Present: Mr Paul Walker (Chair of Council), Vice-Chancellor and President, Professor Caroline Austin, Mr David Bird, Mr Neil Braithwaite, Mrs Linda Conlon, Professor Nicola Curtin, Mr Jonathan Glass, Mr Jonathan Hall (Education Officer, Students’ Union), Mr Stephen Lightley, Ms Adrienne McFarland, Mr Jeff McIntosh, Dr Sara Maioli, Mr Raffaello Marioni (President, Students’ Union), Ms Claire Morgan, Mrs Heidi Mottram (Vice-Chair of Council), Ms Dianne Nelmes, Professor Sir Michael Rawlins, Professor Julie Sanders (Deputy Vice-Chancellor), Professor Selina Stead, Ms Angela Woodburn, and Ms Vicky Wright.

In attendance: Mr Richard Dale (Executive Director of Finance), Dr John Hogan (Registrar), Ms Abi Kelly (Executive Director of Corporate Affairs), Mrs Judith Whitaker (Executive Director of Human Resources), and Dr Simon Meacher (Executive Officer (Governance)).

Apologies: Mr Mike Davison, Dr Stacy Gillis, and Ms Teresa Graham.

Ms Sally Ingram attended for Minute 9.

Professor Suzanne Cholerton, Professor Richard Davies, Professor Nigel Harkness, and Professor Phillip Wright attended for Minute 10.

M I N U T E S

1. DECLARATIONS OF INTEREST

Professor Nicola Curtin declared an interest in Rubraca (Chair’s Business), Item 1.5 (Vice-Chancellor and President’s Business), and Item 3.1.1 (report from Finance Committee), and left the room for this discussion.

2. WELCOME

The new lay members of Council, Mr David Bird, Mrs Linda Conlon, and Ms Angela Woodburn and the new members elected to Council by the academic staff of the University, Dr Stacy Gillis and Professor Selina Stead, were welcomed to their first meeting of Council.

3. MINUTES

The minutes of the meeting of Council held on 16 July 2018 were approved as a correct record and signed.

4. MATTERS ARISING FROM THE MINUTES

There were no matters arising or outstanding actions from the previous minutes.

5. HEALTH AND SAFETY

The Executive Director of Human Resources gave an oral report on current health and safety issues, including an update on the fire safety, affecting the University, including performance measures and actions taken.

Noted that since the update to Council in February 2018, the Action Plan agreed in response to the hydrogen gas leak in the Bedson Building which took place in November 2017 had been
implemented with two actions outstanding. These were a local incident plan exercise and a review of building access control.

6. **CHAIR’S BUSINESS**

   Noted that:

1. The Chancellor had indicated his intention to step down having completed ten years in office in August 2019. The process for the appointment of a new Chancellor required Court and Senate sitting in joint session to make a recommendation to Convocation and Convocation would make the appointment. The procedure involved the appointment of a working group to make recommendations regarding the next Chancellor. The membership of the working group would be drawn from the four main statutory bodies and would include the Students’ Union. Council would be represented on the working group by the Chair and one other member. Expressions of interest in joining the group were requested.

2. An external review of governance would be undertaken by Advance HE. All members of Council would be asked to complete a questionnaire, and a number of members would be asked to participate in a more in depth interview.

3. With regard to the Rubraca monetisation (Item 142, 16 July 2018), Professor Nicola Curtin had expressed the belief that the University had not followed its policy and procedure appropriately in respect of interpretation of the term ‘inventors’. The Chair of Council had taken external legal advice and been informed that the University’s use of the term ‘inventors’ in its policy was appropriate.

7. **VICE-CHANCELLOR AND PRESIDENT’S BUSINESS**

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

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

   Noted that:

1. The capital and project summary report highlighted a number of projects which had been completed, including the new Park View Student Village which was now open to students. The University was also considering the potential purchase of land at the Campus for Ageing and Vitality from the Newcastle Hospitals NHS Foundation Trust.

2. The University would be applying to become a University of Sanctuary, as a place of work that welcomes asylum seekers and refugees into its community and fosters a culture of welcome and inclusion.

3. **Vision and Strategy Launch**

   The official launch of the Vision and Strategy took place on Monday 1 October 2018, featuring an exciting series of events, workshops, exhibitions and tours, links with London, Malaysia and Singapore.

