

NEWCASTLE UNIVERSITY

COUNCIL

5 June 2023

Present: Paul Walker (Chair of Council), Professor Chris Day (Vice-Chancellor and President), Professor Brian Walker (Deputy Vice-Chancellor), Madeline Baugh (President, Students' Union), Tom Caulker, Linda Conlon, Jo Geary, Alex Lamb, Dr Phillip Lord, Bill MacLeod, Mack Marshall (Education Officer, Students' Union), Claire Morgan, Dianne Nelmes, Marta Phillips, Angela Russell, Mags Scott, Nitin Shukla, Professor Daniel Siemens, Professor David Thwaites and Angela Woodburn.

In attendance: Professor Jane Robinson (Pro-Vice-Chancellor Engagement & Place) for Item 57, Professor Ruth Valentine (Interim Pro-Vice-Chancellor Education) and Dr David Kennedy (Dean of Digital Education) for Item 58, Dr Colin Campbell (Registrar), Justin Cole (Executive Director of External Relations), Nick Collins (Executive Director of Finance), Jackie Scott (Executive Director of People Services), and Dr Simon Meacher (Head of Executive and Governance Office).

Apologies: David Bird, Jan Deckers, Heidi Mottram, Pat Ritchie

MINUTES

50. DECLARATIONS OF INTEREST

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

51. MINUTES AND MATTERS ARISING

Received the draft minutes of the meeting of Council held on 20 March 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 20 March 2023 be approved as a correct record and signed.

52. HEALTH AND SAFETY

Received the Health and Safety Strategic Plan.

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

Noted that:

1. A revised version of the University's Health and Safety Strategic Plan for the period 2023-28 had been endorsed by Health and Safety Committee.
2. Work to develop an Out of Hours Management Standard had been rolled forward into the new plan.

Resolved that Council approve the Health and Safety Strategic Plan.

53. CHAIR'S BUSINESS

Noted that:

1. The Chair thanked the outgoing President and Education Officer of the Students' Union for their contribution as members of Council and wished them well for the future.

54. 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 C. Copy filed in the Minute Book.]

Reported that:

1. Industrial Action

The Vice-Chancellor reported on the current position regarding strike action being taken by the University and College Union (UCU) in relation to pay and conditions. ACAS had developed terms of reference for negotiations between employers and UCU, however these had been rejected by UCU.

The UCU had called on its members to implement a marking and assessment boycott, the impact of which was currently unknown. Senate had passed emergency guidelines and agreed a 'no detriment' policy for degree classifications and progression, whereby individual students would be considered on a case by case basis. Under the worst case scenario if sufficient marks were not available, students would be permitted to graduate without a degree classification, which would be confirmed retrospectively. Council noted the anxiety this could cause for students. The University had been working hard to provide timely and more personalised communication to ensure there was awareness.

Council discussed implications for students on degree programmes that were in receipt of professional accreditation.

2. Confucius Institutes

The UK-China Transparency had written to members of the governing bodies of all thirty universities with a Confucius Institute sharing findings from its research into the Confucius Institute programme. UK-China Transparency had published primary data suggesting that UK universities were operating Confucius Institutes on an illegal basis, however this view was one that was not shared by the Russell Group which would be provided a collective response. The University's agreement with Xiamen University for the Confucius Institute had been renewed in April 2022, academic freedom having been a key consideration as part of this process.

3. Times Higher Education Impact Rankings

The University had 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.

4. Medical Student Numbers

Council discussed the rumoured forthcoming government announcement of additional NHS funding, which was believed to include a doubling of medical student places. The Vice-Chancellor reported that the University was in active discussions with Sunderland and Teesside universities about how to respond to the announcement in the best interests of the North East as a whole.

5. Horizon Europe

Council discussed the ongoing uncertainty relating to the UK's association with the Horizon Europe research funding programme. The government had recently once again stated its

preference for continuing association whilst simultaneously publishing details of a proposed alternative programme called Pioneer.

6. Retirement Benefits Plan

Resolved that Council approve the reappointment of Peter Johnson as Council-appointed Chair of the Retirement Benefits Plan Pension Scheme until 30 June 2024.

55. **RISK MANAGEMENT**

Received a report from the Chair of Audit, Risk and Assurance Committee and the Registrar.
[Circulated with the agenda as Document D. Copy filed in the Minute Book.]

