Mr J Dersley (Regional Development Officer) attended for item 19(b), Ms J Mann (Deputy Head of Administration, Faculty of HSS) attended for item 22(a), Emeritus Professor Murchison attended for item 22(d) and Mr R Wilson (Assistant Director of Finance) attended for item 22 (b).

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

16. TECHNOLOGY VILLAGE

Received:

A presentation from Professor M P Young, Provost, Faculty of Science, Agriculture and Engineering on his vision of a Technology Village.

After noting that:

1. In a comparison of the ratio of commercial income to expenditure by our peer group universities, in 2001-02 Newcastle was the highest and this provided an important source of income;
2. A Technology Village would bring enterprise into the same location as the expertise, add value and leverage with industrial partners by increasing the opportunities for communication and help to achieve the aim of placing universities at the heart of regional development;

3. A Technology Village could be created physically if all the proposed moves of schools in the Faculty of SAgE took place, but that to get industrial partners involved a Technology Business Centre would need to be created to give them a physical base. Such a Centre could cost approximately £25 million to build but, if the Technology Village was to be successful, it was essential that the type of space which would meet the requirements of industrial partners was provided and effectively marketed;

4. There was political interest in this as it could form a model for research-based engagement as a knowledge economy driver, a lot of discussions were taking place and Partnerships UK had undertaken to carry out a free feasibility study of the proposal;

5. Other developments, such as science parks, suffered from being at a distance from the University, they did not seem to appreciate the value of the University being on their sites or that the venture would only work if the University was actively involved in it;

6. The University had achieved a quite remarkable growth rate in this area but that to continue this would require the development of unusual ideas and this proposal was one of the key things which should be looked at critically if the University was to achieve its aim of being in the top five universities.

7. The government was making it increasingly critical that this type of activity had full cost recovery but such activity should only be carried out if there were both academic and financial advantages to be gained – the academic advantage would be attracting staff to the University who would otherwise not consider coming to Newcastle;

8. The pressure to increase income was considerable and there was not a conflict between carrying out world leading research and exploiting the results, but that this needed to be carefully managed in order to ensure that the University was not exploited by submitting to pressure to publish research too early;

9. The School of Mechanical and Systems Engineering had already attracted two commercial units into the School which were self funding and had academic credibility, a third would be coming in the near future and they would collaborate with other groups in the Stephenson Centre.

Resolved that:

(i) Council endorse the concept of the development of the Technology Village;

(ii) Council be kept fully informed of the financial implications of the proposal and a report on developments must be submitted to it before any commitment was made;

(iii) Council be informed if there was anything members could do to assist with developments.
17. **TOP-UP FEES**  
(Minute 5(b), 27.10.03)

Considered a report from the Undergraduate Tuition Fees Working Group.  
[Circulated with the Agenda as Document A. Copy filed in the Minute Book.]

After noting that:

1. Since the report had been written there had been a lot of political movement on the issue of top-up fees and it was still very unclear what the final outcome would be, although the government was insistent that it was a matter of principle that they be introduced;

2. The University was already being asked what position it was going to adopt and so it was necessary to establish this;

3. It was almost certain that students would expect all charges levied, including for example fieldwork, to be clarified and so the University would need to consider very carefully the additional charges currently levied, which vary considerably across different programmes;

4. The introduction of such fees could make four-year courses less attractive and the University would need to look critically at such programmes;

5. The University’s ability to increase fees would be heavily linked to performance against key measures, particularly access;

6. The Union Society was totally opposed to the introduction of such fees, was doing as much as possible to lobby against it, was concerned about the huge disadvantages which would be faced by students entering university in 2006 but also, however, respected that universities need more money;

7. The financial position which the introduction of top-up fees was intended to solve had been created by government demands and representation should be made that unattainable targets should not be set;

8. If universities were expected to carry out the means testing which would be required if top-up fees and bursaries were introduced, there would be serious administrative implications. A standard methodology for universities was being investigated for this but there was a major cost in picking up the data;

9. It was unclear the extent to which the funding from HEFCE would be affected but that, when the current fees were introduced, the core fund was reduced and so it was possible that the extra income would be less than predicted;

10. If the University decided to charge these fees then careful consideration needed to be given to the student learning experience, which involves much more than simply teaching facilities.