4. **Industrial Action**

   A Universities and Colleges Union ballot on the 2018 national pay offer was due to close on 18 October 2018. Were the outcome to be a rejection of the offer, industrial action appeared likely to include a boycott of assessments which could have a significant impact.

5. **Times Higher Awards**
A number of Newcastle University projects have been shortlisted for the prestigious Times Higher Education awards 2018, including the top accolade of University of the Year. The University had been shortlisted for University of the Year in recognition of its contribution to Freedom City 2017. The winners of the Times Higher Education awards 2018 would be announced on 29 November 2018.

6. **League Tables and Rankings**

   In The Times Higher Education’s World Rankings published on 26 September, the University had risen four places from 175th to joint 171st. The institution’s strongest result is in the International Outlook metric and our most improved metric since last year is Citations. Newcastle was the only Russell Group institution to improve its placing for four consecutive years.

7. **Migration Advisory Committee**

   The government’s independent Migration Advisory Committee (MAC) reports, on the impact of international students in the UK, and on European Economic Area migrants, had been published in September. The Universities UK proposal for the introduction of post-study visas had been rejected, while recommendations in the second report for change once free movement ends would increase costs and bureaucracy for organisations that currently sponsor non-EEA migrants. The University was committed to covering the costs for staff wishing to apply for permanent residency in the UK.

8. **Post-18 Review**

   The Office for National Statistics’ review of the presentation of student loans in the national accounts due to report in November, and the KPMG review of costs of teaching due to report in December, were likely to both have a significant influence on the outcome of the review of post-18 education and funding. It appeared highly likely that the public cost of student finance would be added to the government’s national deficit figures.

9. **Supergen Energy Networks Hub**

   The University had been awarded £5m by the Engineering and Physical Sciences Research Council (EPSRC) to build a national research hub, to be led by Professor Phil Taylor.

10. **Horizon 20/20**

    The School of Natural and Environmental Sciences had been successful in winning funding worth a total of £2.5million for five research projects in the 2017 Horizon 20/20 Food Security call.

11. **Northern Bridge Consortium**

    Places for 335 postgraduate students studying 28 different disciplines have been announced by the Arts and Humanities Research Council (AHRC). The places would be available over the next five years and would be based at one of the members of the Northern Bridge Consortium, of which Newcastle was a member, along with Durham, Northumbria, Queen’s University Belfast, Sunderland, Teesside and Ulster universities.

12. **Plot 4 Richardson Road**
Construction had commenced on the new 9,000m², six-storey building on Plot 4 Richardson Road, which would feature a lecture theatre for 300 students, social learning spaces, seminar rooms, clinical suites, and academic and postgraduate offices.

**Late News**

The Vice-Chancellor and President had been appointed Chair of the Institutional Environment Pilot Panel for the Research Excellence Framework (REF) 2021.

The University had identified some headroom in its budget and the Strategy Implementation Group would consider releasing spend on strategic initiatives, consistent with the Vision and Strategy but also recognising the institution’s short term priorities.

7. **RISK MANAGEMENT**

Received the full strategic risk register and summary report 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 risk register had been presented to Audit, Risk and Assurance Committee at its meeting on 3 October 2018.

2. The score relating to Pensions remained high due to the external nature of the risk.

3. The risk score for cyber security remained high. Audit, Risk and Assurance Committee had been monitoring this risk through conversation with the Chief Information Officer, and a range of measures were being undertaken to address the risk.

4. The score for research power and intensity was high and a range of controls were in place to meet institutional objectives for addressing this risk.

5. It was suggested that in the review of risks, the University should give consideration to how to maximise chances of success instead of minimizing the risk of failure, as this might improve the institution’s ability to respond to changing circumstances.

6. References to compliance with the Concordat to Support Research Integrity and Concordat to support the Career Development of Researchers should be consistent throughout the risk register.

_Council confirmed that it had received sufficient assurance that the risks facing the University were being managed appropriately._

8. **UNIVERSITIES SUPERANNUATION SCHEME**

Received the report of the Joint Expert Panel on the Universities Superannuation Scheme (USS), and a report from Mr Richard Dale, Executive Director of Finance on behalf of Executive Board.

