

NEWCASTLE UNIVERSITY

COUNCIL

10 July 2023

Present: Paul Walker (Chair of Council), Professor Chris Day (Vice-Chancellor and President), Professor Brian Walker (Deputy Vice-Chancellor), Shah Yaseen Ali, David Bird, Tom Caulker, Lulu Chen, Linda Conlon, Jan Deckers, Alex Lamb, Dr Phillip Lord, Claire Morgan, Heidi Mottram, Dianne Nelmes, Marta Phillips, Pat Ritchie, Angela Russell, Mags Scott, Nitin Shukla, and Professor David Thwaites.

In attendance: Dr Colin Campbell (Registrar), Justin Cole (Executive Director of External Relations), Nick Collins (Executive Director of Finance) and Dr Simon Meacher (Head of Executive and Governance Office).

Apologies: Jo Geary, Bill MacLeod, Jackie Scott, Professor Daniel Siemens and Angela Woodburn

MINUTES

68. DECLARATIONS OF INTEREST

No declarations of interest were received in advance of the meeting.

69. MINUTES AND MATTERS ARISING

Received the draft minutes of the meeting of Council held on 5 June 2023.

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

Resolved that the minutes of the meeting of Council held on 5 June 2023 be approved as a correct record and signed.

70. HEALTH AND SAFETY

Noted that:

1. University Health and Safety Committee had met on Thursday 22 June, recording completion of an external Audit of the University Health and Safety Management System. The audit had gone well, and the auditor had concluded that the University's system was robust, commending the University's approach and the engagement of senior management. An action plan would be provided for consideration by Health and Safety Committee, Executive Board and Council.
2. The Out of Hours Management Standard had been approved with an understanding that further progress to consider the health, safety, wellbeing, sustainability, social and financial elements would be undertaken by the Out of Hours Working Group.
3. A review of Chemical Security standards and guidance had taken place and considered fit for purpose subject to further monitoring and data collection.
4. All actions in the five-year Health and Safety Strategic Plan had been completed. The new plan, approved by Council at its meeting in June 2023, would take effect in August.

71. CHAIR'S BUSINESS

Noted that:

1. The Chair thanked departing members of Council for their service and wished them well for the future.
2. The Chair welcomed the new Students' Union President and Education Officer to their first meeting of Council.
3. Two new academic members, elected by and from Senate, would join Council with effect from August.

72. VICE-CHANCELLOR AND PRESIDENT'S BUSINESS

Received the Vice-Chancellor and President's report. Highlights of this report are provided below.

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

Reported that:

1. Industrial Action

The University and College Union had recently taken a further five full days of strike action on Friday 23 June, and Monday-Thursday 26-29 June inclusive. This was in addition to their implementation of a marking and assessment boycott, because of which, just over 5% of graduating students would need to be issued with an interim unclassified award. A further c.900 students would be issued with an interim classified award.

Members of Council discussed the impact of the marking and assessment boycott on students, with respect to the timing of the receipt of final marks that were missing and the concern that this would affect employment prospects or further study. It was expected that many employers would honour any job offers. Council noted that Executive Board would be discussing the matter of compensation for students affected by the boycott at its next meeting.

In terms of resolving the ongoing dispute, the employers' representative body UCEA would be meeting with national UCU representatives later in the week. Publicly, the UCU were still demanding an increased pay award, however UCEA had been clear that an increase was not possible.

On 15 June 2023, the University submitted a reportable event to the office for Students regarding the impact of the marking and assessment boycott on the University. Council was provided with details of the submission. The information was currently being reviewed by the regulator who would be in contact should they require anything further.

2. University Rankings

The University had achieved a ranking of 110th in the latest QS World Rankings. This was the University's highest ever position in the rankings and represented a rise of 12 places year-on-year. It also placed Newcastle University in the top 20 in the UK. This achievement was testament to the commitment and enthusiasm of all University colleagues, and the performance of the University in relation to international connectedness and sustainability.

The University had also been placed joint 24th in the world and 4th in the UK in the latest Times Higher Education Impact Rankings, reinforcing its position as a global leader for actions taken towards the UN Sustainable Development Goals.