*Resolved that, subject to consultation with Senate, Council approve the following recommendations:*
(i) That, on the assumption that the Government’s legislation permitting universities to charge up to £3,000 was approved, the University should increase its full-time undergraduate tuition fees for home fee paying students to £3,000 for entry in September 2006.

(ii) That the level of fees charged for home/EU taught postgraduate students should be reviewed by the Fees Working Party with a view to a possible adjustment to the fee to meet the HEFCE’s changed assumption in funding, if that assumption became the base for the HEFCE T funding stream.

(iii) That it was essential that any additional charges or specific costs required to follow an academic programme should be made clear to applicants in the prospectus or via other means.

(iv) That where there were additional costs falling on students arising from the nature of the academic programme to be followed, this should be acknowledged in the University’s hardship support schemes.

(v) That the University should plan for the provision of a very significant level of bursary support to home undergraduate students. The mechanisms for the distribution of bursary support would need to build upon those already available but would require a significant upgrading in order to meet the level of demand and to facilitate the University’s policy on fair access.

(vi) That faculties and schools, with the support of the Student Recruitment Office, should keep under review the potential changing pattern of demand for undergraduate programmes and, in particular, should pay particular attention to any advice which emerged from professional associations about recruitment to longer degree programmes.

(vii) That the continuation of the investment in our teaching rooms should be regarded as a strategic priority for headroom funding and the amount of investment should be increased as appropriate if and when additional net income is made available from the introduction of a higher tuition fee. In addition, careful consideration should be given to the whole student learning experience if the higher fee is introduced.

(viii) That this matter be brought back to Council when the position is clearer.

PART B : GENERAL BUSINESS

18. MINUTES

The minutes of the meeting of Council held on 27 October 2003 were approved as a correct record and signed.

19. MATTERS ARISING OUT OF THE MINUTES

(a) Progress of business

Received the following oral report from the Chairman on the progress of items since the last meeting:
• Conduct of Council Business. Staff have been advised of the new rules; an executive summary and/or cover sheet had been introduced; the style and content of the minutes had been revised and documents for the agenda had been reviewed, leading to some being shortened or withdrawn. Members were invited to comment on these changes.

• Council Working Dinners. An options appraisal was currently being considered by the Chairman and lay members were invited to advise her of their views on the matter.

• Occupational Health Service. A timetable for the further assessment of the needs associated with setting up the new service for the University had yet to be agreed.

• Review of Reimbursed Expenses. The date of the Audit Committee meeting, which would provide Council with a progress report on the implementation of management solutions to the recommendations for control improvements, had yet to be determined.

(b) Cultural Quarter
(Minute 3(c), 27.10.03)

Received an oral report from Professor Goddard.

Noted that:

1. A technical site visit by the Heritage Lottery Fund (HLF) on 31 October 2003, including representatives from the regional committee, had gone extremely well, as had the visit by two trustees on 5 December;

2. There would be expert groups meeting on 12 and 17 December, the main papers would then go to the HLF on 5 January and a decision, which would be embargoed for 10-14 days, would be made on 27 January 2004;

3. A great deal of effort had been put into building a partnership, particularly with Newcastle City Council. The outcome of this development was that a paper would be going to the Cabinet of Newcastle City Council on 17 December proposing that:
   - the City should undertake the construction of the proposal since they have experience of such work,
   - the City would make a £3m capital contribution to the project,
   - the City should make a £150,000 annual contribution to the running costs of the project,
   - Tyne and Wear Museums run the museums.

   This very positive relationship with the City and other partners would be useful whatever the outcome of the bid;

4. Sue Underwood had been extremely helpful in assisting the University reach the current favourable position;

5. Running costs had been estimated at £2m per annum up to 2009 and it had been calculated that the income generated plus the external grants would total about £1.8m,
an estimate which the HLF considered rather pessimistic as there was a substantial space allocated for touring exhibitions, to which entry would be charged, and income would be raised from sales;

6. The current round of bids for HLF funds was oversubscribed, so the fact that the University had been able to reduce its request to £12m from £18m was regarded as helpful;

7. There was a general keenness in the City to see projects in the Culture 10 scheme completed and there could be an issue with this if the bid proved unsuccessful;

8. The most appropriate form of legal arrangements was currently under consideration in the light of the City Council’s involvement.

