



COUNCIL

Tuesday 8 July 2014

MINUTES

PRESENT:

Sir Stephen Wall (*Chair*)

Professor Michael Arthur
(*President and Provost*)
Mr Mohammed Zayyan Butt
Ms Philippa Foster Back
Mr Keir Gallagher
Mr Simon Melliss (*Treasurer*)
Dr Gill Samuels
Professor Chris Thompson

Professor David Attwell
Mr Ven Balakrishnan
Lord Clement-Jones
Dr Martin Fry
Dr Saladin Meckled-Garcia
Ms Vivienne Parry (*Vice-Chair*)
Dr Stephanie Schorge
Professor Maria Wyke

In attendance: Professor Stephen Caddick (Vice-Provost (Enterprise)); Mr Andrew Grainger (Director of UCL Estates) [*for Minute 146*]; Mr Phil Harding (Director of Finance and Business Affairs); Dame DeAnne Julius (Chair-elect); Mr Omar Khan (Ethics, Environment & Operations Officer-elect, UCLU) [*for Minutes 117-125*]; Mr Rex Knight (Vice-Provost (Operations)); Mr Lukmaan Kolia (Education & Campaigns Officer-elect, UCLU) [*for Minutes 117-125*]; Mr Nick McGhee (Acting Secretary to Council); Professor David Price (Vice-Provost (Research)); Professor Anthony Smith (Vice-Provost (Education)); Professor Sir John Tooke (Vice-Provost (Health)) and Mr Martin Walsh (Commercial Director, Finance and Business Affairs) [*for Minute 146*].

Apologies for absence were received from Dame Nicola Brewer (Vice-Provost (International)), