Present:  Sir John Willis (in the Chair), the Vice-Chancellor, Professor Goddard (Deputy Vice-Chancellor), Professor Page (Pro-Vice-Chancellor), Dr J C Appleby, Mr L M Aviss, Mr N Blezard, Professor Goodfellow, Sir Miles Irving, Mr P M Johnson, Mr S Lightley, Mr D W Midgley, Ms P A L Monck (Communications Officer), Professor Olive, Professor Sen and Mr G C Wilson.

In attendance:  Dr J V Hogan (Registrar), Professor Baylis and Professor Stevenson (Provosts), Mr H B Farnhill (Bursar), Dr D Robertson (Director of Business Development) (for item 1), Mrs V S Johnston (Director of Human Resources), Miss M E Hunter (Director of Residences, Catering and Conferences) (for item 14), Mrs A L Tobin (Deputy Director of Finance), Mr J R Hills (Senior Assistant Registrar) (for item 3a), Mrs D A Michie (Director of Publications and Website Development) and Ms G M Bell (Assistant Registrar).

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.
PART A : STRATEGIC ISSUES

1. THIRD STRAND ACTIVITIES

Received:

A presentation from Dr Douglas Robertson, Director of Business Development.

[Copies of the presentation slides were tabled at the meeting.]

After noting:

1. that commercialisation should draw naturally from Teaching and Research activities so that efforts in this area should not in practice deflect staff’s attention from the core business,

2. the opinion that the University ought to give due consideration to all opportunities for commercial exploitation even though it may ultimately decide not to pursue involvement with particular franchises,

3. that it was important for each School, through the planning process, to agree an appropriate portfolio of Teaching, Research and Third Strand activities, in the context of the whole School’s business. The balance of activities would vary from School to School but all should reflect full debate and contain challenging targets,

4. that although the Business Plan contained a target of achieving 8.6% of University income from Third Strand activity in 2003-4 it might be considered more meaningful to convert it to an amount of margin generated from that activity,

5. the Director’s view that there was a great deal of enthusiasm across campus for engaging in Third Strand activities, especially amongst younger staff, although they would require time to establish their own research portfolio. The PDR process was fundamental to making sure that staff’s interests and ideas were incorporated into School portfolios,

6. that one of the keys to successful commercial activity was to treat the University’s Business Plan as a living document and regularly prioritise and set targets,

7. the importance for the University to decide its own approach to Third Strand business,

8. that ethical issues would arise in relation to some commercial activities. This was a difficult area and one in which it would be hard to establish definitive points of principle. Equity Committee would consider the particular issues involved in each business case it was presented with and the business development team was alive to the issue,
9. that in addition to ‘hard’ income generation activities as part of the Third Strand, the University would continue to develop and cement relationships and partnerships in the Region,

Resolved:

*That Council record its general support for the strategic approach outlined in the presentation and commend it to the Vice-Chancellor and his senior management to take it forward.*

2. MINUTES

The minutes of the meeting of Council held on 7 July 2003 were approved as a correct record and signed.

3. MATTERS ARISING OUT OF THE MINUTES

(a) Campus Management

(Minute 121, 7.7.2003)

Received:

An oral report from Professor Goddard on the implementation of phase 2 of Campus Management on 5 August 2003.

Noted:

1. That the successful implementation of Campus Management represented a major achievement for the University. Newcastle was one of the first HE institutions worldwide to install an ERP solution and already a number of significant business benefits of integration between the student and finance systems had been realised.

2. That the new Student Registration system had proved robust and reliable under a period of very heavy usage, and had provided good quality management information. The demands of the system had, however, placed pressure on some business processes and the post-Registration review would ensure these weaknesses were identified and addressed.

3. The University’s intention to further enhance its management information system through the development and addition of new programmes. It would be helpful to provide Schools with a schedule of programme development and include them in discussions of new developments.
Resolved:

That Council welcome the report and record its appreciation to the Campus Management team for working so hard to ensure a successful implementation.

(b) Agenda papers and conduct of business
(Minute 122, 7.7.2003)

Considered:

A paper from the Assistant Registrar.

[Circulated as Document A with the agenda.]

After noting:

1. that Council’s concerns had been taken on board and the general support for the initiatives proposed,

2. the suggestion that the staff members of Council, or a representative of them, be invited to the Working Dinners to add a further perspective to discussions,

3. that the primary purpose of the Working Dinners was to provide the opportunity for lay members to feel involved and able to make a contribution and raise questions without replicating the Council meeting,

4. whether it would be advantageous to change the day and time of the Council meeting to facilitate holding a Working Dinner before the meeting,

Resolved:

(i) That the recommendations in the paper be approved and implemented with immediate effect.