Resolved that:

(i) Council should receive a report on the financial issues together with their implications, the legal status of the project and the nature of the structure;

(ii) The change in the relations with the City Council and other partners be noted and welcomed;

(iii) Council would need to take a final decision as to whether to proceed with the project in light of the result of the bid to the HLF and the other funding and operational issues and would probably be able to do so at its meeting on 29 March 2004.

20. CHAIRMAN’S BUSINESS

(a) HEFCE Annual Meeting

Reported that the Chairman had attended the HEFCE annual meeting for chairs of governing bodies in November at which it was reported that the DfES was likely to take a more pivotal role in higher education in general.

(b) The Vice-Chancellor

Reported that the Vice-Chancellor had been elected to the Fellowship of Imperial College London, a position recognised as being held by ‘persons of distinction and persons who had rendered significant services to the College or to the community’.

Resolved that Council record its congratulations to Professor Edwards.

(c) Lay members of Council and professional indemnity

Reported that a lay member of Council was an agent of the University and the agent must employ proper care, skill and diligence in the performance of delegated powers and duties and could be held liable for any loss occasioned by want of proper care, skill and diligence. There was no absolute standard to judge whether proper care, skill and diligence had been applied and this very much depended on individual circumstances.
The University had taken out professional indemnity insurance in respect of its legal liability for damages and claimants’ costs and for expenses for claims of breach of professional duty by reason of neglect, error or omission. This policy had been extended to cover any member of any University committee or Council. The limit of liability was £10m with a £75k excess. The right to indemnity was not unlimited. A University agent cannot recover expenses of liabilities incurred in consequence of his/her own default, or breach of duty, or transactions which were outside the scope of his/her authority which were not subsequently ratified by the University. It was also not possible to indemnify against criminal liability.

(d) Council working dinners

Reported that the views of lay members would be sought on this matter (see also Minute 19 (a) above).

21. 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) Congratulations

Reported that Professor M J Atkins had been appointed Vice-Chancellor of Coventry University with effect from 1 September 2004.

Resolved that Council record its congratulations to Professor Atkins.

(c) Queen’s Speech : Higher Education Bill

Reported that the Higher Education Bill had been given top priority in the Queen’s Speech on 26 November 2003, and was likely to be published early in the New Year. If passed by Parliament, this would allow English universities to charge tuition fees of up to £3,000 a year from September 2006. The Vice-Chancellor had held meetings with a number of key politicians recently to ensure that they were properly informed and aware of the key issues. There would be serious implications if the Bill failed.

(d) The Lambert Report

Reported that the results of a year-long Treasury review by Richard Lambert of the relationship between higher education and business had been published on 4 December.

(e) Fire in the Old Library Building

Reported that the fire in the Old Library Building on 18 November had caused serious damage to the translating facilities, but that there had been much less damage caused than might have been the case if it had not been caught so quickly and lessons learnt from the
fire at City University. Fortunately nobody had been hurt, even though there were people in the building, and everybody had reacted in a helpful and responsible way.

(f) **HEFCE performance indicator results**

Reported that the HEFCE performance indicators for UK universities and colleges had been published on 11 December and, while Newcastle had done quite well in some categories, two indicate areas of risk for the University: the admission of state school students, where the University is 12-14% below its benchmark; and social class, in which the University is 5-6% adrift. While these results cover a year in which the University needed to increase numbers and a lot of students were admitted through clearing, the issue was still serious. The University would need to continue to make progress on this important issue.

22. **REPORT FROM SENATE**

Considered:

Report from the meeting of Senate held on 2 December 2003 concerning the following items.

