

NEWMAN UNIVERSITY

COUNCIL

**Minutes of the Meeting held Wednesday 27th February 2019 at 2.30 pm in
ST102/103**

Present:

Mr Jonathan Day	Chair of the Council
Mr Tom Ashford	President, Newman Students' Union (NSU)
Dr John Carlisle	
Professor Peter Childs	Deputy Vice-Chancellor
Ms Gayle Ditchburn	
Rev Canon David Evans	
Ms Deirdre Finucane	
Ms Karan Gilmore	
Mr Colin Harris	
Archbishop Bernard Longley	
Ms Julie Jones	
Mr Stephen Kenny	
Mr Phillip Lennon	
Professor Femi Oyeboade	
Mr Richard Wallace	

In Attendance:

Ms Andrea Bolshaw	Registrar and University Secretary and Clerk to the Council
Mr Tony Sharma	Chief Financial Officer
Ms Jackie Flowers	Minute Secretary

For item 6.3

Ms Naomi Tudor	Partner and Head of Corporate Banking at Shakespeare Martineau LLP
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For item 8

Professor John Peters	Director of Learning, Teaching and Scholarship
Dr Paul Yates	Deputy Director of Learning, Teaching and Scholarship

The meeting opened with prayers led by Archbishop Longley.

Chair's items

The Vice-Chancellor

The Chair reported that in September 2018 the Vice-Chancellor had established that his authority as Vice-Chancellor and Accountable Officer could be delegated to the Deputy Vice-Chancellor to act in his place should he be absent from the University for an extended period. Under this delegation, the Deputy Vice-Chancellor (Professor Peter Childs) would be a member of the Council during the period of delegation arising from the Vice-Chancellor's current absence.

The Council sent good wishes to the Vice-Chancellor.

Action: Clerk to the Council (The Clerk)

Independent Inquiry into Child Sexual Abuse (IICSA)

The Council received an update from Archbishop Longley on the IICSA inquiry into child sexual abuse in the Catholic Church and the Church of England. The Archdiocese of Birmingham had been chosen as a case study and was co-operating fully. In November 2018 Archbishop Longley and Cardinal Nichols gave evidence to the inquiry: the outcome was awaited, with the report due to be finalised in the summer of 2019. The Archdiocese had itself commissioned independent reviews of case-files and procedures, including a review of current performance by the Social Care Institute for Excellence (SCIE). Action Plans had arisen from the reviews and a new Head of Safeguarding had been appointed to oversee the implementation of the action plan and to ensure best practice. None of the reviews had any interest in or concern about the University.

1. Apologies

Apologies were received from Mr Glen Alexander, Professor Scott Davidson and Ms Elizabeth McGrath QC.

2. Minutes of Previous Meetings (UC 6M 18)

2.1 Minutes of the Meeting held on 22nd November 2018

The minutes of the Council meeting held on 22nd November 2018 were agreed to be a correct record of the meeting.

2.2 Minutes of the University AGM held on 22nd November 2018

The minutes of the University AGM held on 22nd November 2018 were agreed to be a correct record of the meeting.

3. Matters Arising from the Minutes of the Previous Meetings

3.1 Prevent Annual Return – Update (UC 1/19)

The Clerk gave a report on action taken by the Chair in respect of the Prevent Annual Accountability and Data Returns. A validation query affecting one of the figures submitted had arisen within the final return to the OfS on Prevent. This had become apparent after the return had been agreed by the Council on 22nd November 2018. The change was a technicality grounded within the excel template and not material to the submission. As a result, the University Secretary and Registrar made a small single amendment to address the validation query and the Chair of Council had signed off the amendment ahead of the submission date of 3rd December 2019.

The report was noted.

4. Report from the Vice-Chancellor (UC 2/19)

The Council considered a written report from the Vice-Chancellor which covered the general Higher Education environment together with significant sector and institutional developments: the Teachers' Pension Scheme, the OfS, widening participation, the Knowledge Excellence Framework (KEF), REF, RDAP, and the Tier 4 licence.

The Deputy Vice-Chancellor gave an update on industrial action in respect of the 2018/19 pay settlement. UCU had decided to have a new ballot that would involve all branches but on an aggregate basis with all results counted together. Whilst the majority of those who voted supported action, the overall turnout was short of the legal threshold. Consequently there would be no industrial action by UCU.

He noted that UCU also was campaigning against the TEF, which it felt did not represent teaching excellence. A DfE survey of 3000 students had found that only 43% of students had heard of the TEF and of those, two thirds thought it was based on teaching observation. There was a concern that TEF was becoming more about student outcomes than teaching excellence.