Noted:

1. Since the last meeting of Council, 'deep dive' reviews of the strategic risks relating to research and the physical and digital estate had been conducted by Audit, Risk and Assurance Committee.
2. An update on the University's response to the ongoing Industrial Action was received. The University's Education Continuity Group had been meeting to discuss the impact of the marking and assessment boycott on students.

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

56. **BUDGET**

Received a report from the Executive Director of Finance.
[Circulated with the agenda as Document E. Copy filed in the Minute Book.]

Noted that:

1. Council received the proposed University Budget for 2023-24 and three-year medium term financial plan. Both had been reviewed in detail and endorsed by Finance Committee. The plans had been tested against applicable banking covenants.
2. Landing an acceptable University-level budget had been challenging in light of growing cost pressures. Since last year, financial risks had crystallised in the form of persistent high inflation, accelerated pay awards and increased energy costs, reinforcing the need to manage the University's cost base.
3. The fixed home fee meant that international student mix was a critical strategic priority. Following a re-set of student number planning to align school and University objectives, there was now a higher level of faith in the University's ability to execute student recruitment that delivered the required financial benefits based on growing average fee per student.
4. Staff cost to income ratio was now materially out of kilter with Russell Group comparators and above the sector median. This would require a path towards 55% in future years through both income growth and direct intervention on costs.
5. Central intervention had been necessary to control budget-holder expectations, but ultimately a three-year plan to show an achievable recovery to operating surplus had been agreed. This would permit the University to invest more in the student experience.
6. One potential upside benefit not factored into the proposed budget were the expected changes to the USS pension scheme once the March 2023 actuarial valuation was

completed. As a move to a surplus position was now highly likely, it appeared certain that deficit recovery payments would cease during 2023-24.

7. The medium term plan accounted for over £150m of capital investment, including £55m for Net Zero projects, with planning assumption included for investment into redeveloping the Castle Leazes accommodation site.
8. Council considered the degree of confidence that could be shared in the University's targets for recruitment of international students, and in meeting their needs.
9. Student Finance Committee, which was responsible for overseeing tuition fees, had recommended changes to minimum fees for 2024 entry to ensure that rates charged to students were appropriately benchmarked against the University's peers.

Resolved that Council:

- ***approve the proposed budget for 2023-24 and financial plans for 2024-25 and 2025-26 as recommended by Executive Board and Finance Committee;***
- ***approve the minimum banded fee levels for 2024-25 as recommended by Student Finance Committee.***

57. HEALTH INNOVATION NEIGHBOURHOOD

The Pro-Vice-Chancellor Engagement and Place introduced a discussion.

Noted that:

1. Council received a presentation outlining the main features and opportunities provided by the North East Devolution Deal, and their alignment with the University's strengths.
2. The devolution deal included investment in the region of over £4.2bn over 30 years, election of a mayor to chair a North East Mayoral Combined Authority, as well as other forms of cross-sector collaboration, innovation and strong-cross-regional working.
3. This represented opportunities for the University with respect to green energy and Net Zero, skills and lifelong learning, business support and spin-outs, culture, child poverty, public service reform, rural growth, and data analytics and policy.
4. The University was currently involved in two key innovation accelerators with the potential for strategic benefits for the organisation and the region: the Electrification Process Innovation Centre, aiming to help make the North East the UK's centre for the green electric revolution; and the Health Innovation Neighbourhood, a vision for the regeneration of the former Newcastle General Hospital site in the city's West End, helping to shape the future of healthy societies.
5. Newcastle University was coordinating regional university engagement with the Mayoral Combined Authority, taking a leading role in the development of an Investment Zone proposition, and preparing flexible options for multiple sources of public and commercial funding. Further detail would be provided for Council as business cases were developed.

58. ARTIFICIAL INTELLIGENCE

The Interim Pro-Vice-Chancellor Education introduced a discussion.