(ii) That the Chairman take soundings from lay members on arrangements for the Working Dinners.

(c) Cultural Quarter
(Minute 125, 7.7.2003)

Received:

An oral progress report from Professor Goddard.
Noted:

1. That Council would be receiving a formal report of the outcome of the bid in the New Year.

2. That there would be Heritage Lottery Fund site visits to the University on 31 October and 5 December.

3. That senior managers had been working hard to obtain regional support at the highest levels. The City Council had set up a task force which would meet monthly to discuss the project.

4. That the Cultural Quarter was one of ten major projects chosen to be the focus of cultural regeneration in Newcastle/Gateshead.

5. That Miss Underwood had provided considerable assistance in discussions and negotiations concerning the future governance and management structure of the Combined Museum.

4. CHAIRMAN’S BUSINESS

Policies for Conflicts of Interest and Commitments, Consultancy, Directorships and Continuing Professional Development
(Minute 91, 9.6.2003)

Reported:

That the University lawyers were in accordance with the view that the above policies were capable of ready incorporation into staff contracts.

5. 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) Top-up Fees

Reported:

That the University would not wish to implement any measures that had the effect of putting people off participating in higher education
but top-up fees were argued by the Government to be the only practical way the University could generate additional income. The students had expressed a real concern about increasing debts, the time it would take students to repay loans and for the inadequate level of support available to those who felt they could not afford to go to university. There was, however, a big difference between having to find money immediately and repayment at a later date. It was still unclear what the actual net benefit to the institution would be of a £3k top-up fee and a working group, chaired by Professor Atkins, was giving further consideration to the University’s position. The Vice-Chancellor had agreed a position with the region’s other V-Cs which was contingent upon (i) knowing what percentage would be required to go on bursaries and (ii) that it did not involve HEFCE substitution. It was a rapidly changing issue and a matter of concern was the timing of the final decision in terms of publication of the University Prospectuses.

(c) Independent Complaints Board

Reported:

The disestablishment of the Lord Chancellor’s Office and the establishment of a new Ombudsman which would look at student complaints. The first ‘adjudicator’ was Dame Ruth Deech, at present Principal of St Anne’s College, Oxford and Pro-Vice-Chancellor of the University of Oxford. It was not yet clear what mechanism would be used to consider staff complaints.

(d) Future of the RAE

Reported:

That the HEFCE had now begun to analyse more than one hundred responses to Sir Gareth Roberts’ proposals for the future of the RAE.

6. REPORT FROM SENATE

Received:

A report from the meeting of Senate held on 14 October 2003 concerning the following items.

(a) Restructuring

Considered:

A critical evaluation of the performance of the new structures from the Vice-Chancellor.

[Circulated as Annex I of Document B with the agenda.]
After noting in particular:

1. that the report was in general encouraging as shown for example by the improvement in relative positions on certain performance indicators and such change was to be particularly applauded after only twelve months of the new academic structure and eighteen months of the formation of the Executive Board,

2. that a number of issues had been identified which required attention, for example, improving research income from Research Councils which could usefully involve some form of horizon scanning to optimise Research Council income long term,

3. the views of Senate on the review and report, [circulated as Annex II to Document B with the agenda]

4. the recognition that aspects of the extensive changes had been unsettling for many and that structures were still bedding down but that the restructuring had been appropriate and not too radical,

5. the support for the University’s vision for the future and the importance of management at the micro level to support staff in the achievement of individual and corporate goals, and the need to look at ways of rewarding them through the revised resource allocation model,

**Resolved:**

*That Council affirm its support of the Restructuring process and commend the progress made so far and note the issues to be addressed.*

(b) **Pro-Vice-Chancellors under Statute 13**

Considered:

A recommendation from Senate that two Pro-Vice-Chancellors be appointed under Statute 13 from 1 August 2004.

**Resolved:**

*That the recommendation be approved.*
(c) **Occupational Health Service**

Considered:

A paper on the establishment of a new occupational health service for the University

[Circulated with the agenda as Annex III to Document B.]

After noting Executive Board’s discussion of the proposal and its conclusions,

**Resolved:**

*That the recommendations be approved on the basis that they represented an initial investment and that further assessment would need to be made, including the possibility of collaboration with other parties, to ensure that the service was appropriate for the size of the University.*

(d) **HEFCE Staff Recruitment Incentives Scheme**

Reported:

That Executive Board, at its meeting on 22 July 2003, had received HEFCE circular letter 19/2003 detailing the outcome of consultation and funding allocations under the above scheme and had resolved that the University should participate in the scheme.

