

NEWMAN UNIVERSITY

COUNCIL

Minutes of the Meeting held at Newman University on Thursday 6th September 2018 at 10.45 am at the Abbey Hotel, Redditch.

Present:

Mr Jonathan Day	Chair of the Council
Mr Tom Ashford	President, Newman Students' Union (NSU)
Dr John Carlisle	
Professor Scott Davidson	Vice-Chancellor
Ms Gayle Ditchburn	
Ms Deirdre Finucane	
Ms Karan Gilmore	
Dr Karen Graham	
Mr Colin Harris	
Ms Julie Jones	(Co-opted)
Mr Phillip Lennon	
Mr Richard Wallace	

In Attendance:

Ms Andrea Bolshaw	Registrar and University Secretary and Clerk to the Council
Professor Peter Childs	Deputy Vice-Chancellor
Mr Tony Sharma	Director of Finance and Corporate Services
Ms Jackie Flowers	Minute Secretary

1. Apologies

Apologies were received from Mr Glen Alexander, Rev Canon David Evans, Dr Mark Goodwin, Mr Stephen Kenny, Professor Duncan Lawson, Archbishop Bernard Longley, Professor Femi Oyeboode, Ms Elizabeth McGrath QC and Mr John Westwood.

2. Matters Arising from the Minutes of the Previous Meeting

2.1 *Instrument and Articles Review*

The Council received an oral update on the review of the Instrument and Articles from the Clerk to the Council. She advised that the Working Group as agreed and discussed at a previous Council meeting would be progressed, including an examination of the Senate-Council relationship.

2.2 *Office for Students Registration*

The Clerk to the Council gave an oral update on the University's registration with the Office for Students (OfS). She advised that since the last meeting of the Council the OfS had contacted the University on two occasions seeking clarification of points in the University's submission. The formal decision was still awaited.

3. **Governance and Council Matters**

3.1 *Report from the Vice-Chancellor*

The Vice-Chancellor introduced his written report (UC31/18), which covered: the higher education environment; Ruskin College; senior team structure; the University's academic committee structure; and external meetings attended. Issues from the report highlighted by the Vice-Chancellor included the following.

Consideration had been given to the possibility of a potential merger with Ruskin College, a residential adult college in Old Headington, near Oxford but not affiliated with the University of Oxford. Whilst there were felt to be strategic advantages from this possibility, following due diligence and a site visit the ULT had concluded that the risks of a merger or other form of partnership were too great.

The Vice-Chancellor drew attention to the organisational diagram appended to his written report, noting that the new structure of the senior team had come into effect from 1st September 2018.

The Vice-Chancellor then reported on items not covered in his paper.

The closure of the Centre for Science, Knowledge and Belief in Society had been successfully managed. Staff from the Centre had left the University on 31st August 2018. Another University was interested in taking on the research and the staff from the Centre for the duration of the grant. He thanked Professor Childs for his management of the process and for ensuring that cordial relations were retained with the research staff concerned.

A minor restructure of the business studies area had proceeded: three staff had taken voluntary redundancy and there was competition for one remaining post. Staffing was now to a size which accorded with student numbers in the area.

3.2 *Governance Effectiveness Review*

The Chair explained that OfS now requires universities to conduct formal reviews of the effectiveness of their governance and to present evidence of the review's completion. It is also good practice. Reviews are to take place every four years, and Newman's last review took place in 2014. Consequently, changes were being proposed to the remit of the Nominations Committee to cover the effectiveness review, as well as its existing role of

handling applications and appointments to the Council. A change of name to the Nominations and Governance Committee was proposed to reflect the change. The Chair said that the Committee's remit might later be widened to cover other governance matters.

At its last meeting, the Nominations Committee had considered how the review should be conducted. Hire of an external firm was expensive and the Committee felt that the University's money was better spent on its core academic and pastoral missions. After discussion of alternative methods of review, the Committee had agreed to recommend to the Council a framework for review with three inputs:

- the corporate governance audit conducted recently by the University's internal auditors
- a survey sent to all members of the Council on the structural effectiveness of the Council
- a separate survey on values and behaviours.

It was intended to complete the review by the end of calendar year.

It was noted that surveys of Council members had been done previously as governance good practice recommended by the CUC.

The Chair advised that some Boards carried out 360 degree feedback on individual members; it was not felt appropriate to do this now and the Council would judge whether to use this process in the future.

Resolved UC10/2018

- i) To establish a Nominations and Governance Committee to replace the existing Nominations Committee, retaining the terms of reference of the existing Committee but with the addition of one new responsibility: undertaking and operating the annual governance effectiveness assessment.
- ii) To delegate to the Committee a review of governance effectiveness to be completed by the end of the calendar year and by means of:
 - a) the recommendations from the recent governance audit, with the Committee to devise a work plan for the monitoring and implementation of the recommendations
 - b) a self-assessment survey of Council members, reviewing compliance with the CUC Code and the University's governing documents
 - c) a survey of Council members in respect of culture and behaviours within Council and its Committees.