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

(a) **Religious Studies and Linguistics**

After noting that:

1. The proposal had been approved by the Senates of both the Universities of Durham and Newcastle and would be discussed at Durham’s Council on 16 December;

2. Following concerns raised at the Newcastle Senate, a project implementation group had been established, in addition to the project management group, and this group had student representation on it;

3. There had been some discussion of the proposal at the meeting of Court that morning where concerns had been raised over students from Newcastle possibly having to travel to Durham to take courses in religious studies;

4. Concern had also been expressed at Court about the need to ensure that links were retained with the various faith groups in Newcastle but that as Durham were keen to develop such networks this should not be a difficulty;

5. The students did not support the proposal and there were issues still to be resolved, but they were now being able to make a greater contribution to discussions on the way forward and were keen to work with all those involved in order to get the best possible outcome for those students affected;

6. The proposal was not subject to the bid to HEFCE for funding being successful as this would delay implementation for too long, and Senate had supported this decision, though all effort would be made to secure funding. If the bid was unsuccessful, the quality of teaching would be ensured by top slicing Faculty funds;
7. Issues relating to the part-time staff currently teaching religious studies in Newcastle would be taken into account during the process, as had been the case when the Centre for Lifelong Learning was transferred to Sunderland;

8. It would be helpful if the name ‘Religious Studies’ could be made part of the title of the department at Durham University and Durham was aware of this.

Resolved that Council approve the proposals to transfer four staff from Linguistics in Durham to the University of Newcastle upon Tyne and four staff from Religious Studies in Newcastle to Durham with effect from 1 August 2004.

(b) Revised Credit Control Policy For Tuition Fees And Accommodation Debt

After noting that:

1. While the income from tuition fees was sizeable, the provision for debt collection was now, for the reasons outlined in the report, less effective than it had been and so it was necessary to revise the credit control policy;

2. The revisions comprised a combination of strategies, including incentives for payment, and were not solely sanctions against debtors;

3. The problem of debt was increasing and it was estimated that, in 2002-03, £335,000 in debt would be written off against a budgeted surplus of £1.3 million and so it would only require a small increase in debt to take the University into deficit;

4. The proposed discount of 2% had been calculated on the assumption that many students would not take up the offer and did not apply to all categories of student;

5. The policy was aimed at those who deliberately tried to defraud the University and not those who were in genuine financial difficulty, who would be reassured that they would not be penalised.

Resolved that the revised policy be approved with immediate effect.

(c) School of Natural Sciences

After noting:

1. The proposal in the report was at a much earlier stage than that put forward with regard to Religious Studies and Linguistics;

2. A creative solution to a problem in this area was being sought which would refocus the School into three research groups with a strategic value and bring about a critical mass for photonics;

3. Durham was very positive about the proposal and there was regional interest in creating a critical mass for photonics;
4. It was essential there was extensive consultation and communication of developments in order not to cause anxiety to staff both in this School and throughout the University.

Resolved that:

(i) A report should come back to Council at a later date and include details of the impact on staff;

(ii) The report be noted.

(d) Review of the relationship between the University and the Union Society

Noted that:

1. For a variety of reasons, the review of the relationship between the University and the Union Society was timely;

2. The Union Society was keen for the review to look at the relationship in a positive way and that, as it was proud of the role it fulfilled and the benefits it offered to students, the aim should be to strengthen what currently exists;

3. The Trustees thought that the review could be very helpful to all three parties concerned, strengthen the existing relationships and clarify responsibilities;

4. Mr L M Aviss had been appointed Chair of the Review Team.

Resolved that the membership of the review team and the process and purpose of the review be approved.

23. REPORT FROM STRATEGY BOARD

Considered a report from the meeting of Strategy Board held on 9 December 2003 concerning the following items.

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

Financial Headroom Funds for 2003/04 and 2004/05

After noting that:

1. Having gone through a difficult process of severance, it was now necessary for the University to judge how best to use the headroom created from that process to the greatest advantage in the next Research Assessment Exercise (RAE);

2. The investment in 23 chairs and readers and 9 other posts in key areas across the University was a significant one which must be used to meet the University’s strategic objectives but must not be used for recurrent purposes or there would be no headroom fund in the future;
3. There was a real opportunity to invest in key people who could be catalytic in helping the University to achieve good results in the RAE;

4. This level of investment in staff could also produce some good publicity for the University – both externally and internally - though it was essential that any information published be easily comprehensible to the public and not worded in academic jargon;

5. The procedure had involved the faculties providing bids which included careful prioritisation, financial estimates and competitor analysis, and the final decisions reached were the outcome of detailed discussions of the bids. Everybody involved should be congratulated on their hard work;

6. University Research Strategy Group (URSG) had been involved in the process and had recommended that a member of URSG be on the appointment panels;

