100. DECLARATIONS OF INTEREST

Minute 105, item 2 – Durham University – Mr Simon Pleydell declared an interest as former Chief Executive of South Tees NHS Trust (2003 – 2012). Mrs Heidi Mottram also declared an interest as a member of the North East Local Enterprise Partnership.

Minute 105, item 6 – Students’ Union Disaffiliation from the National Union of Students (NUS) – Ms Dianne Nelmes declared an interest as a lay trustee of the National Union of Students.

Minute 110 – Carbon Management Strategy – a general declaration was made as a number of Council members held either personally or as a trustee, directly or indirectly, shares in companies operating in the energy sector. Some members also acted for clients with interests in the energy sector through their work.

101. MINUTES

The minutes of the meeting of Council held on 11 April 2016 were approved as a correct record and signed.

The minutes of the joint meeting of Council and Senate held on 11 April 2016 were approved as a correct record and signed, subject to one typographical amendment.

102. MATTERS ARISING FROM THE MINUTES

Noted that in relation to the notes from the joint meeting it was clarified that, whilst the statement about the lack of a direct correlation between staff:student ratios and performance in the Research Excellence Framework (REF) was considered to be correct at the time of the meeting, further work was to be done in this area to establish
whether, and if so to what extent, this was in fact the case. The relationship between correlation and causation was also to be explored.

Following comments made at the joint meeting, the wording of the 'Guidance Note on Research Expectations' had been amended slightly prior to its circulation to all staff on 15 April 2016.

103. HEALTH AND SAFETY

Received an oral report from Mrs Louise Edwards-Holland, Acting Director of Human Resources, on the current health and safety issues affecting the University.

Noted that there were no health and safety issues to report.

104. CHAIR’S BUSINESS

Received an oral report from Mr Mark I’Anson, Chair of Council.

Noted that:

1. The Higher Education White Paper: ‘Success as a Knowledge Economy’ had been published on 16 May 2016. It was unclear what further influence the Higher Education sector could have on the development of the legislation that would follow.

2. Council were informed that the University’s research into ageing would feature in the BBC’s Living Life Longer series to be shown on Look North during the week of 23 May 2016. Topics covered during the week-long series would include ways to try to prevent dementia, the importance of eating well and exercising in old age, how the brain ages, why being lonely is bad for your health, and research that can tell how well people are ageing inside. Links to the programmes would be available on the University’s website.

105. VICE-CHANCELLOR’S BUSINESS

Received the Vice-Chancellor’s report. Highlights of this report are discussed below.

[Circulated with the agenda as Document C. 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. Durham University

A paper entitled ‘Possible Transfer of Durham University’s School of Medicine, Pharmacy and Health to Newcastle University’ was tabled.

Durham University was in the process of reviewing its strategy, including its future plans for its Queen’s Campus in Stockton. This followed the arrival of a new Vice-Chancellor, Professor Stuart Corbridge, in September 2015. Durham University’s Council had approved the relocation of some academic activity to Durham City or its near vicinity and a separate review was underway to determine the location of the University’s School of Medicine, Pharmacy and Health (SMPH). The option of relocating SMPH to
Newcastle had been raised following a discussion between the two institutions’ Vice-Chancellors.

Currently an intake of 99 medical students p.a. were taught at Durham during their first two years (Phase 1) following which they transferred to Newcastle to complete their studies. Pharmacy and Health programmes were also offered at the Queen’s Campus delivered solely by Durham.

The following options had been presented to staff at Durham as part of a consultation process that was to run until 9 June 2016:

- Option 1: The relocation of SMPH to Durham.
- Option 2: The transfer of the School to the Faculty of Medical Sciences, Newcastle University.

Durham University’s Executive Committee was thought to favour the second option. Should the second option be approved, the aim would be to transfer the activity by September 2017, which would require a decision to be taken by July 2016, to allow sufficient time for recruitment activity to take place.

There was considered to be a good strategic fit between the SMPH and academic work at Newcastle. The addition of Pharmacy would increase the breadth of subjects offered by the Faculty of Medical Sciences.

Whilst there would be many issues to resolve, staff at Durham were understood to be open to the proposal and it was important to ensure that any student concerns were addressed.

It was noted that the Mental Health Trust and other health providers in the Teesside area had close links with the activity undertaken by the SMPH. It would be important to gain support from these groups. There was considered to be significant potential to develop strong links with health professionals in the Teesside area.

The University was advised to consider how it could make a contribution to the Teesside region to ensure that its needs did not become a secondary concern. The provision of subject areas that could link to the region’s industries was suggested as a possible approach that could generate opportunities for students from disadvantaged backgrounds.

Access to medical education for students from disadvantaged backgrounds was a key consideration and one of the reasons why Durham’s students studying medicine were originally located in Stockton. It was noted that Durham could provide some good case studies in this area.

Medical students at Newcastle undertook placements in Teesside during their third and fifth years of study and there was an opportunity to build on this and enhance the University’s presence in the area. It was thought that this would be welcomed by the South Tees NHS trust since they were expected to want to maintain their role in teaching undergraduate medical students.

It was recommended that due diligence should be undertaken in relation to the accounts for the SMPH.

The University was advised to prepare a communication strategy in the event that Durham decided to relocate SMPH to Durham City rather than Newcastle. It was
confirmed that a communications plan had been prepared that would be implemented once Durham reached its decision, which was expected to be made at its Council meeting on 12 July 2016.

Resolved that:

(i) Council approve in principle the transfer of Durham University’s School of Medicine, Pharmacy and Health to Newcastle University should Durham University’s Council agree that as its preferred option.

(ii) Delegated authority be granted to the Chair of Council, Vice-Chancellor and the Pro-Vice-Chancellor Medical Sciences to progress discussions in relation to the above proposal should this be required prior to the next meeting of Council.

3. Pay Negotiations, UCU Action and Local Industrial Relations

Following the outcome of the national ballot in which 65% of those voting voted in favour of strike action and 77% voted in favour of action short of a strike (23% and 28% respectively of the total membership), the UCU had announced that two days of discontinuous strike action would take place on 25 and 26 May 2016.

A vote of local UCU members had also taken place in relation to the introduction of the Research Expectations document. Of the 361 members who voted, 65% voted in favour of strike action and 71% voted in favour of action short of a strike. Official notification of when this local action would take place was awaited.

4. Richardson Road Development and Renaming of the Student Accommodation

Resolved that Council approve the following names for the Richardson Road student accommodation development:

- Allen
- Breamish
- Derwent
- Irthing
- Pont
- Rede

5. Drug Testing Kits: Students’ Union

It was clarified that drug testing kits were being offered by the Students’ Advice Centre in the Students’ Union for a suggested donation of £3.

6. Students’ Union Disaffiliation from the National Union of Students (NUS)

Two thirds of the 1,469 students who voted in a recent ballot were in favour of the Students’ Union disaffiliating from the NUS. The Union would lose the operational benefits that affiliation to the NUS provided and this had been explained to students in the run up to the election. Many students felt that the NUS no longer represented them and that options to engage with the union were limited. There was the possibility that the Students’ Union could re-join in the event that requested reforms were introduced.
106. **RISK MANAGEMENT**

Received a report from Dr John Hogan, Registrar, on behalf of Executive Board.

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

Noted that:

1. The likelihood score for risk SR2A – Failure to maintain teaching quality and standards – had been increased in light of the Higher Education Green Paper but was likely to be reduced following the successful outcome of the recent QAA Higher Education review.

2. The University was in the process of implementing a strategy to address the likely requirements of the Teaching Excellence Framework (TEF).

107. **INSTITUTIONAL KPI REPORT**

Received the summary KPI report from Professor Tony Stevenson, Deputy Vice-Chancellor, on behalf of Executive Board.

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

Noted that there had been no change to the overall KPI ratings since they were reported to Council in April 2016.

108. **SUMMARY REPORT FROM SENATE, 3 MAY 2016**

Received a summary report from the meeting of Senate held on 3 May 2016

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

109. **HUMAN RESOURCES STRATEGY: 2016 UPDATE**

Received the Human Resources Strategy 2016 update, presented by Mrs Louise Edwards-Holland, Acting Director of Human Resources, on behalf of Executive Board.

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

1. Good progress had been made against the objectives set the previous year.

2. There would soon be a review of the new Reader role and pay grade that had been implemented during the 2014-15 academic year. Gradual progress was being made in relation to increasing the proportion of female professorial staff.

3. The introduction of a new management information system for the reporting of incidents has resulted in improvements in terms of the timeliness and quality of the information that was available to managers.

4. Future HR activity would focus on embedding the research improvement objectives, responding to the outcomes of the Cubane benchmarking survey, preparing to welcome a new Vice-Chancellor, preparing for the next Research Excellence Framework (REF), maintaining and improving the quality of the student experience and embedding good HR practice.

5. As a result of the improvements made to incident reporting and the revised management information that was available, the overall rating for the ‘Promote a safe and healthy environment’ KPI had been upgraded from amber to green. The rating for the ‘Overall staff satisfaction’ KPI had been downgraded from green to amber-green as a result of ongoing disquiet surrounding research expectations and the national dispute.
in relation to pay. The rating for the ‘Improve profile and performance through high calibre employees’ KPI had been downgraded from amber-green to amber as a result of the increasingly competitive recruitment market.

6. The draft HR action plan included the idea that ‘all staff are talent spotters’ and it was explained that the intention was to encourage existing staff to promote the University to others via their existing networks and/or their membership of professional organisations. This approach could be adopted by academic and professional support service staff.

7. The Academic and Researcher Returners Programme aimed to ensure academic staff were provided with support to allow their research and teaching activity to be maintained during a career break. It was noted that the Institute of Chartered Accountants had done some work in relation to returners from maternity leave which might provide some useful insights to inform the University's activity in this area.

8. There was considered to be scope to review the way in which the KPI target for PDRs was measured. It was suggested that a 100% completion target for all eligible staff should be set and Executive Board should agree a strategy to achieve this target. A strong message should be sent from Council about the importance of completing PDRs. A breakdown of the performance of each academic unit in relation PDR completion rates was requested.

9. Consideration should be given to how best to manage potentially conflicting strategic objectives. For example, in the current climate strategic objective 1 - ‘Be a great place to work with employees committed to the University objectives and valued for their contribution’ could be seen to conflict with strategic objective 3 - ‘Develop a high performance culture in which delivery to agreed standards and objectives is the norm.’ The risks around these two strategic objectives would be considered carefully.

10. The reason for the increase in the number of posts that had required a second recruitment campaign was requested. It was explained that the University was setting higher standards and choosing not to recruit if no suitable candidates were identified at interview. There were certain areas within the professional support services where recruitment was challenging due to the University's location.

Resolved that the Acting Director of Human Resources be thanked for her informative presentation.

110. CARBON MANAGEMENT STRATEGY

Considered the Carbon Management Strategy report presented by Professor Tony Stevenson, Deputy Vice-Chancellor, on behalf of Executive Board.

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

Noted that:

1. The University's endowment funds was the only one of three investment pools over which it exercised real control. The Development Trust and the Retirement Benefits Plan were managed by a board of trustees and both pursued investment strategies independently of the University.

2. The endowment funds were managed by external fund managers Majedie Asset Management, Baillie Gifford and Blackrock, on behalf of the University. These managers already had some exclusions in place, Majedie for example did not invest in
tobacco industries. The University was required to operate an investment strategy that protected its fund and assets and had to be mindful of this when considering divestment proposals.

3. The Carbon Management Advisory Group had determined that the University’s current investment strategy was not consistent with the University’s sustainability objectives and values expressed in Vision 2021. The Group had therefore made a series of recommendations including the aim to eliminate ‘exposure to investments linked to explicit environmental damage and…to accelerate the transition to a low carbon future.’

4. A further recommendation was that the University should withdraw from any spin out companies with links to fossil fuels industries. This would affect two companies: Five Quarter and Cluff Geothermal.

5. It was suggested that the University should manage its announcement carefully given the North East region’s close links with the coal mining industry. A communications plan had prepared that would emphasise the approach proposed by the United Nations Principles for Responsible Investment.

6. It was noted that fossil fuels divestment was an issue that was important to the student body and for which many students had campaigned for some time. It was considered that students would be proud of the University’s stance. The statement the University would be making would help to progress the debate and was considered to be a more defensible position that was in keeping with the University’s sustainability objectives but which also took account of the likely future direction of the energy sector.

Resolved that the recommendations from the Carbon Advisory Group, as set out in Document H be approved.

111. UNIVERSITY BUDGET 2016-17

Received the University budget for 2016-17 as set out in a report from Executive Board.  
[Circulated with the agenda as Document J. Copy filed in the Minute Book.]

Noted that:

1. Whilst the top level budget was on target there were a number of underlying issues that needed to be addressed. It was necessary to invest in the research activity during 2016-17 in order to prepare for the REF. Improvement was required in relation to staff:student ratios within HaSS. 2015-16 had been a difficult year for international student recruitment and this was expected to continue into 2016-17. This also had consequences for the joint venture with INTO. Whilst the postgraduate activity at the London campus was progressing well, undergraduate activity was one year behind the business plan and this had implications for the budget.

2. The centralisation of purchasing activity was expected to generate efficiencies that could be invested in academic activity without affecting service levels.

3. Some funding had been put aside to invest in the transfer of academic activity from Durham to Newcastle, should this be agreed. ‘Headroom for strategic investment’ also made provision for any new strategic priorities that might be identified by a new Vice-Chancellor.

4. Further information about the strategy for the London campus, in particular its unique selling point and the steps taken to communicate this, was requested. It was confirmed
that it was a pan-University offering that aimed to respond to the London market but which offered some innovative programmes, for example in the area of Computing Science.

5. The University was committed to making the London venture a success and sought to grow student numbers, research capacity and its reputation in London over future years. Council would receive a more detailed presentation on the London strategy at a future meeting. Council asked for this presentation to include clarification of the action plan for the next 2-3 years and details of the market position.

Resolved that:

(i) Council approve the budget for 2016-17 and note the draft financial plan for 2017-18;

(ii) Council approve the proposed subvention of £1,893,000 to the Students’ Union in 2016-17.

112. SCIENCE CENTRAL THIRD BUILDING: INNOVATION HUB

Considered a report from Professor Nick Wright, Pro-Vice-Chancellor Research and Innovation, on behalf of Executive Board.

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

Noted that:

1. There were considered to be some benefits and efficiency gains that could be achieved by co-locating the University’s two national innovation units – the National Centre for Ageing Science and Innovation (NASI) and the National Institute for Smart Data Innovation (NISDI). A previous options appraisal for NASI had identified Science Central as the optimal location.

2. The grant letter for NASI was expected to be received from the Medical Research Council in the near future. NISDI was at the draft business stage and the timescale for the award of the £15m of government funding was not known at this stage. Despite this, it was necessary to progress the plans for the building that would house the two innovation units and architects would need to be appointed in the near future. This would commit the University to some costs before the government funding had been secured and there would be risks associated with this. The risks would be mitigated by preparing the tender in such a way to allow it to be split in two in the event that one of the government awards was not received. It was noted that there was also an opportunity cost to the proposal as it would be using the University’s last available site on Science Central.

3. It was necessary to consider how the University’s proposal for an Innovation Hub fitted with the original vision for the Science Central site. It was noted that there would soon be a lot of University activity on the site and the question was raised whether all of this had been part of the original plan. It was noted that this latest proposal was largely about innovation, and this had been a central component of the original Science Central plan. Ongoing discussions with L&G had raised the issue of the site providing a welcoming evening environment, which had not been included in the original vision. It was considered that whilst changes had been made to the spatial distribution the original concept for the site was still being adhered to.
Resolved that Council endorse the general direction of travel indicated in Document K whilst noting that there were some risks associated with this.

113. REPORT FROM AUDIT COMMITTEE

Received a report from the meeting of Audit Committee held on 27 April 2016.  
[Circulated with the agenda as Document L. Copy filed in the Minute Book.]

Noted that Audit Committee had considered the issue of Cybersecurity and would do so on an ongoing basis. The Cabinet Office provided useful advice on Cybersecurity on its website and it might be useful for Audit Committee to review this information periodically.

Resolved that Council approve the audit fee for the 2016 year end of [figure redacted – commercial in confidence] (including overseas audit fees).

114. REPORT FROM NOMINATIONS COMMITTEE

Considered a report from the meeting of Nominations Committee held on 9 May 2016.  
[Circulated with the agenda as Document M. Copy filed in the Minute Book.]

Resolved that:

(i) Council approve the re-appointment of the following as members of Council from 1 August 2016 until 31 July 2019:

- Mr Neil Braithwaite
- Mr Mike Davison
- Mr Jonathan Glass

(ii) Council approve the re-appointment of Mr Stephen Lightley as Honorary Treasurer from 1 August 2016 to 31 July 2019.

(iii) Council approve the following appointments/re-appointments:

- Mr Mike Davison be re-appointed as Chair of Audit Committee from 1 August 2016 to 31 July 2017;

- Mr Jonathan Glass be re-appointed as a member of Audit Committee from 1 August 2016 to 31 July 2017 and as Chair of Audit Committee from 1 August 2017 to 31 July 2019;

- Dr Ole Pedersen be appointed as Chair of Biosafety Sub-committee from 1 August 2016 to 31 July 2019;

- Professor William Maloney be re-appointed as Chair of Radiation Protection Sub-committee from 1 August 2016 to 31 July 2019.

115. ANNUAL EQUALITY AND DIVERSITY REPORT 2014-15

Received the Equality and Diversity Annual Monitoring report from Mrs Louise Edwards-Holland, Acting Director of Human Resources, on behalf of Executive Board.  
[Circulated with the agenda as Document N. Copy filed in the Minute Book.]

Noted that:
1. Action was being taken to increase the University’s strategic capacity to respond to the equality and diversity agenda. Input from members of Council on this issue was invited.

2. Details of the activities undertaken in conjunction with the Students’ Union were well received. It was noted that the ‘Inspiring Women’ conference had been a particularly impressive event.

3. Council congratulated the University on the receipt of the institutional Athena SWAN silver award and commended the work that was taking place across the University to address this important agenda.

116. CHAIR’S CIRCULAR

The Chair’s circular of routine business was sent to members on 4 May 2016.

Approved Business

(i) Report from University and Faculty Promotions Committee

Resolved that Council approve the following additional promotion that was completed following the preparation of the consolidated report.

Dr Paolo Missier, School of Computing Science, be promoted to a Personal Readership in Large Scale Information Management with effect from 1 August 2016.

It was noted that the Vice-Chancellor had approved this promotion on behalf of Senate.

Items for Information

(i) Access Agreement
(ii) Reported Business

117. VICE-CHANCELLORSHIP

Received an oral update from Mr Mark I’Anson, Chair of Council, on the process being followed to appoint a new Vice-Chancellor.

Noted that:

1. 35 applications had been received which included individuals from the UK and overseas and a number from outside of academia.

2. A short list would be prepared in early June and interviews would take place at the end of June. A recommendation would be made to a joint meeting of Council and Senate to be held on 11 July 2016.