[Circulated with the agenda as Annex IV to Document B.]

After noting:

1. that in addition to the funding from the above scheme the University would be looking at its own forms of market incentives and supplements,

2. that the University was in discussions with HEFCE on the subject of making the incentive non-pensionable at Newcastle,

**Resolved:**

*That whilst recognizing the restrictive nature of the criteria of the allocation Council support participation in the scheme.*
(e) **HEFCE Project Capital Allocation Round 3 (3PCA)**

Reported:

That Strategy Board had considered and approved proposals on behalf of Council and the bid had been submitted to HEFCE by the deadline of 1 October,

After noting the report from Strategy Board which outlined the process by which it had reached its decisions and the comments of Senate,

[Circulated with the agenda as Annex V to Document B.]

**Resolved:**

*That Council record its support for the bid as submitted to HEFCE and its appreciation to Professor Atkins for her extensive contribution in bringing the bid together.*

(f) **Estate Strategy Group**

Reported:

That Strategy Board had approved amendments to the constitution and terms of reference of Estate Strategy Group.

[Circulated with the agenda as Annex VI to Document B.]

7. **MINUTES OF STRATEGY BOARD**

Received:

Minutes of the meetings of Strategy Board held on 15 July and 16 September 2003.

[Circulated with the agenda as Documents C & D.]

8. **REPORTS FROM EXECUTIVE BOARD**

Received:

Reports from meetings of Executive Board held on 9 September and 14 October 2003 concerning the following items.

(a) **Naming of Buildings**

Reported:

That Strategy Board, at its meeting on 15 July 2003, had considered a paper prepared by the Director of Development and had resolved *inter


Council 27 October 2003

*alia* that Executive Board should be the body responsible for detailed consideration of such matters making recommendations to Council.

Considered:

A recommendation from Executive Board in respect of proposals for the naming of two buildings:

1. The Wilson Horne Immunotherapy Centre
2. The John Coulson Responsive Processing Laboratories

[Copies of the proposals were circulated with the agenda as Appendices I & II to Document E.]

After noting:

1. that it was helpful to have in place some agreed principles and a policy for the naming of buildings,
2. that the University was seeking major capital contribution for the, as yet unnamed, ‘Devonshire Building’,

**Resolved:**

*That the recommendation be approved.*

**Castle Leazes Hall of Residence**

[See also Minute 9.]

Considered:

A business case for a proposed New Build Hall of Residence at Castle Leazes prepared by the Director of Residences, Catering and Conferences which was fully supported by Executive Board.

[Circulated with the agenda as Appendix I to Document E.1.]

After noting:

1. the concerns of the Communications Officer as follows:
   - that the proposal would create a two-tiered system where the students who could afford to pay for en-suite would become segregated thereby possibly promoting divisions between groups of students
   - that the en-suite accommodation would take up more space than rooms with shared facilities especially as there are too few rooms to numbers of students
   - that the question of top-up fees and its impact on the future market was still uncertain
2. that the University already provided a range of accommodation to suit students’ different needs and circumstances,

3. that whilst other members of Council were sensitive to the students’ views and specifically the student debt situation, there was strong support for the objective of the design brief which was to improve the quality of student accommodation and establish a cost effective and affordable standard in Newcastle. Creating more en-suite facilities would add to the University’s reputation and provide further opportunities to expand Conference facilities. The proposal was to be seen in the context of continued improvement and upgrading of other accommodation which was a strategy also being adopted by many other universities,

4. the suggestion that in future options other than en-suite rooms could be explored with the students,

Resolved:

That the proposal be approved and the following recommendations endorsed:

(i) That the possibility of providing 250 rooms through this scheme, rather than 200, should be further investigated.

(ii) That the possibility of a ‘design and build’ approach versus the normal procurement route should be considered bearing in mind the need to ensure quality of the provision.”

9. REPORT FROM FINANCE COMMITTEE

Received:

A report from the meeting of Finance Committee held on 16 October 2003 concerning the following items.

(a) University Financial Statements 2002-03

Considered:

The audited consolidated Financial Statements of the University of Newcastle upon Tyne together with explanatory notes from the Deputy Director of Finance.

[Circulated with the agenda as Appendix I and Appendix II to Document F.]
After noting:

1. the remarkable achievement of an 8% increase in income over 2001/02 and an operating surplus for the year of £2.65m,
2. that Restructuring costs were lower than budget for the year due to expenditure on specific projects being slower than expected. This expenditure is forecast to be incurred in 2003/04,

Resolved:

(i) That Council approve the audited consolidated Financial Statements of the University of Newcastle upon Tyne

(ii) That the Finance team, and in particular Mrs A Tobin and Mr M Parkinson, be thanked for all their work in relation to the statutory accounts.

