

NEWMAN UNIVERSITY

Finance and General Purposes Committee

**Minutes of the Meeting held on Monday 18th February 2019 at 10am
in the Directorate Meeting Room.**

Present:	Mr Stephen Kenny	Chair (by phone)
	Mr Jonathan Day	Chair of Council (by phone)
	Mr Richard Wallace	(by phone)
In Attendance:	Ms Andrea Bolshaw	Clerk to the Council
	Professor Peter Childs	Deputy Vice-Chancellor
	Mr Tony Sharma	Chief Financial Officer (CFO)
	Ms Naomi Tudor	Partner and Head of Corporate Banking at Shakespeare Martineau LLP (by phone)
	Ms Jackie Flowers	Minute Secretary

1. Apologies

Apologies were received from Dr John Carlisle.

2. Standing Item – Declaration of Interest

There were no declarations of interest.

3. Loan Facility (FGP 6/19)

The Committee considered paper FGP 6/19 which comprised a background paper and appendices.

The CFO introduced the paper, which sought the Committee's endorsement to enter into a refinancing facility with NatWest Bank in order to fund the 2015/20 capital programme and general borrowing requirements of the University. He noted that, as previously agreed by the Committee the loan facility would be a £5 million fixed term loan and a £2 million revolving credit facility (RCF). This was to re-finance the current £7m RCF which is due to end in August 2019.

He highlighted some small changes to the Council paper itself (Appendix 7) in respect of estimated legal fees, breakage costs and the appendix structure. There was a change to the Council minute to name the Governors who could sign the documents on behalf of the Council. The Council minute had to be agreed with Mills and Reeve.

The University had received the LMA term contract on Friday afternoon; there was one substantive clause to change with regard to the time period for drawing down funds as the University wished for a longer period. (Secretarial note: The CFO confirmed that the bank was not amending the clause but that an assurance had been given that the bank would accommodate any delay in drawing down funds.)

He outlined the process to be followed in relation to Council approval. The only document needing changes was the term loan contract. Substantive changes were not anticipated, but if there were any changes, he would contact the Chair of Council and the Chair of the Committee. Should the contract not be agreed in time for the Council meeting on 27th February, the latest version would be tabled at the meeting and any changes explained. The draft Council minute provides authority to delegate to two members to sign the documentation. The two members could not make substantive changes.

The following points arose during discussion.

There was a requirement to be mindful of the OfS principles when entering into any financial commitments. The principles being: affordability; consistent with strategic plan; source of repayment; value for money; and monitoring.

The University was comfortable with the financial covenants which gave significant headroom.

Although the language of the documentation referred to borrowing, it should be emphasised that this was a re-financing package.

Action: Chief Financial Officer

There was no security being given by the University other than a negative pledge.

The timescale of the proposal arose from the need to re-finance from August 2019 when then current loan facility ended.

Many of the bank clauses were standard clauses; however, the banks had agreed some materiality levels by applied.

After the consideration above, the Committee agreed the following resolution.

Resolution FGPC 5/2019

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| 5.1 | to recommend to the Council that the RCF contract with the NatWest Bank be approved |
| 5.2 | to recommend to the Council that the Officer's Certificate be approved |

5.3

that the University progresses the Term Loan contract so it can be tabled at the Council meeting on 27th February.

4. Date of the Next Meeting

Thursday 7th March 2019