7. There was still some detailed work to be done before the posts could be advertised;

8. It was essential to recognise that there could be difficulties in filling the posts with staff of a high enough calibre and that, especially if a particular added-value feature had been identified as a requirement for a post, a post must not be filled if a suitable appointment could not be made as this was a major investment for the University;

9. Normally the Vice-Chancellor or Deputy Vice-Chancellor chair appointment committees for chairs and readers and the appointment of such a large number of senior posts may make it desirable to ensure that some of the appointments are chaired by others;

10. While, at this point in time, it had been decided that investment in the next RAE was the top priority, in future other areas, such as the appointment of young staff in order to invest in the RAE after next, should be considered.

Resolved that Council approve the proposals set out for the use of headroom funding for 2003-04 and 2004-05.

24. REPORT FROM EXECUTIVE BOARD

Received a report from the meeting of Executive Board held on 28 October 2003 concerning SRIF 2 : Magnetic Resonance Physics.
[ Circulated with the Agenda as Document E. Copy filed in the Minute Book. ]

25. REPORT FROM AUDIT COMMITTEE

Received a report on internal audit reviews from the meeting held on 13 November 2003, concerning the following items:
[Circulated with the Agenda as Document F. Copy filed in the Minute Book.]

(a) Additional Payments to Staff

(b) University ‘Treasures’ Inventory Review

(c) Corporate Governance
(d) Financial Management

(e) Capital and Contract Audit Review (Part 1)

Noted:

1. That Note 7 of the University ‘Treasures’ Inventory Review should be amended to read that part of Peacock Hall was to become a museum.

2. The conclusions of the reports.

26. REPORT FROM EQUAL OPPORTUNITIES COMMITTEE

Received a report from Equal Opportunities Committee concerning the following items. [Circulated with the Agenda as Document G. Copy filed in the Minute Book.]

(a) Race Equality Policy

Resolved that the Race Equality Policy be approved with immediate effect.

(b) Race Equality Action Plan

After noting that:

1. A great deal of progress had been made in this area but there was still a great deal of work to be done;

2. The least well-developed areas in Equal Opportunities were those affecting students;

3. This topic should be placed higher up the agenda in future and come to a meeting at a different time of year.

Resolved that:

(i) The report be received;

(ii) In future this report should come to a different meeting of Council and be placed higher up the agenda.

(c) Executive summary of the Annual Equal Opportunities Report

Received for information.

27. ANNUAL REPORT OF THE UNIVERSITY, 2002/03

Received the Annual Report of the University for 2002/03. [Circulated with the Agenda. Copy filed in the Minute Book.]
28. QUARTERLY REPORT ON THE ACCOUNTS

Considered the accounts for the 1st quarter to 31 October 2003.
[Circulated with the Agenda as Document H. Copy filed in the Minute Book.]

Received a brief presentation from the Bursar.

Noted that the results for the first quarter were encouraging and the current forecast indicated a surplus of £1.6m, which was £0.3m higher than the budget, and an operating surplus of £8.0m, which was £0.6m higher than budget.

29. UNIVERSITY SAFETY POLICY

Considered a revised University Safety Policy.
[Circulated with the Agenda as Document J. Copy filed in the Minute Book.]

After noting that this was a serious matter which needed full and careful consideration.

Resolved that consideration of the revised University Safety Policy be deferred until the next meeting of Council.

30. ANNUAL REPORT FROM THE PRO-VICE-CHANCELLOR FOR SAFETY AND THE HEAD OF SAFETY

Received the Annual Report from the Pro-Vice-Chancellor for Safety and the Head of Safety.
[Circulated with the Agenda as Document K. Copy filed in the Minute Book.]

After noting that:
1. This was a matter which needed full and careful consideration;
2. The staffing issues needed to be explored more fully.

Resolved that consideration of the annual report from the Pro-Vice-Chancellor for Safety and the Head of Safety be deferred until the next meeting of Council.

31. MEMBERSHIP OF COUNCIL

Reported that the Union Society had appointed Mr D Kalumba (PhD Civil Engineering and Geosciences, Year 3, 2003-04) to serve on Council with immediate effect until 31 July 2004.

The Chairman welcomed Mr Kalumba to his first meeting of Council.

32. 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 L. Copy filed in the Minute Book.]