(b) Barclays Bank Guarantee

Considered:

The recommendation, that Council grant formal agreement to the facilities to cover (i) a bank guarantee for £350,000 as a condition of a teaching project led by Northumbria University, delivered in Egypt and (ii) business master £6,010,000, AFTS (same day payment) £5,000,000, BACS £8,820,000, company Barclaycard £200,000.

Resolved:

That the recommendation be approved.

(c) Long-term Bank Loans – Leazes Terrace

Reported:

That Finance Committee and Council had agreed that a long-term loan of up to £3,800,000 be taken out to complete the refurbishment of Leazes Terrace. The project was now complete and the combination of an increased contribution from the Student Residences account and a lower than anticipated final cost had resulted in the borrowing requirement being £2,350,000. This amount was expected to be drawn down at the end of October 2003.
(d) **Castle Leazes - Proposed Capital Development**  
[See also Minute 8.]

Reported:

That Finance Committee recommended that Council approve the proposal to extend student residential accommodation at Castle Leazes.

10. **REPORT FROM AUDIT COMMITTEE**

Received:

A report from the meetings of Audit Committee held on 11 September and 16 October 2003 concerning the following items.  
[Circulated with the agenda as Document G.]

(a) **Internal Audit: Review of Financial Systems**

*Noted the conclusions of the report.*

(b) **Internal Audit: Campus Management Pre-Implementation Review**

*Noted the conclusions of the report.*

(c) **Internal Audit: Review of Reimbursed Expenses**

*Noted:*

That Audit Committee would provide Council with a progress report in due course on the implementation of management solutions to the recommendations for control improvements.

(d) **Internal Audit Annual and Strategic Plan**

*Noted the conclusions of the report.*

(e) **External Audit 2002-3**

*Noted the conclusions of the report.*

(f) **Financial Statements 2002-03**

*Noted the conclusions of the report.*

(g) **Annual Report of Audit Committee**

Considered:

The Annual Report of Audit Committee for 2002-03.
After noting in particular the Audit opinion that:

‘Audit Committee considers that the University is a prudent, financially well-managed institution, which operates in an acceptable control environment. The Audit Committee is also of the opinion that Council’s responsibilities, as described in the responsibility statement in the annual accounts, have been satisfactorily discharged.’

Resolved:

That Council approve the Annual Report of Audit Committee for transmission to HEFCE.

11. VOLUNTARY SEVERANCE SCHEME (Minute 104, 9.6.2003)

Received:

A paper summarising the outcome of the Voluntary Severance Scheme.

[Circulated with the agenda as Document H.]

Noted:

1. That in the early phase of the Scheme large numbers of applications from certain categories of staff had been received and in hindsight it may have been the case that too many had been accepted to effectively operate the new structures.

2. That the target set for financial savings through the Scheme had been exceeded.

3. The importance of reviewing the impact of such a Scheme and that Executive Board was receiving reports on a quarterly basis.

4. That it was important for the University to look forward in terms of staff recruitment and managing performance.

5. That some parts of the Restructuring review had not yet been completed and although the VSS was officially closed the intention was to make it available if necessary for those areas still under review such as in central services.

6. That the figures in the tables represented a headcount which for central services included a large number of hourly paid staff and some staff who had not been included in this category in the past.
12. **MEMBERSHIP OF COUNCIL 2003/04**

Reported:

(a) That the following had been elected by and from Senate to serve on Council from 1 August 2003 until 31 July of the year shown:

   - Professor M Goodfellow (2005)
   - Professor P J W Olive (2006)
   - Mr A M Wilton (2005)

(b) That Professor P Sen and Dr J C Appleby had been elected by and from the academic staff of the University to serve on Council from 1 August 2003 until 31 July 2006.

(c) That the Union Society had appointed Ms P A L Monck, Communications Officer, as one of the student members on Council.

Received:

A list showing the membership of Council for 2003/04.

[Circulated with the agenda as Document J.]

*The Chairman welcomed new members to the meeting.*

13. **BANK SIGNATORY ARRANGEMENTS**

Considered:

A recommendation that Mr A Bell (Assistant Director of Finance) be added to the bank mandate as a signatory to the University bank account with immediate effect.

*Resolved:*

That the above recommendation be approved.

14. **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 K.]
15. **ANNUAL LUNCH FOR MEMBERS OF COURT, COUNCIL AND SENATE**

Reported:

That, in accordance with tradition, Council invites members of Court and Senate to join it for lunch on the day of the last meeting of Council before Christmas. The lunch would be held on 15 December 2003.