

NEWMAN UNIVERSITY

**Finance and General Purposes Committee
(Annual Strategic Meeting)**

**Minutes of the Meeting held on Tuesday 29th January 2019 at 2 pm
in the Directorate Meeting Room.**

Present:	Mr S Kenny Mr J Day Mr Richard Wallace	Chair Chair of Council
In Attendance:	Ms A Bolshaw Professor P Childs Mr A Sharma Ms J Flowers	Clerk to the Council Deputy Vice Chancellor Chief Financial Officer Minute Secretary
	<i>For item 7</i>	
	Professor J Peters	Director of Learning, Teaching and Scholarship

1. Apologies

Apologies were received from Dr J Carlisle and Professor S Davidson.

2. Standing Item – Declaration of Interest

There were no declarations of interest.

3. Minutes of the Meeting held on 7th November 2019 (FGPC 5M/18)

The minutes of the meeting held on 7th November 2019 were received and considered.

Resolution FGPC 1/2019

To accept the minutes of the meeting held on 7th November 2018 as a correct record of the meeting.

4. Matters Arising

4.1 Minute 5.3 – 2017/18 Financial Year End Update

The DSA (and other significant income/costs) had been identified separately in the management accounts submitted to the Council.

4.2 *Minute 7.2 – Financial Update*

- 4.2.1 Income and expenditure had been placed on two separate pages in Appendix F of the Financial Update.
- 4.2.2 A paper on retention was included on the Agenda for this meeting at item 7. below.
- 4.2.3 A paper on the anticipated increase in employers' pension contributions would be on the Agenda of the next meeting.

Action: Chief Financial Officer/Clerk to the Council

4.3 *Minute 8 - Estates Strategy Update*

A paper on the programme of works in relation to fire precaution would be on the Agenda of the next meeting.

Action: Chief Financial Officer/Clerk to the Council

4.4 *Minute 9 - Loan Finance Update*

4.4.1 *Clarification of permissibility for campus to be used as loan security*

Following on from the query raised at the last meeting, the Clerk to the Council (the Clerk) advised that paragraph 4.12 of the University's Articles of Association stated that the University could borrow only in accordance with the restrictions imposed by the Charities Act and give security for loans, provided that this power was not exercised without the consent of the Trustees of the Catholic Education Services to use the premises as security for any loan or loans which exceeded 75% of the open market value of the premises as certified by the Surveyor.

It was noted that the University would not be using the campus as security under the proposed re-financing so this restriction does not apply.

4.4.2 *Pre-paper on loan arrangements to the council*

This was on the current Agenda at item 5. below.

5. **Loan Facility (FGP 1/19)**

The Chief Financial Officer (CFO) introduced a paper outlining the re-financing proposal for the University's current loan facility. He reminded the Committee that in June 2015, the Council approved external financing of £7 million to part fund the £21.5 million cost of the 2015-2020 Estates Strategy. In August 2017 the University

entered into a two year revolving credit facility (RCF) for £7 million to provide initial funding. The University now needed to refinance this facility.

The CFO explained the process and the factors that had been taken into consideration in arriving at a recommended provider. The process had included a meeting in November 2018 between him, the Chair of the Committee and the professional accountants on the Council, together with a report from a professional advisor, Grant Thornton. Factors taken into account had included: matching the life of the asset with the financing suggested taking a long term loan; interest rates were low at present and were more likely to increase than decrease and so a fixed rate was advantageous; in the current sector volatility, failure of an HEI, particularly a small one might affect banks' willingness to loan; flexibility to dovetail with the Estates Strategy was important as future capital requirements would become clearer over the next year as the new Strategic Plan and any accompanying Estates Strategy developed.

After an initial approach in December 2018 to seven banks to provide a £5 million fixed term loan and £2 million RCF, five offers were received and two were considered to have the better rates, with NatWest offering the most competitive arrangement.

During discussion, a possible conflict of interest was raised as Grant Thornton, the University's external auditor had been consulted during the process. In response, the CFO said that Grant Thornton had undertaken due diligence, including ethical approval, before undertaking the work and the work would be reported to the Audit Committee. The Committee noted the CFO felt it important for the Council to have an additional opinion to his on the recommended loan provider and that to use Grant Thornton had been the most cost effective option. Going forward, it was suggested that the Audit Committee should review the use of the external auditor for non-audit services.

The Committee received the re-financing report from Grant Thornton and Heads of Terms from NatWest Bank.

The Committee agreed with the recommendation that NatWest Bank should provide the loan finance and

Resolved: FGPC 2/2019 to recommend to the Council that the University enter a contract with NatWest Bank.

It was noted that it would be necessary to hold a further meeting of the Committee before the next meeting of the Council in order to review the facility letter and other contractual documentation. The draft contract would be included in the Council Agenda papers for its meeting on 27th February 2019 with the signed contract being tabled at the meeting.