3. Online Programmes

Contract negotiations with the preferred online programme management provider, Cambridge Education Group (CEG) to support the development, and delivery of three online MSc programmes in Data Science were progressing well. It was expected that key issues in the contract would be finalised by July 2023 with the final version fully agreed in August 2023, ahead of the anticipated first intake of students in May 2024. In expectation of the successful conclusion of the contract negotiations key stakeholders, including Executive Board, had held introductory meetings with CEG and joint planning for implementation would commence shortly. Final terms of the contract would be reported to Council at its meeting in October 2023.

Resolved that Council approve giving delegated authority to members of Finance Committee to agree the final terms of the contract.

4. Newcastle University Business School

Newcastle University Business School had received re-accreditation from the Association of MBAs (AMBA), one of the world's leading authorities on postgraduate business education. According to members of AMBA's accreditation panel, Newcastle University Business School benefitted from enthusiastic and committed leadership, and the panel also recognised the advantages of the School's location within the Newcastle Helix development and its proximity to the National Innovation Centres for Data and Ageing.

5. Ofsted

The University had received a report from a recent Ofsted inspection visit of its degree apprenticeship provision which had taken place in May 2023. The report confirmed that the University received a rating of 'Good' across all categories.

6. Research Excellence Framework

On Thursday 15 June, Research England had published the Initial Decisions of the UK higher education funding bodies on the high-level design of the next Research Excellence Framework (REF), REF 2028. A corresponding Equalities Impact Assessment and a report from an International Advisory Group were published simultaneously. Council received supporting information detailing the main changes to the REF.

7. High Voltage Infrastructure

Final works were required to complete modifications to the University's high voltage (HV) infrastructure (excluding the Health Innovation Neighbourhood (HIN) site) at a cost of £5.9m over a five-year period. The University's HV infrastructure was at the end of its working life. A programme of renewal works had been underway to comply with current regulations, increase resilience and improve business continuity. Phase One of the HV upgrade project would complete in summer 2024. This would see 75% of the network distribution equipment replaced. The case brought before Council sought approval to proceed with the final phase of this necessary infrastructure work. Provision for this expenditure had been made in the Budget paper approved by Council at its meeting on 5 June 2023.

Resolved that Council approve the proposal to proceed with the final phase of High Voltage Infrastructure works.

8. Human Medical Imaging Infrastructure – Investment to reinstate PET-MRI and upgrade MRI

At its meeting on 27 June 2023, Executive Board had considered business cases regarding the University's MRI (Magnetic Resonance Imaging) and PET-MR provision (PET – Positron Emission Tomography), both located at the existing Health Innovation Neighbourhood (HIN) site. The University-owned Newcastle MR Centre currently housed two research-dedicated MRI scanners, which were at/approaching end of life. It was proposed to consolidate operation by replacing the two ageing scanners with a single state of the art system, future-proofing access to imaging for the next decade and rationalising operating costs. Separate investment was required to reinstate the Medical Research Council-funded (£4.5m) PET-MRI scanner which was taken out of action by criminal activity on the HIN site in December 2021. Funding was needed to modify existing estate for patient handling and to create a dedicated building to house the scanner.

Access to imaging infrastructure was essential for delivery of a broad range of clinical research activities in the University, including in priority thematic areas such as Rare Diseases, Cancer and Biomedical Engineering and in the NIHR Biomedical Research Centre. Imaging was widely used in clinical research networks across the UK and internationally and the University's participation required up to date infrastructure.

The high voltage infrastructure at the HIN site was ageing and had suffered from a lack of upkeep by the NHS. Although high voltage infrastructure works would not normally proceed until later in site master-planning for HIN, the proposed PET-MR relocation was an opportunity to advance these works, creating a new power supply solution for this equipment in a University-secured area of the site. A new high voltage infrastructure with a back-up generator would create an opportunity for enhanced security of the HV network, future proofing supply for all existing University buildings on site and reducing the risk of business interruption. The PET relocation could happen without the HV works; however, operation of PET MR and associated facilities would run at significant risk.

Investment in this infrastructure was needed to maintain the University's status as a leading centre for translational and clinical research as follows:

- Capital cost for upgrading MRI - £2.8m
- Capital cost for reinstating PET-MRI - £3.6m
- New high voltage supply £2.5m

It was proposed to fund these projects using a combination of endowment funds that had been badged to be utilised for medical sciences, and investment of University funds, provision for which was made in the Budget paper approved by Council on 5 June 2023. As the total spend exceeded £5m it was therefore being brought to Council for approval.

Council noted that there had been a spate of criminal activity at the HIN site but was reassured that mitigation work had been carried out to secure critical assets. Tighter security controls on site would also be maintained.

Resolved that Council approve proceeding with the works as endorsed by Executive Board.

9. Students' Union Building Refurbishment

At its meeting on 27 June 2023, Executive Board had endorsed a business case for refurbishment of the Students' Union building. The building was last refurbished in 2010 and over the 13 years there had been deterioration and a need to upgrade, modernise and improve popular student areas to improve the student experience and meet key priorities

set out in the NUSU Strategic Plan. The programme would run over four financial years given the preference for not closing the whole building for long periods, completing in 2026/2027 at a total cost of £6m and factoring in net zero goals where applicable. Provision for the expenditure had been made in the Budget paper approved by Council at its meeting on 5 June 2023.

Council discussed how the Students' Union building was key to the student experience and encouraged the University and Students' Union to be creative in the use of the facility.

Resolved that Council approve proceeding with the refurbishment of the Student Union Building.

10. LED Lighting and Controls

At its meeting on 27 June 2023, Executive Board had approved revised costings for the final phase of the University's LED lighting project. The case had originally been considered by Financial Monitoring and Budget Scrutiny Group in 2022 but delays to progressing the project had led to a need to seek re-approval for revised, more accurate, costings. Whilst project costs had increased, electricity prices had also increased during this period and therefore potential savings were greater. Total investment required was now £4.7m spread across three financial years and was to be funded from the net zero capital allocation. Works would commence in September 2023 and complete in September 2025. The project had a positive Net Present Value and a payback period of 9 years. This was an expansion of the proposed project previously approved in 2022 and would aid reduction in electricity consumption as well as cost. Council was being provided with an update on the project for information only owing to the proximity of the spend to the threshold at which Council approval was required.

11. Retirement Benefits Plan Trustee

Resolved that Council approve the reappointment of Simon Wilmot as a trustee of the Retirement Benefits Plan for a period of five years until 30 June 2028.

12. National Student Survey and Teaching Excellence Framework

The Office for Students had announced that universities would receive the outcomes of this year's National Student Survey and Teaching Excellence Framework in week commencing 7 August.

73. **RISK MANAGEMENT**

Received a report from the Registrar.

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

Noted:

1. Since the previous meeting of Council on 5 June three of the University's strategic risks had been reviewed and updated by their owners and Executive Board.
2. It was reported that the fire at Henderson Old Hall had caused extensive damage to the site. Forensic investigations were complete, and the site had been returned to the University. There would now be a period of waiting for the outcomes of further structural surveys that would help to determine options going forward. The incident had given rise to internal discussions about campus infrastructure and risks to university assets that were

underutilised or void. These were being coordinated by the Infrastructure Strategy Group, chaired by the Deputy Vice-Chancellor.

3. Audit, Risk and Assurance Committee would be conducting deep dives of the Education and Sustainability risks at its meeting on 13 July.
4. Considering the recent attack on students in Nottingham, a member of Council asked about University arrangements for responding to unexpected incidents. The University was currently discussing the implications of the government's draft Terrorism (Protection of Premises) Bill which, under Martyn's Law, would set out the requirements that venues and other organisations would have to meet to ensure public safety. Emergency Management measures for responding to events on campus were already well-established.
5. In terms of Strategic Risk 1 'Education and wider university experience does not allow students to fulfil their potential', it was acknowledged by the University that feedback on assessed work and responding to student feedback was a contributing factor for the current red risk status. The issue had been discussed regularly at University/Students' Union Partnership Committee and Operations Group, and the University was actively seeking ideas on how to respond more effectively.
6. Following on from the discussion at the last meeting of Council in June on the rise and advancement of artificial intelligence and the implications this may have for the sector an Artificial Intelligence and Automation Task and Finish Group had been convened with the first meeting due to take place on 12 July. Members of Council encouraged the University to think about the implications of AI in relation to all aspects of its activity.

Council confirmed that it had received sufficient assurance that the strategic risks were being managed appropriately.

74. STRATEGY PERFORMANCE UPDATE

Received a report from the Deputy Vice-Chancellor.