[Circulated with the agenda as Documents D and E. Copies filed in the Minute Book.]

Noted that:

1. The USS Trustee had launched a statutory consultation exercise with USS members (and potential members) on their proposal to exercise Rule 76.4 to increase employee and employer contributions in three phases between April 2019 and April 2020. These
increases were based on previous valuation assumptions which showed a deficit, on
technical assumptions of c.£7.5 billion as at 31st March 2017. The impact on the University
would be c.£11m p.a. after the April 2020 increase.

2. The Joint Expert Panel (JEP) set up by Universities UK and the Universities and Colleges
Union (UCU) issued its report in September 2018. This makes a series of (Phase 1)
recommendations to address the March 2017 valuation and recommends (Phase 2) a
more fundamental view of valuation methodology. The estimated impact of the Phase 1
recommendations, if accepted in full by UUK, UCU, USS and the Pensions Regulator,
would be to increase employee contributions by 1.1% and employer contributions by 2.1%,
subject to validation by the USS actuary. The financial impact for the University would be
c.£7.5 billion as at 31st March 2017.
The impact on the University
would be c.£11m p.a. after the April 2020 increase.

3. A proposed response to the UUK consultation had been considered by Executive Board
and Finance Committee. USS Trustees had so far reserved their position on the JEP
report and were likely to do so at least until they had had chance to consider the results of
the UUK consultation exercise.

4. The University proposed supporting the recommendations of the JEP as a sensible and
pragmatic way to deal with the 2017 valuation and to provide breathing space for a more
fundamental joint review in time for the 2020 valuation. The University would be prepared
to accept employer contributions of 20.1% of salary, but with staff costs currently at 55% of
income and markedly higher than the Russell Group average, the institution’s ability to
absorb the increase without either significant improvements in international student
numbers or cost reductions elsewhere would be limited.

5. There was a risk that members of the USS would find a 1.1% increase in employee
contributions, as recommended in the JEP report, unacceptable.

6. Further analysis of the USS 2017 valuation by one of the UCU-appointed members of the
USS Joint Negotiating Committee, Dr Sam Marsh, had put forward that the identification of
a pensions deficit had resulted from a miscalculation performed by USS.

Council confirmed that, subject to obtaining clarification as to whether or not Dr Marsh’s
analysis would change the JEP’s views on the 2017 valuation, it was satisfied with the
University’s proposed response to the Universities UK consultation.

9. STUDENT MENTAL HEALTH

Received a verbal update from Ms Sally Ingram, Director of Student Health and Wellbeing.

Noted that:

1. Mental health was emerging as one of the most significant public health issues affecting
young people. Considerable attention had been given in the national media to the rise in
mental wellbeing issues, especially amongst young people in higher education. The Office
for Students had announced recently that there was a growing recognition that more
needed to be done by universities to support student welfare if all students are to benefit
from their experience and thrive at university.

2. In statistical terms, young people who were at university were less likely to have mental
health problems than those who were not. Since last year, the University had experienced
a 25% increase in the number of students seeking counselling, and a 21% rise in the
number of students disclosing a mental health disability. This pattern reflected research
carried out by the Institute for Public Policy Research in 2017 highlighting the increase in mental health disclosures amongst students in higher education.

3. There were a range of factors that needed to be taken into account when considering the increasing need for student mental health support. In part, this may be attributable to a societal trend of reduced stigma about mental health and encouraging people to disclose problems. It was now also common for secondary schools to employ a student counsellor, which meant that school leavers were used to having access to support. Financial pressures on students had changed, while increasing intake of Widening Participation students had brought many people into higher education who previously would not have experienced it.

4. The University was taking a proactive approach to coordinating its provision and anticipating students' needs. Newcastle’s counselling service was open for 13 hours, four days per week and until 5pm on a Friday. A primary focus for the University was to make sure a support network was in place for students identified as vulnerable as part of the Fitness to Study process.

5. A Staff and Student Wellbeing Strategy was under development and would be brought before Council for consideration in due course. A range of training on student mental health issues was available for staff.

6. There was a need to be more realistic with the information about university life provided to students when they were applying to university.

7. It was suggested that the government’s minister for suicide prevention could be invited to visit the University in support of raising awareness about student mental health.

Council thanked the Director of Student Health and Wellbeing and her team for the support they are providing to students.