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

Noted that:

1. Council received a presentation on how the University was responding to the rise in artificial intelligence technologies from the Interim Pro-Vice-Chancellor Education and Dean of Digital Education.
2. The University had developed a principle-led position to guide its response to the advancement in AI as follows:
 - Colleagues and students should be informed about responsible and ethical use of AI
 - If used, the contribution that AI has made to a piece of work should be acknowledged
 - Assessment strategies should be developed so that AI cannot pass a module or course
 - Encourage positive use of AI as it evolves, and share best practice
 - Maintain a live position and adapt as AI technologies evolve
3. A range of online resources would evolve over time to help keep colleagues informed. Students would be offered support and guidance on how to use AI tools responsibly, ethically and transparently.
4. Council reflected on the potential impact of AI technologies across all University activities. There was a need to ensure that colleagues were upskilled in the effective use of AI technologies that may improve productivity.
5. The rise in artificial intelligence technologies was not acknowledged within the University's strategic risk landscape at present. This would be considered as part of a deep dive risk review of Strategic Risk 1 (Education and wider university experience) and 2 (Student health and wellbeing needs).
6. Council would hold a further discussion about artificial intelligence in due course.

59. **REPORT FROM FINANCE COMMITTEE**

The Honorary Treasurer introduced a report.

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

Noted that:

1. The Committee had reviewed and endorsed the University's proposed budget for 2023-24 and the three-year financial plan, considered by Council earlier in this meeting.
2. The Committee endorsed a recommendation, supported by legal advice and a written opinion from a King's Counsel, for the University to disapply Public Contract Regulations on a prospective basis. This approach would provide the University with more flexibility in its own procurement and tender process.
3. An update on the latest positions on the USS pension scheme and local RBP pension scheme had been received. In relation to USS, supported by the latest financial information, there was growing certainty that the University would be able to cease deficit contribution payments, and that the scheme would be able to reinstate pre-April 2022 benefits on conclusion of the next actuarial valuation. The next RBP valuation was due to be concluded during the next two months, with indications pointing to an improved surplus position and a reduction in future service costs.

Resolved that Council approve the disapplication of the Public Contract Regulations and the associated changes to procurement policy.

60. **REPORT FROM AUDIT, RISK AND ASSURANCE COMMITTEE**

Received a report from the meeting of the Committee held on 27 April 2023.

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

Noted that:

1. The Committee had held a discussion with the Chair of Council focussing on financial sustainability, reputation and student experience.
2. As noted above, the Committee had conducted 'deep dive' reviews of Strategic Risk 4 (Inability to deliver research growth, power and intensity), Strategic Risk 5 (Research compliance and governance standards are not met), and Strategic Risk 12 (University estate – physical and digital – is not suitable for current and future needs).
3. The Committee had received updates on progress in implementing both external and internal audit strategies.

61. REPORT FROM NOMINATIONS COMMITTEE

Received a report from the meeting of the Committee held on 15 May 2023.

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

Noted that:

1. The Committee had considered the procedure for the appointment of a new Chair of Council to take office from 1 August 2024. Expressions of interest from current lay members of Council had been sought. A panel would be formed to interview eligible candidates and the process would be led by the Senior Independent Governor.

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

***Appeals Panel for Promotions
Review of Academic Staff***

***Professor Vee Pollock*
Professor Frank Sargent*
Professor Jacqui Rodgers***

Health and Safety Committee

Keith Patten* (Chair – until 31 July 2024)

Research Ethics Committee

***Lesley Braiden
Simon Woods***

62. REPORT FROM UNIVERSITY AND STUDENTS' UNION PARTNERSHIP COMMITTEE

Received a report from the meeting of the Committee held on 21 March 2023.

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

Noted that:

1. The Committee had supported the Students' Union's subvention bid for 2023/24 and a request for an in-year uplift for the current academic year to address the real living wage and accelerated pay awards.

ROUTINE BUSINESS

63. SENATE: 3 MAY 2023

Received a report from the 3 May meeting of Senate.

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

64. CHANGING THE CULTURE

Received

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

Noted that:

1. Council noted a report on work that the University and Students' Union were doing together to address sexual harassment and misconduct.
2. The University and Students' Union had submitted a joint response to an Office for Students consultation, agreeing on the intended regulatory approach.
3. There had been a specific focus on the development of consent and active bystander training, with the University and Students' Union cooperating in the provision of appropriate support and resource to enable rollout.
4. Thought was being given to how to encourage students to see the value in the above work and participate in the training.
5. Council would devote time to this topic at its next away-day.

65. COUNCIL'S DELEGATION OF POWERS

Received an updated version of Council's Delegation of Powers.

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

66. REPORT FROM RESEARCH ETHICS COMMITTEE

Received a report from the April meeting of the Committee.

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

67. REPORTED BUSINESS

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