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

Noted that:

1. Council received an update on the progress being made by the University against agreed high-level key performance indicators.
2. Regarding the main changes since the previous report considered by Council in December 2022, South East Asia sustainability had changed from Amber to Red due to risks relating to financial performance, specifically student recruitment at NUMed and high dependence on research income which had not yet been generated at NewRIIS. Inclusive economic growth, meanwhile, had been upgraded from Amber to Yellow to reflect encouraging developments within the North East devolution deal.
3. The next review of progress would factor in developments from NUShape and the reviews of Education and Global strategies, as well as the launch of the strategic insights hub. It was also hoped that the recent award rate would feed into an improvement in research intensity.
4. A member of Council asked whether it was possible to quantify how student experience scores affected recruitment of overseas students. The University strives to improve its performance in the QS World Rankings as it understands that this does have a bearing on international student opinion, whereas domestic league tables are believed not to be a significant factor. Methods of improving recruitment of international students from diverse

markets were being kept under review, and Council would continue to be kept informed of the University's student number performance over the course of the next year.

5. Members of Council expressed a wish to hold a focussed discussion at a future meeting on the subject of careers and employability.

Resolved that Council approve the proposed changes to the key performance indicator assessments.

75. CASTLE LEAZES

The Registrar and Executive Director of Finance introduced a discussion.

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

Noted that:

1. Council received an update on the potential redevelopment of the Castle Leazes student accommodation village. Council had initially considered a paper on the redevelopment project at its meeting in December 2021, endorsing the commencement of an options appraisal and the subsequent tendering of a design team to proceed to RIBA Stage 2. A project steering group had also been established.
2. The options appraisal identified a pressing need to redevelop the Castle Leazes accommodation. The buildings did not meet modern living expectations, had exceeded design life and had become an increasing burden, both financially and regulatorily. The introduction of the new Building Safety Act had highlighted insurmountable challenges such that the original Castle Leazes layout was no longer adaptable to meet the needs of future residents. The proximity of the site to the city centre did mean, however, that the location remained popular with students.
3. One of the key drivers for maintaining accommodation availability was to enable the University to continue to guarantee first year undergraduate students accommodation. However, the growth in student population in recent years had not been matched by the expansion of university-owned accommodation. As a result of this, the University had needed to secure nomination agreements with third party owners of purpose-built student accommodation (PBSAs) in the city to meet the gap between supply and demand. PBSA has been expanding in Newcastle for a number of years and, until recently, supply had been more than adequate to accommodate the requirement of the two city-based universities. Student number growth at both universities and a decline in the houses of multiple occupancy (HMO), a traditionally attractive offer to second and third year students, had now developed into a challenging accommodation situation for both universities in the city who were working together to find solutions.
4. The pressure on student housing was likely to increase as the HMO market continued to decline therefore the redevelopment of Castle Leazes will have a significant impact on the city's ability to address the student accommodation needs of the universities. Considering this, any ability to maximise the number of beds on offer at the site, subject to planning would be a key priority for the project.
5. Multiple options to redevelop the Castle Leazes site were considered by Cushman and Wakefield, with the University working alone or within a financing partnership. When assessed against a range of financial considerations the highest value option (on an NPV basis) was the demolish and re-build on the same site with financing and alternative finance structures to be explored. A land-swap had been considered but ruled-out following discussions with the City Council, Freeman, local MPs and local residents. From the

outset, the University had sought to have early and regular conversations with stakeholders in the city to try and mitigate local issues.

6. The University had also been approached by a third-party student accommodation specialist, who currently had 70,000 student beds in operation across 23 cities in the UK, with the proposal to form a joint venture to deliver and run the Castle Leazes redevelopment. Detailed meetings had been held to understand the key terms and high-level financials of the proposal.
7. The University was currently assembling the financial models for the two funding options: i) University build financed by external borrowing; and ii) formation of a joint venture to deliver the build. A full risk assessment of the two options would also be carried out and would be presented to Executive Board and Finance Committee in September.
8. At its meeting on 27 June, Executive Board had approved the initial spend to commence RIBA Stage 3 design prior to preparation of a full business case for Finance Committee and Council approval in October 2023.

REPORTS

76. REPORT FROM FINANCE COMMITTEE

The Honorary Treasurer introduced a report.

