Liberty, Mark Walport, Head of the Wellcome Trust, and Liam Burn, President of the National Union of Students. Financial planning was also considered.

During discussions it was established that recruitment levels for 2012 were variable across all mission groups. It was considered that the Government would be unlikely to allow students who achieve BBB+ or equivalent to be included in the unregulated market. Many students who achieve these grades do not currently go on to higher education and including these students in the unregulated market could result in more aggressive targeting of these students by universities which, if successful, could result in increased costs for the Government in the form of student loans.
26. **VICE-CHANCELLOR’S BUSINESS**

Received the Vice-Chancellor’s report. Highlights of this report are discussed below.
[Circulated with the agenda as Document B. Copy filed in the Minute Book.]

1. **Deaths**

   Received a report on deaths recently announced by the University.

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

2. **NUMed**

   It was confirmed that a total of 119 students have registered at NUMed for 2012 entry.

3. **Priorities for 2012-13**

   The Vice-Chancellor has written to each Head of School to remind them that student recruitment and the REF should be the main priorities for 2012-13.

4. **Pay Bargaining**

   Following the completion of ballots between 2 and 10 October, Unite and UNISON both voted in favour of strike action, while UCU voted against strike action but in favour of action short of a strike. However, both UNISON and UCU have subsequently decided not to take industrial action.

5. **Rankings and Reputation SIG**

   In the most recent Times Higher Education World University Rankings the University fell from 146th position in 2011 to 180th position in 2012. As a response to this, and also as a result of the increasing importance of institutional reputation in the new dispensation of high student fees and deregulated student numbers, the Vice-Chancellor has constituted a Ranking and Reputation Special Interest Group. It is expected that this group will report to Council in the spring of 2013.

   It was suggested that the Rankings and Reputation SIG should be asked to consider the impact of National Student Survey (NSS) scores on recruitment levels. It was noted that the Unistats website, the tool introduced by HEFCE to allow students to compare data provided by institutions and also the results of the NSS, was difficult to use.

   It was noted that rankings and league tables are critically important for overseas students but the value placed on them by home students is less clear.

6. **Regional Growth Fund**

   It has recently been announced that a Regional Growth Fund grant of £15m has been awarded to Five Quarter, one of the University’s spin-out companies. The grant will help the company realise its plans to create energy from otherwise unworkable rock strata buried at deep levels beneath the North Sea.
7. Freedom of Information and BUAV

As previously reported to Council, the University was required to release redacted project licences to the British Union for the Abolition of Vivisection (BUAV) in December 2011 as a result of a Freedom of Information request. The University has since received a letter from BUAV indicating that it intends to take the Home Office to a judicial review on the grounds that, in the opinion of BUAV, it should not have granted the project licences to the University.

8. Declaration of Openness on Animal Research

The University has agreed to sign up to a Declaration on Openness on Animal Research which has been launched by Mark Walport, Head of the Wellcome Trust, and David Willetts Minister of State for Universities and Science. The declaration states that the participating research organisations will work together to bring about a more transparent approach to animal research. The majority of institutions which undertake significant animal research have signed up including Oxford University and University College London.

9. London Metropolitan University Licence Revocation

The task force which was set up to assist London Metropolitan University in finding suitable alternative courses with other institutions for students affected by the UK Border Agency’s decision to revoke the licence to sponsor international students has been stood down. This follows judicial hearings at the High Court which resulted in existing students with full immigration status being granted permission to continue their studies.

10. Student Loans Company

On 17 October 2012 the University received a payment of just under £11m from the Student Loans Company which was in line with their planned timescale and represents the majority of the first instalment due from them.

11. Science Central

At its meeting on 12 October 2012, the City Council planning committee granted planning permission for phase one of the Science Central project.

12. AAB+/ABB+

On 18 October 2012, confirmation was received from David Willetts, Minister of State for Universities and Science, that the threshold for unregulated student numbers would be set at ABB+ for entry in September 2013 and that there would be no move to BBB+.