[REDACTED]

In discussion of the KEF, the Deputy Vice-Chancellor noted that the University currently did not meet the threshold of activity to receive funding from the Higher Education Innovation Fund (HEIF). The KEF would probably take responsibility for distributing HEIF in future. He noted the possible difficulties for small institutions whose KE outcomes were not solely commercial and were harder to capture than in simple financial terms. However, it was proposed to group institutions into clusters of similar size and research intensity which might offer some mitigation. Institutions could also submit narratives in respect of two aspects of the KEF: Local growth and regeneration; Public and community engagement.

The report was noted.

5. Institutional Sustainability and Risk Management

5.1 Risk Register and List of Principal Risks (UC 3/19)

The Clerk reported that the University was required to have an active process for the control of risk and to report to the Audit Committee regularly, normally three times a year. Risk owners reviewed their risks on the Register before every Audit Committee meeting, the UOT then considered the overall picture. The Register had been considered at the Audit Committee meeting held earlier in the day.

She noted the change of rating of Risk 5, which was due to the Government's acknowledgement of the teacher shortage, as a result of which the decline in the number of teacher training students was felt to pose less of a risk. She reported that following the advice of the independent gap review of the University's data protection procedures risk 23 (Data Protection) had been divided into two to refer separately to risk to the data subject and to the organisation.

[REDACTED]

The Council noted that there was to be a radical review of the Risk Register arising from the development of the new Strategic Plan and that the scoring of the cyber risk could be considered further during this process.

Action: Clerk to the Council

It was noted that the University had cyber insurance to cover any financial loss arising.

Resolved: UC 1/19

To approve the Risk Register accordingly as per the University's management processes detailed above.

6. Financial Matters

6.1 Applications for 2019 Entry (UC 4/19)

The Chief Financial Officer (CFO) gave a report on the latest application position for the September 2019 entry.

[REDACTED]

The report was noted.

6.2 Financial Update for 2018/19 (UC 5/19)

The CFO presented a financial update for 2018/19.

[REDACTED]

The Council noted the update.

6.3 Re-Financing: NatWest Bank (UC 6/19)

The CFO introduced a paper seeking Council approval to refinance the current NatWest Bank £7m revolving credit facility with a revised £7m facility with NatWest Bank in order to fund the 2015/2020 capital programme and general business purposes. He noted that the requirement for the £7m borrowing was agreed by Council when the £21.5m Estates Strategy was approved in June 2015, consequently this was not a new debt but refinancing of an existing loan.

6.3.1 Purpose of meeting and Governors Interests

The Chair noted that this was a meeting of the Council convened pursuant to Article 14.1 of the articles of association of the University (the "Articles") and that notice had been given to all the Governors detailing the matters to be discussed at this meeting.

The Governors declared their personal interests in accordance with Article 6.4 of the Articles and Section 177 and Section 182 of the Companies Act 2006 and confirmed that they are entitled to vote at a meeting of the Council in accordance with Articles.

The Chair stated that the meeting would now consider and approve the proposal to borrow the sum of £7,000,000 for the purposes of continued implementation the Estates Strategy set out in the 2015 - 2020 Strategic Plan which has previously been discussed and considered by the Council and to enter into facility letters with National Westminster Bank plc (the "Bank") for a revolving credit facility in the sum of £2m for a term of four years (the "Revolving Credit Facility") and a term loan facility (the "Term Loan Facility") in the sum of £5m for a term of seven years.

The Chair stated that the existing revolving credit facility with the Bank in the sum of £7m expired in August 2019 and the facilities referred to above were intended to re-finance the existing facility in its entirety.

The Chair noted that heads of terms relating to the Revolving Credit Facility and the Term Loan Facility (the "Heads of Terms") had previously been considered, discussed and approved by the Finance and General Purposes Committee.

The Chair noted that this meeting had been called to approve the Heads of Terms and to approve the final form of the facility letter for the Revolving Credit Facility (the "Revolving Facility Letter") and the current draft form of the facility letter for the Term Loan Facility (the "Term Facility Agreement") with the Bank, to approve the form of officer's certificate to be provided to the Bank certifying certain statements and documents attached thereto (the "Officer's Certificate") and to authorise certain Governors listed below to approve the final form of the Term Facility Agreement with the Bank.

Documents tabled

A copy of the Heads of Terms, a report to the Council, prepared by Tony Sharma setting out the considerations to be taken into account by the Governors (the "Report"), the execution version of the Revolving Facility Letter, the latest draft of the Term Facility Agreement and the execution version of the Officer's Certificate were produced to the meeting and considered by the Governors.