10. UNDERGRADUATE ADMISSIONS

Received a report from Professor Suzanne Cholerton, Pro-Vice-Chancellor Education, and Professor Richard Davies, Pro-Vice-Chancellor Engagement and Internationalisation on behalf of Executive Board.

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

Noted that:

1. The report provided details of the outcome of the undergraduate recruitment cycle for Newcastle University (including London) for 2018 entry at 3 October 2018, as well as reflections on the 2018 cycle and the 2019 recruitment strategy.

2. Overall, the target for UK/EU undergraduate registrations for 2018 had been exceeded but international acceptances were currently below target. A drop in progression rates from INTO Newcastle had negatively impacted upon acceptances.

3. The Clearing and Adjustment period had been very successful for the University. In order to fill places, some subject areas dropped their acceptance grades to below ABB to secure quality “near miss” applicants, prioritising students from a widening participation background and elite athletes, but always recognising the grades required to succeed on the programme. This reduced student numbers required at Clearing, resulting in a more manageable target.
4. The University experienced a fall in applications greater than that of the sector average and its competitors. It was thought that this was due to demographic decline in key sending areas. Newcastle’s geographical distance from other locations was also cited as a factor for non-acceptances. The Strategy for future recruitment cycles would be informed by detailed analysis using UCAS data and insight carried out in light of this year’s experience.

5. A more competitive Undergraduate Admissions Strategy for 2019 had been approved by Executive Board. The Strategy includes measures that respond to the aggressive admissions activity of competitors. These include in selected subject areas higher entrance requirements, more unconditional offer making (home and international) to high achieving students identified by a combination of GCSE achievement and predicted grades as an intervention to recruit more high tariff students, and a dual offer approach that reward students who select Newcastle as firm choice.

6. It was suggested that university open days are often very similar in format and, given their importance in determining student destinations, consideration could be given by the University to ensuring its own open days were differentiated from those of its competitors.

11. REPORTS FROM AUDIT, RISK AND ASSURANCE COMMITTEE

Received reports from the meetings of Audit, Risk and Assurance Committee held on 18 July and 3 October 2018.

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

Noted that:

1. Audit, Risk and Assurance Committee had visited the Claremont Daysh complex prior to its meeting on 18 July 2018, and had been provided with detailed information about the project management of the development and associated risks.

2. The Committee had met twice with the Chief Information Officer who is reviewing the skillsets of current service teams in order to enhance NUIT’s capacity and effectiveness in mitigating sector-wide cyber risks. Council agreed that it would invite the Chief Information Officer to a future meeting for a discussion about cybersecurity.

3. The Committee discussed the revised Strategic Risk Register, and noted that a number a risks had high net scores: Failure to grow research power and intensity; Failure to maintain a financially robust pensions provision; Failure to accurately create, securely manage, securely store data and protect against cyber risks; Adverse impact following Fees and Funding Review.

12. ANNUAL REPORT OF AUDIT, RISK AND ASSURANCE COMMITTEE 2017-18

Received the Annual Report of Audit, Risk and Assurance Committee to Council for 2017-18.

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

Resolved that Council approve the Annual Report of Audit, Risk and Assurance Committee 2017-18 for submission to the Office for Students.

13. REPORT FROM FINANCE COMMITTEE

Received the report from the meeting of Finance Committee held on 2 October 2018.

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

Noted that:
1. Work on the Rubraca monetisation had progressed since the last update provided to Council in June 2018. A full strategic discussion regarding Rubraca would take place at the December 2018 meeting of Council.

2. Finance Committee had proposed the following changes to the Delegation of Authority Regulations:

- Increasing the Executive Board approval level from £2m to £5m, with cases lower than £5m continuing to be referred to Council as necessary if they represent a major change in strategic direction for the University;
- Removing the requirement for Finance Committee involvement in decisions regarding equity holdings below £250,000 and delegating this responsibility to Executive Board, with cases being referred to Finance Committee as deemed necessary by the Executive Director of Finance;
- Delegating authority to the Chair of Council to approve the amended Delegation of Authority document after editing to reflect the above principles.

Resolved that:

1) Council approve the proposed changes to the Delegation of Authority Regulations.

2) Council record its thanks to the Finance Office staff for the production of the University’s Financial Statements.

14. FINANCIAL STATEMENTS 2017-18

(i) Going Concern

Received a report from the Executive Director of Finance.

[Circulated with the agenda as Document K. 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 next five years. 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 2018.

(b) The commentary to the accounts.

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

Noted that:

1. The 2017/18 Integrated Annual Report was a second step towards fully adopting integrated reporting (IR). It was informed by the IR framework developed by the International Integrated Reporting Council (IIRC).
2. The report took a new approach to the presentation of risk and the material issues most likely to affect value creation, which were categorised as: International Competition; Public Value of Higher Education; Employee Engagement; Brand and Reputation; and World Class Facilities.

3. A remuneration disclosure had been included in the report for the first time, following best corporate practice. The remuneration disclosure contained audited information in line with the Accounts Direction for the 2017-18 financial year issued by the Office for Students.

Resolved that:

(i) Council approve the recommendation of Audit, Risk and Assurance Committee that it approve the audited consolidated Financial Statements of the University for the financial year ended 31 July 2018.

(ii) Council record its thanks to the Finance Office staff for the production of the University’s Financial Statements.

15. VALUE FOR MONEY ANNUAL REPORT 2017-18

Received the Value for Money Annual Report 2017-18, prepared by Dr John Hogan, Registrar.

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

Noted that:

1. The report included a pie-chart style graphic demonstrating the percentage of the student fee spent on different types of University activity. It was suggested that the University should give attention to explaining the context behind the spend on campus maintenance and development and investment in university research, particularly if the information was to be shared with a wider staff and student audience, which might be useful for reasons of transparency.

Resolved that Council approved the Value for Money Annual Report 2017-18 for submission to the Office for Students.

16. REPORT FROM REMUNERATION COMMITTEE

Received a verbal report from the Chair of Remuneration Committee.

Noted that: the Chair of Remuneration Committee reported on the recent work of the Committee which had focused on ensuring that this year’s Remuneration Report was fully aligned with requirements of the Office for Students, including the need to have regard to the ‘Higher education senior staff remuneration code’ issued by the Committee of University Chairs (CUC).

17. SPORTS FACILITIES DEVELOPMENT

Received a report from Professor Suzanne Cholerton, Pro-Vice-Chancellor Education, on behalf of Executive Board.

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

Resolved that Council approved the additional spend of £450k on the Cochrane Park Pavilion and 3G Pitch Project.

18. INTERNAL AUDIT ANNUAL REPORT 2017-18
Council, 15 October 2018

Received the Internal Audit Annual Report 2017-18 prepared by Mrs Juliet Simpson, Head of Internal Audit.
   [Circulated with the agenda as Document P. Copy filed in the Minute Book.]

19. **SOCIALLY RESPONSIBLE INVESTMENT POLICY**

Received the Socially Responsible Investment Policy.
   [Circulated with the agenda as Document Q. Copy filed in the Minute Book.]

*Resolved that Council approved the Socially Responsible Investment Policy.*

20. **ACCEPTANCE OF A DONATION**

Received a report on a proposed donation from The John Oldacre Foundation.
   [Circulated with the agenda as Document R. Copy filed in the Minute Book.]

*Resolved that Council approved the acceptance of the donation.*

21. **CHAIR’S CIRCULAR**

Chair’s circulars of routine business were sent to members on 4 October 2018. No issues on the circulars were raised by members and the business was, therefore, deemed to have been approved by Council.

1. 4 October 2018

   **Approved business:**

   There were no items for approval.

   **Items for information:**

   (i) Annual Report on Charitable Status
   (ii) Modern Slavery Statement 2017-18
   (iii) Prevent Monitoring Requirements
   (iv) Update on Governance Review 2015 Recommendations
   (v) Governance Review 2019
   (vi) Catherine Cookson Foundation
   (vii) Office for Students Registration
   (viii) Office for Students Reportable Events
   (ix) Membership of Council 2018-19
   (x) Delegation of Powers and Authority
   (xi) Principles of Council
   (xii) Role of Council Members
   (xiii) Schedule of Council Business 2018-19
   (xiv) Council Briefing Sessions 2018-19
   (xv) Statutory Returns
   (xvi) Reported Business
   (xvii) Executive Board Responsibilities