13. Milburn Report

On 18 October 2012, the latest progress report from the Social Mobility and Child Poverty Commission was published. The report entitled ‘University Challenge: How Higher Education Can Advance Social Mobility’ authored by Alan Milburn, suggests that the money currently spent on providing bursaries and scholarships would have a greater impact if it were used to replace the Educational Maintenance Allowance (EMA) and that ‘universities should consider providing EMA-style financial incentives for young people to stay on and succeed at school’.
14. Moorbank Botanical Gardens

The lease of the Moorbank Botanical Gardens has recently come up for renewal and the University has been advised that a requirement for renewing the lease would be for it to invest in a new entrance and car parking facilities. The cost of this work has been estimated at £400k.

The Pro-Vice-Chancellor SAgE and the Deputy Vice-Chancellor were asked to consider the advantages and disadvantages of investing further in the facility and to submit a report to Executive Board. Executive Board considered this report at its meeting on 18 September and it was agreed that the Pro-Vice-Chancellor SAgE should begin a consultation process, including consulting with the Freeman of the City and City Council. At its meeting on 16 October, Executive Board confirmed the decision not to renew the lease of Moorbank and to continue to work with the Freemen of the City as landowners to manage this process in the most sensitive way. It was also agreed that discussions would be held with the Friends of Moorbank and during the course of the next year the University would identify those plants that may have been bequeathed to ensure that this was managed in a sensitive way.

The University’s lease with Moorbank has already expired and it has at least twelve months to withdraw from the site. There is no clause in the lease which requires the University to return the land to its previous state. The University will assist in facilitating discussions between the Freemen of the City and the Friends of Moorbank to determine the future of the facility. It is hoped that informal arrangements can be agreed before the end of the calendar year.

There are a number of existing research projects which are being conducted at Moorbank and the University will continue to support and make alternative arrangements for all funded projects.

27. STRATEGIC RISK REGISTER SUMMARY

Received the Strategic Risk Register Summary from Dr John Hogan, Registrar, on behalf of Executive Board.

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

Noted that:

1. The full Strategic Risk Register has recently been considered by Executive Board and will be presented to Audit Committee at its meeting on 8 November 2012. It will then come to the meeting of Council on 6 December.

2. Following the summer floods, which resulted in insurance claims amounting to £1m, the likelihood rating for strategic risk SR5D – Failure to respond to a severe business disruption event – has been increase from 2 to 3, giving an overall net rating of 12. Reengineering works are to be undertaken to prevent future flood damage.

28. INSITUTIONAL KPI SUMMARY REPORT

Received the report the summary KPI report from Professor Tony Stevenson, Pro-Vice-Chancellor Planning and Resources, on behalf of Executive Board.

[Circulated with the agenda as Document D. Copy filed in the Minute Book.]
29. EFFECTIVENESS OF COUNCIL AND MEMBERS OF COUNCIL

Received:

(i) The annual effectiveness report from Dr John Hogan, Registrar.
   [Circulated with the agenda as Document E. Copy filed in the Minute Book.]

(ii) A response from Mr Mark I’Anson, Chair of Council.
   [Circulated with the agenda as Document F. Copy filed in the Minute Book.]

Noted that:

1. The Effectiveness Report was reviewed by Audit Committee at its meeting on 4 October 2012. It was the view of the Audit Committee that some of the questions could be revised and that the questions which focused on future governance were the areas where responses were less positive.

2. From the 58 questions it was noted that there are only three which achieved a response rate of less than 75% in terms of the numbers of respondents who either agreed or partly agreed. Reviewing the responses against those from the previous year identified that, in the majority of cases, the proportion of positive responses has increased.

3. A number of perennial issues have been identified, such as comments on the size of Council, and further comments from members of Council on this issue would be welcomed. Question 11 asked members to comment on the extent to which they agree that there are effective arrangements in place to involve staff and students in Council and its sub-committees. In a number of cases, staff and students are prevented from being members of sub-committees by the committee’s terms of reference and it was important for members to be aware of this.

4. Question 18, which asks whether the contribution of all members (including the chair) is regularly reviewed using processes agreed by Council, is an area which could be given further consideration and where comments from members are invited.

5. The free text comments suggest that some members believe that Council does not receive full information on some matters and is not advised of all key issues. It was suggested that, due to its statutory role, Council should be aware of all the key issues facing the University and not all information should necessarily come to Council via Executive Board.

6. Free text comments suggest that some members believe that the opportunities to engage with Senate are limited. The annual joint meetings with Senate are considered to be useful and should be continued. It was noted that the joint meeting planned for 29 April 2013 will consider the topic of research.

7. Consideration should be given to other methods of involving lay members in the work of the University. Inviting lay members to participate in the appointment process for new Chairs or to become involved in internal subject reviews were suggested as possibilities.

8. Establishing a Special Interest Group for estate matters was proposed as one method of providing Council members with assurance that such issues had been given appropriate consideration prior to them being presented to Council.

9. A number of the free text comments noted that the size of Council prevented proper discussion and decision making and, in this situation, it was particularly important for Council members to have trust in the sub-committees where more detailed discussions took place. In the Chair’s view little would be gained by a minor reduction in membership; either
the number of members remained roughly at the current level or there should be a major reduction in size.

10. The number of observers at Council meetings gives the impression that the membership is larger than it is in reality. It was proposed that consideration should be given to the room layout to ensure the members of Council are more prominent.

11. Ensuring the continued involvement and engagement with members of Council is considered to be one of the most important issues, as well as making best use of the skills, knowledge and talents which members can provide. It was proposed that, by accepting the invitation to become a member of Council, members should also be accepting of the requirement to become involved with the University in other ways.

Resolved that the Chair of Council would give further consideration to the size of the Council membership and will present his conclusions at a future meeting of Council.

30. ANNUAL REPORTS AND FINANCIAL STATEMENTS

Received a report from Mr Richard Dale, Executive Director of Finance.
[Circulated with the agenda as Document G. Copy filed in the Minute Book.]

31. ANNUAL REPORT FROM AUDIT COMMITTEE

Considered the Annual Report of Audit Committee to Council for 2011-12.
[Circulated with the agenda as Document H. Copy filed in the Minute Book.]

Noted the opinion of Audit Committee that:

“On the basis of the information presented to Audit Committee by University management, Internal Audit, PricewaterhouseCoopers and other sources, and the discussion and review of that information with these groups, it is Audit Committee’s opinion that the University’s arrangements for:
  • risk management;
  • internal control;
  • corporate governance;
  • economy, efficiency and effectiveness (value for money); and
  • the management and quality assurance of data submitted to HESA and to HEFCE and other funding bodies
are generally adequate and effective and can be relied upon by Council.”

Resolved that, subject to changing the date in the title of section 5 from 2010-11 to 2011-12, Council approve the Audit Committee Annual Report 2011-12.

32. FINANCIAL STATEMENTS 2011-12

(i) Going Concern

Received a paper from the Executive Director of Finance.
[Circulated with the agenda as Document J. Copy filed in the Minute Book.]

Resolved that Council approve the following recommendation from Executive Board that:
“Council confirms that it has reasonable expectation that the University has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the accounts.”

(ii) Financial Statements

Considered:

(a) The audited consolidated Financial Statements of the University for the financial year ended 31 July 2012.

(b) The commentary to the accounts.

[Circulated with the agenda as Documents K and L. Copies filed in the Minute Book.]

‘Commercial in confidence’ Minute, filed in the Minute Book.

33. REPORT FROM FINANCE COMMITTEE

Considered a report from the meeting of the Finance Committee held on 1 October 2012.

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

Noted that:

1. The attachment to the Finance Committee report contains details of the University’s equity investments. During the past year efforts have been made to clarify the arrangements for the formation and monitoring of spin out companies and Finance Committee is now satisfied that satisfactory arrangements are in place.

2. The majority of the spin out companies listed in the equity review have yet to make a profit. It was suggested that it would be useful to provide a commentary on each of the companies to include their achievements as reporting on the financial position alone does not present a true picture of the work done. It was proposed that a Council briefing session could be arranged to provide an overview of the University’s spin out companies at which the companies’ founders could be invited to speak.

3. The figures for two of the companies included in the equity review were provided in foreign currencies and it was suggested that future versions should include the appropriate exchange rates.

34. REPORT FROM AUDIT COMMITTEE

Considered a report from the meeting of Audit Committee, held on 4 October 2012.

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

‘Commercial in confidence’ Minute, filed in the Minute Book.

35. VALUE FOR MONEY REPORT 2011-12

Considered a report on Value for Money 2011-12, prepared by Dr John Hogan, Registrar.

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

‘Commercial in confidence’ Minute, filed in the Minute Book.
36. **PROJECT 2012: SCORECARD**

Received the latest Project 2012 scorecard from Professor Suzanne Cholerton, Pro-Vice-Chancellor Learning and Teaching, on behalf of Executive Board.

[ Circulated with the agenda as Document P. Copy filed in the Minute Book. ]

Noted that:

1. The Key Information Sets (KIS) data has now gone live and, as a result, this project is rated as green on the scorecard. A number of activities took place over the summer with a view to upgrading ncl+ and this project is now complete. In excess of 12,000 extra- and co-curricular opportunities have been identified in which students can participate.

2. In terms of E-Learning, 15 out of 23 subject areas have now signed up to the Recap lecture capture service on an opt-in basis. This is a facility which is particularly valued by students. Blackboard Mobile has been launched, the University's mobile Virtual Learning Environment.

3. In terms of Research, Executive Board has agreed the list of academies and societies which are to be recognised as especially meritorious. Procedures are now in place to enable faculties to support the small grants schemes. There remains much work to do in this area, however, as a number of the projects address long-term issues which will take time to change. Recruitment issues have proven to be harder to address than anticipated and have been affected by 'poaching' in advance of the Research Excellence Framework (REF). There are some long-term structural issues which affect staff recruitment in some subject areas. Frustration caused by structural and political boundaries can be a factor which encourages staff to move elsewhere and the University should work to ensure these are eliminated.

37. **STUDENT RECRUITMENT STRATEGY FOR 2013**

Received a report and PowerPoint presentation on the Student Recruitment Strategy for 2013 including an update on the recruitment position for 2012, from Professor Suzanne Cholerton, Pro-Vice-Chancellor Learning and Teaching, on behalf of Executive Board.

[ Circulated with the agenda as Document Q. Copy filed in the Minute Book. ]

[Copy of PowerPoint slides filed in the Minute Book.]

‘Commercial in confidence’ Minute, filed in the Minute Book.

38. **HEFCE SINGLE CONVERSATION**

Reported that Audit Committee has considered the Internal Audit Annual report 2011-12 prepared by Mrs Juliet Simpson, Head of Internal Audit, and has resolved that the Report be reported to Council.

[ Circulated with the agenda as Document R. Copy filed in the Minute Book. ]

Received:


[ Circulated with the agenda as Documents S and T. Copies filed in the Minute Book. ]
39. **HEFCE ASSESSMENT OF INSTITUTIONAL RISK**

Received a paper from the Executive Director of Finance.

[Circulated with the agenda as Document U. Copy filed in the Minute Book.]

40. **CHAIR’S CIRCULAR**

The Chair’s circular of routine business was sent to members on 1 October 2012. No issues on the circular were raised by members and the business was, therefore, deemed to have been approved by Council.

[The approved business and a copy of the circular are filed in the Minute Book.]

**Approved business:**

(i) Charitable Status Report

**Items for information:**

(ii) Student Attendance Monitoring

(iii) Paper of Reported Business