4. Financial Matters

4.1 Applications and Enrolments for 2018/19

The Clerk to the Council presented a written report giving an update on the latest application and recruitment figures. She noted that the position changed daily at this time of year and advised of amendments to the figures since the report had been prepared.

She reported that the main day and subsequent week in Clearing had been positive and there was now cautious optimism about recruitment. Intensive efforts on recruitment activities continued to ensure that applicants were converted to enrolments. Due to a change in Government policy, ITE applicants had an increased number of attempts at the skills tests required. However, this had resulted in delays in the availability of test slots, particularly in the West Midlands.

She observed that although recruitment had been better than predicted, improvements needed to be made for the future. There had been an increased reliance on recruiting applicants during Clearing over the past few years and the University wished to become much less reliant on recruitment during this period.

The following points were raised during discussion of the paper.

It was difficult to ascertain the University's position relative to competitors as institutions were guarded about releasing information in the current environment. It was understood, however, that some institutions had suffered a greater decline in applications.

The success of the foundation year was welcomed, and Council noted that this had given an opportunity to students who might not have otherwise been able to enter higher education. However, Foundation Year students produced lower fee income and such students usually required additional support; in addition, progression rates might not be high.

A detailed analysis of the demographics of clearing students had not yet been undertaken, although it was felt that the University was attractive to those students who wished to study in their own locality. From an examination of the background of students who had submitted appeals or complaints, there was no correlation with those recruited during clearing. As such, there was some evidence that clearing students were not failing and submitting appeals at a greater rate than those who had applied during the earlier stages of the admissions cycle.

The report was noted.

4.2 2018/19 Budget

The budget for 2018/19 was presented for consideration by the Director of Finance and Corporate Services. He reminded the Council that following the adoption of the budget by the June 2018 meeting of the Council, there had been a further review of estimated income and changes in expenditure had been implemented to align it with income. A 2.5% surplus was budgeted. The Finance and General Purposes Committee had reviewed the revised budget at its meeting on 3rd September 2018 and recommended its adoption to the Council.

The Director was confident in the income estimate, with the position becoming clearer by mid-October. Costs were 97% of income and to balance the budget it would be necessary either to continue to manage vacancies or to implement structural changes. In addition to the reduction in pay expenditure, the University had significantly reduced non-pay expenditure whilst minimising the impact on the student experience.

In relation to the objectives of the Finance Strategy, the surplus was just under the objective, the pay objective had been achieved, borrowing was at a reasonable level and the liquidity objective had been achieved.

During discussion, the following points were noted.

The surplus target at 2.5% of revenue was close to the sector norm, but below some other local universities and just above the Cathedrals' group.

The University had yet to decide whether to extend the revolving credit facility (RFC) or to convert it to a term loan. If the RCF were to be extended, legal fees were not likely. If the RCF were to be converted to a loan, there would be legal fees; based on previous experience these would be around £20,000.

The Chaplaincy's budget was lower as in the last year it had received an increased budget because of the fiftieth anniversary celebrations.

The Council saw that in addition to the cost management measures already taken, a further reduction of £350,000 in the pay budget was envisaged. This was felt to be challenging and the importance of staff in achieving a good student experience was noted. In response, the Director of Finance and Corporate Services said that the University needed to spend less on wages. In the development of the sustainability plan, there would be an investigation of how other similarly sized institutions had lower pay costs, but still achieved TEF Gold.

Asked about staff turnover, the Director of Finance and Corporate Services said there was a higher turnover at the lower pay levels; the reasons for this were not entirely clear but anecdotally, less experienced staff left for promotion to a more senior role.

Resolved UC 11/2018

To adopt the 2018/19 budget.

4.3 Financial Forecasts

A paper giving the revised 2018 financial forecasts and associated commentary for consideration by the Council was introduced by the Director of Finance and Corporate Services. He explained that the forecasts were the financial representation of the University's plan. He outlined the main assumptions on which the forecasts were based, noting that planning beyond the year ahead was difficult in the current environment.

It was assumed that the student population would grow by around 3% a year and that the dip this year would be reversed due to measures taken by the University; for example, by improving the student retention rate, increasing the conversion rates from applicant to enrolment to the sector average, and improving the student experience and staff performance.

Costs would be managed in line with income and would generate a surplus. Pay costs were 63% of turnover, but through the forthcoming sustainability plan they might move down towards the sector average (57%) which would release resources for the student experience

There would be a pause in the capital programme whilst the new Strategic Plan was under preparation; this would increase cash reserves.

Points made during discussion were as follows. The likelihood of any increase in the tuition fee was very low and costs increased each year, for example because of pay increments. The University therefore would have to increase efficiency by around 3% annually. The importance of the sustainability plan was emphasised.

After a vote, the Council agreed (with two abstentions) to approve the financial forecasts and commentary for 2018-2023 and

Resolved UC 11/2018

To approve the financial and student number forecasts for 2018-2023.

5. Any Other Business

There was no other business.