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

Noted that:

1. The Committee had recommended that Council approve the establishment of a revolving credit facility (RCF). The facility, which was commonplace amongst universities, would allow for more effective utilisation of University cash. The purpose of the facility would be general University and corporate purposes including capital expenditure.
2. Finance Committee had considered the proposed transaction documents, approach and timetable. Ernst and Young (EY) had been appointed to advise on the transaction and Mills and Reeves had been appointed to provide legal advice. It was proposed that an unsecured facility of £75m be established for a minimum term of 3 or 5 years.
3. Mills and Reeves had prepared a draft term sheet, setting out the University's preferred commercial terms and a lender presentation had been prepared by management to share with prospective lenders. These documents would be used to invite banks to bid in a competitive process. Ethical dimensions would need to be taken into consideration when securing the most favourable terms and conditions for the University. The final terms would be presented to Council for approval at its meeting in October 2023.
4. Received the Quarterly Financial Report in which the University reported an improved outlook from the end of Quarter 2. As of the end of April, the University was forecasting a small underlying surplus for the year.
5. The Committee had considered the progress of the latest valuations of the Universities Superannuation Scheme and Retirement Benefits Plan, as well as implications for the University including insurance arising from the fire at Henderson Old Hall.

Resolved that Council:

- **approve the Revolving Credit Facility transaction in principle;**
- **approve the proposed term sheet and lenders presentation;**

- *delegate authority for a sub-committee of Finance Committee comprising the Vice-Chancellor, the Executive Director of Finance, the Chair of Council and the Honorary Treasurer to issue the draft term sheet, select a lender and negotiate final terms; and*
- *approve the adoption of the draft Council resolution.*

77. REPORT FROM NOMINATIONS COMMITTEE

The Senior Independent Governor introduced a report.

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

Noted that:

1. Following a process to recruit a new Chair of Council, led by the Senior Independent Governor, during which two candidates were interviewed (both current lay members of Council), Nominations Committee had recommended the appointment of Pat Ritchie to serve initially as Vice-Chair for 2023-24, and then as Chair of Council from 1 August 2024.

Resolved that Council approve the appointment of Pat Ritchie as Vice-Chair of Council from 1 August 2023 until 31 July 2024, and as Chair of Council from 1 August 2024 until 31 July 2027.

2. The Committee had also considered nominations for membership of University committees, resulting in several recommendations for approval by Council. A new Chair of University/Students' Union Partnership Committee would need to be identified from the membership of Council.

Resolved that Council approve the following appointments/re-appointments* from 1 August 2023 until 31 July 2026 unless stated:

Appeals Panel for Promotions Review of Academic Staff Committee	Professor Vee Pollock* Professor Frank Sargent* Professor Jacqui Rodgers
Chair of Health and Safety Committee	Keith Patten* (until 31 July 2024)
Nominations Committee	Pat Ritchie
Research Ethics Committee	Lesley Braiden Simon Woods

78. REPORT FROM STUDENT FINANCE COMMITTEE

The Executive Director of Finance introduced a report.

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

Resolved that Council approve Study Abroad and NUMed fees for 2024/25, as well as the final version of the Fees Schedule for 2023/24.

79. REPORT FROM UNIVERSITY AND STUDENTS' UNION PARTNERSHIP COMMITTEE

The Vice-Chair of Council introduced a report from the meeting of the Committee held on 15 June 2023.

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

Noted that:

1. The Committee had received an update on priorities from the new Chief Executive of the Students' Union.
2. The Students' Union budget position was challenging due to increasing salary costs and lower income levels from bars and events, which was attributed to changing social behaviours and the cost of living crisis.

80. ANY OTHER BUSINESS

Noted that:

1. At its meeting on 28 June, Senate had held a discussion on the implications for the University of the government's new Higher Education (Freedom of Speech) Bill. Members of Senate had reported on their experience of challenges in the classroom environment pertaining to issues of religion, sexuality, gender identify and the national policy of overseas countries. A small group would update relevant policies and develop clear guidelines on Academic Freedom and Freedom of Speech to support colleagues involved with public events and smaller-scale interactions in the classroom and learning environment.
2. Council discussed the government's recent announcement of an NHS Long-Term Workforce Plan which made a commitment to funding additional education and training places. Although Newcastle University was unable to accept higher numbers of medical students, it would be helping Teesside University to develop its own medical school, collaborating on curriculum design and research.

ROUTINE BUSINESS

81. ANNUAL REPORT FROM UNIVERSITY PROMOTIONS COMMITTEE

Received a report from the Committee.

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

82. SENATE: 28 JUNE 2023

Received a report from the 28 June meeting of Senate.

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

83. REPORTED BUSINESS

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