Action: Chief Financial Officer/Clerk to the Council

6. OfS Returns

6.1 2017/18 TRAC return (FGPC 2/19)

The Committee considered a copy of the TRAC return to be submitted to the OfS for 2017/18. The return analysed income and costs associated with teaching, research and other activities. The CFO advised that the TRAC process and results were subject to review and approval by a Committee of the Governing Body to confirm compliance with TRAC requirements. The University internal auditors had undertaken reviews of external returns and had provided general assurance of systems and compliance following a specific TRAC audit. No material changes to systems or personnel had occurred since the last audit and the return showed no significant change compared to the previous year.

Having considered the return, the Committee

Resolved: FGPC 3/2019 to approve the Transparency Review Return 2017/18

6.2 2017/18 TRAC (T) (FGPC 3/19)

The Committee considered the Transparency Review Return 2017/18 – TRAC (T) to be submitted to the OfS for 2017/18. The CFO advised that the TRAC process and results were subject to review and approval by a Committee of the Governing Body to confirm compliance with TRAC requirements. The University internal auditors had undertaken reviews of external returns and had provided general assurance of systems and compliance following a specific TRAC audit. No material changes to systems or personnel had occurred since the last audit

The return analysed costs in relation to full-time, non-ITE publicly funded OfS regulated teaching provision. It showed an increase in costs per student reflecting the application of the TRAC methodology and actual increases in expenditure. The University's data return was consistent with comparable HEIs.

Having considered the return, the Committee

Resolved: FGPC 4/2019 to approve the Transparency Review Return 2017/18 – TRAC (T)

6.3 2017/18 Access Agreement Monitoring (FGPC 4/19)

The Committee was provided with a copy of the 2017/18 return to be submitted to the OfS for 2017/18. The University had to provide an annual monitoring return to OfS showing progress towards agreed milestones associated with student access, success and progression.

In discussing the return, the following points were noted.

It was important to fulfil commitments made in the Access Agreement; two HEIs had recently been fined for breaches of commitments.

The 2017/18 return indicated that the University was spending in line with agreed commitments and that progress in relation to student success required further improvement. The rate of student withdrawal was higher than the University would like and higher than in previously. This might result in a requirement for an action plan for the next Agreement.

It was probable that the OfS would change the way in which Access Agreements operated, moving towards a five year rather than an annual plan and with more detailed monitoring.

In respect of Table 9a of the return, it was noted that the University had not evaluated expenditure on financial support for underrepresented groups as this had been evaluated last year and it had not been practice to conduct an evaluation every year.

The Committee noted the return and that it had been approved by the Vice-Chancellor and submitted to the OfS.

7. Discussion – Access, Retention and Success of Students (FGPC 5/19)

Three papers formed the basis for the discussion: the Access and Participation Plan 2019/20; a report on the SEATs project; the University's enhanced monitoring report for the OfS (including the terms of reference of the University's Task Group on Retention and Success).

Access and Participation Plan

The CFO highlighted the main aspects of the Access and Participation Plan. Newman was an access University, promoting access of under-represented groups in HE. The regulator's emphasis now was on student success and how students at the University from under-represented groups progressed: the OfS had identified the progress of students with disabilities and students from some ethnic minority groups. In respect of disabled students at the University, performance had improved slightly each year but there remained a significant difference in comparison with students without a disability as measured by degree classification of a first or upper second. For students of different ethnicity, there were some encouraging trends in the continuation rates for black students. Whilst the proportion of ethnic minority students gaining a first or upper second class degree had increased to 22%, there was still a significant difference from the proportion of white students who graduated with a first or upper second.

The University's non-continuation rates for first year full time entrants had been rising in recent years from 10.2% in 2013/14 to 14.6% in 2017/18. In 2016/17 426 students had left, which had cost the University around £4 million in income, as well as the lost opportunities for these students to transform their lives. The Committee asked about measures to be taken by the University to promote student retention. It heard that the introduction of the Resource Allocation Model, in which resources followed students, was one of the drivers which should help to emphasise to staff the importance of student retention.

The Committee asked whether the University management had been able to use the data generated to make earlier interventions. The Deputy Vice-Chancellor drew attention to the Department system with staff in place who were concerned with monitoring data. The newly created Task Groups would consider key data and establish actions aimed at student satisfaction, continuation and completion. These developments were seen as crucial in ensuring that Departments owned their own data and looked for improvements.

The Committee asked what action would be taken where there were repeatedly unacceptable results in a subject and it seemed that the University might not be able to be competitive in the area. The Deputy Vice-Chancellor replied that the University would investigate the reasons for the poor performance and whilst programme closure was one option, if it were felt that the University could recruit successfully to the programme, they would look at other measures first. In the case of Business Studies, for example, the University believed that through restructure and other actions taken it had addressed issues which were causing the level of performance.

The Committee noted that with many more metrics being generated, there would need to be a review of the existing KPIs and of their link to the metrics and this would feed into the wider work of the new Strategic Plan and the KPIs that would be linked to this.