6.3.2 Office for Students

It was noted that the Office for Students' (the "OfS") Terms and Conditions of Funding for Higher Education Institutions for the period to 31 July 2019 provides that higher education institutions must apply the following principles (together, the "OfS Principles") when entering into any financial commitments, such as the Revolving Facility Letter and the Term Facility Agreement:

1. the risks and affordability of any new financial commitments must be properly considered;
2. financial commitments must be consistent with the higher education institution's strategic plan and treasury management policy;
3. the source of any repayment of a financial commitment must be clearly identified and agreed by the governing body of the higher education institution at the point of entering into that commitment;
4. planned financial commitments must represent value for money; and
5. the risk of triggering immediate default through failure to meet a condition of a financial commitment should be monitored and actively managed.

The Governors then reviewed and considered the Heads of Terms, the Report, the Revolving Facility Letter and the Term Facility Agreement, and considered each of the OfS Principles in turn:

1. affordability;
2. consistent with strategic plan;
3. source of repayment;
4. value for money; and
5. monitoring.

Approval of the documents

Resolution: UC 2/19

After due and careful consideration of the terms and conditions contained in the Heads of Terms, the Revolving Facility Letter and the Term Facility Agreement and the OfS Principles and taking into consideration their duties and obligations under the Charities Act 2011, the University's constitutional documents and considering the best interests of the University hereby resolved that:

1. the proposed refinancing by the University and the conditions contained in the Heads of Terms, the Revolving Facility Letter and the Term Facility Agreement are approved;
2. in the good faith and judgment of all the Governors of the University, the entry into the Revolving Facility Letter and the Term Facility Agreement and any documents ancillary to, or to be entered into in connection with, those documents would promote the success of the University for the benefit of the University as a whole and would be in the interests of the University for the purposes of furthering its charitable objects, mission and carrying on its activities;
 - a. any two Governors from the Vice-Chancellor, Professor John Scott Davidson or the Chair of the Council, Jonathan Day, or the Chair of the Finance and General Purposes Committee, Stephen Kenny or the Chair of the Audit Committee, Phillip Lennon, or John Carlisle or Richard Wallace being members of the Finance and General Purposes Committee (the "Authorised Signatories") be authorised on behalf of the University to:-
 - 2.1 approve the final form of the Revolving Facility Letter and agree any amendments thereto that they in their absolute discretion think fit (the approval of each such person to be conclusively determined by his or her execution of those documents) provided that such amendments do not:-
 - (a) increase the amount proposed to be borrowed;
 - (b) extend the proposed repayment schedule;
 - (c) increase the agreed interest rates applicable to the facility; and
 - (d) change the proposed security (if any) to be granted to the Bank.
 - 2.2 sign and deliver on behalf of the University the Revolving facility Letter and the Term Facility Agreement;
 - 2.3 sign and deliver on behalf of the University the Officer's Certificate; and
 - 2.4 execute and deliver on behalf of the University any other document, notice, drawdown request, letter or other communications as he or she may consider necessary or desirable in connection with either the Revolving Facility Letter or the Term Facility Agreement and do all other things which any of such Authorised Signatories deem to be necessary or desirable in connection with the Revolving Credit Facility or the Term Facility Agreement.
 - b. all powers, authorities and discretions of the Council be delegated to the Authorised Signatories as may be necessary for the authorisation of all acts, matters or documents in

connection with the Term Loan Facility including, but not limited to:

- i. authority to negotiate and finalise the Term Facility Agreement and any associated documents required to give effect to the Term Loan Facility, such documentation to include, but not be limited to the Term Facility Agreement; and

1.4.2 making the final decision on Fixed Funds Rate and the terms of the Term Facility Agreement and authority to confirm to the lender that the Fixed Funds Rate (as defined in the Term Facility Agreement), as notified by the Bank following the delivery of the Utilisation Request (as defined in the Term Facility Agreement) is agreed, as the Governors noted that the actual Fixed Fund Rate could only be determined with certainty on the Utilisation Date (as defined in the Term Facility Agreement).

c. the Director of Finance and Corporate Services be authorised to continue to operate such accounts with the Bank as may be required in connection with the facility. It was envisaged that this would include a loan account and a current account to be used to service payments due to the Bank in accordance with the terms of the Revolving Facility Letter and the Term Facility Agreement.

It was further **resolved: UC 3/19**

to delegate to the Chief Financial Officer to determine the rate up to 140 base points and the margin.