Action: The Vice-Chancellor and the University Leadership Team

OfS Response

The Deputy Vice-Chancellor introduced the paper which would be submitted to the OfS in response to the enhanced monitoring requirements. He noted that the University had not been able to obtain the detailed data from the OfS which had prompted the requirements so it had tried to produce the data itself to replicate the OfS metrics. With regard to the areas raised by the OfS, the University had identified factors which led to the withdrawal of full-time PGCE students; one factor, for example was the first teaching placement and the University was developing improved mentor training to help to remedy this. In the 'part time other' category, the poor performance of the 2014/15 cohort was largely due to the continuation rate for the Catholic Certificate in Religious Studies, which was a short, two-year, two-module optional programme designed and offered on behalf of the archdiocese as part of the University's Catholic mission. A retention and success plan would be developed for the programme. In respect of part-time postgraduate taught students (who were mainly on the MA Education programme) it was noted that student loans were only available nationally for study of the full 180 credit MA. Students who wished to benefit from taking only specific modules therefore had to register for the

full programme in order to obtain loans. These students tended to withdraw when they had completed the modules of interest to them. The OfS had also included the completion of part-time undergraduate students in the monitoring requirement. The University had not been able to replicate this metric internally and its own figures did not suggest a significant issue. However, a number of enhancements had been identified to address part-time student completion.

In general, it was noted that as the University was a small institution and there were small cohorts of students in particular areas, small real changes in student numbers could have a disproportionate effect on percentage figures.

The Committee also noted that the figures used by the OfS related to cohorts from 2015/6 for full time continuation and for 2014/5 for part-time continuation and that it would be some years before the impact of actions taken this year would be reflected in published figures.

The SEAts Pilot 2018/19

Professor Peters described the SEAts Pilot which was being run with specific subject areas, with a view to making the system available from September 2019 as a University-wide pilot. The University hoped to make better use of student engagement data to help to facilitate early intervention to support students at risk of disengagement and withdrawal. Use of the SEAts software enabled data to be taken from SITS (the student record system) and CELCAT (the timetabling software) and put together to generate data about attendance and engagement. Research evidence suggested a strong relationship between student attendance and outcome. Students at the University who failed and withdrew generally failed through non-submission because they had ceased to engage.

The system would send an email if students had attended for less than 20% or less than 80%. Students had indicated that they would prefer to be contacted by a member of staff rather than the email being sent directly to them. Various options were being trialled for this contact; for example, by a student peer mentor, the module tutor or the course leader.

The Committee discussed how support was provided once a lack of engagement had been identified. The Deputy Vice-Chancellor said that the personal tutor system for pastoral care was felt to be effective, but this system was not used throughout the University. Some areas had their own approach which they felt was more helpful than a personal tutor system.

The Committee asked how it could be ensured that action was being taken where lack of engagement was identified, Professor Peters reported that the system enabled reports to be generated at various levels and to different types of user and it would, for example, be apparent to a Head of Department if no action was being taken on a particular course.

8. Strategic Plan Update (FGPC 6/19)

The Committee considered a paper giving an update on progress with the development of the University's new Strategic Plan for 2020-25 since the Council Away Days in September 2018.

The Clerk to the Council highlighted the amendments to the schedule and explained details of a Development Support Programme. The University had commissioned work from a consultant (Paul Gentle) who had worked extensively in the sector with senior teams to assist middle leaders and to help to encourage engagement and commitment of the wider staff to the University's strategic vision and direction in a changing environment. There would be leadership development programmes for middle leaders in February 2019 and this would be followed by workshops on the strategic plan for staff around March 2019.

She advised that the new Strategic Plan would differ in style and format from the current Plan. It would be much shorter with more text and fewer images but the format could be modernised with video clips and soundbites. The University's distinctiveness would be emphasised, based on the ideas of Cardinal Newman. Woven alongside the statement of distinctiveness there would be a clear focus on achieving success for every student.

The Committee noted the importance of capturing the University as it was as this could be moving and powerful.

The Committee noted the likely canonisation of Cardinal Newman during the forthcoming year.

9. Any other Business

In respect of the Estates Strategy, the Chair noted the importance of using accurate information when publicising expenditure on campus development and referring only to money spent rather than including anticipated expenditure over the years ahead.

The Committee noted the potential involvement of the University with the Commonwealth Games.

10. Date of Next Meeting

The next scheduled meeting was Thursday 7th March 2019, however, the Clerk would be organising an additional meeting to discuss the loan facility prior to the next meeting of the Council on Wednesday 27th February 2019.

**Finance and General Purposes Committee
Action Plan from the meeting held on 29th January 2019**

Minute	Agenda Item	Action to be Taken	Person Responsible
4.2	Financial Update	To submit a paper on the anticipated increase in employers' pension contributions for the next meeting.	Chief Financial Officer/Clerk to the Council
4.3	Estates Strategy Update	To submit paper on the programme of works in relation to fire precaution for the next meeting.	Chief Financial Officer/Clerk to the Council
5.	Loan Facility	To arrange a meeting of the Committee prior to the next meeting of the Council.	Clerk to the Council
7.	Discussion – Access, Retention and Success of Students	To review KPIs for a future meeting.	Clerk to the Council