7. Council and Governance Matters

7.1 Away Day Planning (UC 7/19)

The Clerk advised that the 2019 Strategic Away Days would take place on 3rd and 4th April and would be held at the University. She and the Chair of Council were developing the Agenda and she outlined the proposed strategic foci for the Away Days. The Chair felt the importance of not overloading the agenda and it was suggested that risk management, for example, could be taken off. There were further suggestions as follows: to have a meeting with a group of students from outside the NSU executive, for example, course representatives, student ambassadors; to hold evening prayers in the Chapel at the end of the first day; to publicise on the intranet the Away Days and the presence of the Council on campus.

The paper was noted.

Action: Clerk to the Council

7.2 Governance Effectiveness Review Update (UC 8/19)

The Clerk advised that the CUC Code of Governance recommended that University Governing Bodies should carry out an effectiveness review at least every four years and that a Governance Effectiveness Review would be conducted during March 2019. The survey part of the Review would open on 1st March. The results would be analysed by Advance HE and there would be a presentation of the results at the end of the Away Days. An action plan would be formulated and taken forward by the Nominations and Governance Committee.

The update was noted.

7.3 Instrument and Articles Update (UC 9/19)

The Council received a report from the Clerk on the activity of the Working Group undertaking a review and revision of the Instrument and Articles of Government. The Instrument and Articles were being updated to reflect, for example, equality principles, and changes to the structure of the University. The Working Group was also considering the format, flow and order of the document. As the work progressed there would be internal and external consultation with the Privy Council.

The Council noted the report.

8. TEF 2021 (UC 10/19)

A report advising of changes in the Teaching Excellence and Student Outcomes Framework (TEF) and giving the University's current performance against the metrics was presented by the Deputy Director of Learning, Teaching and Scholarship.

Introducing the first paper, Dr Yates explained that following the receipt of the most recent TEF4 metrics, he had done an analysis for universities in the West Midlands' region.

[REDACTED]

Dr Yates reported that the government had committed to a statutory independent review of the Teaching Excellence and Student Outcomes Framework. It was expected that responses to the review should have been considered by the Council. Council noted the responses given to the review and any comments arising would be sent to the Deputy Vice-Chancellor.

9. Internal Reports

9.1 University Committee Structure (UC 11/19)

The Council received a paper showing the University's re-organised Committee Structure which provided assurance that the structure was now fit for purpose under the OfS regulatory framework.

The paper was noted.

9.2 Chaplaincy Report (UC 12/19)

The Council received a report which gave an update on the activities, events and life of Newman Chaplaincy.

The Council noted the Report.

9.3 Estates Strategy Update (UC 13/19)

The Council received a report providing an update on the implementation of the Estates Strategy. The implementation plan remained on time, on budget and on quality. There were no matters of concern.

The update was noted.

9.4 Equality and Diversity Report (UC 14/19)

The report was received and noted.

9.5 OfS Update (UC 15/19)

Council received a paper giving an update on the report that the OfS had required to be submitted by 31st January 2019 which related to enhanced monitoring requirements. The OfS response to this submission was expected in March 2019.

The Council noted the update.

9.6 Meeting Dates for 2019/20 (UC 16/19)

The Council received and noted a schedule of meeting dates and programme of business for 2019/20.

10. Reports from the Council Committees

10.1 Nominations and Governance Committee

The minutes of the meetings held on 5th September 2018 and 4th October 2018 were received and noted.

The unapproved minutes of the meeting held on 29th January 2019 were received and noted.

10.2 Finance and General Purposes Committee

The minutes of the meeting held on 7th November 2018 were received and noted.

10.3 Audit Committee

10.3.1 Terms of Reference Update (UC 17/19)

The Clerk advised that the Audit Committee had made some revisions to its terms of reference. The revisions were minor and were to update terminology and to refer to the Office for Students as the regulator.

Having considered the revised terms of reference, the Council

Resolved: UC4/19

to approve the terms of reference as amended in
UC17/19

10.3.2 Minutes of meetings (AC 3M/18)

The minutes of the meeting held on 12th November 2018 were received and noted.

11. Reports from Senate

The minutes of the meetings held on 3rd October 2018 and 16th January 2019 were received and noted.

The minutes of the Senate-Council Joint Meeting held on 4th October 2018 were received and noted.

11. Any Other Business

The new University prospectus and mini-guide were circulated to Council members.

12. Date of the Next Meeting

Wednesday 3rd April 2019 at 9:45 am.

The meeting closed with prayers led by Canon David Evans.

The Council
Action Plan from the meeting held on 27th February 2019

Minute	Agenda Item	Action to be Taken	Person Responsible
	Chair's item	To send Council's good wishes to the Vice-Chancellor	Clerk to the Council
5.1	Risk Register	To take into account Council's comments on the Register.	Clerk to the Council
7.1	Away Day Planning	To take into account Council's suggestions for the Away Day	Clerk to the Council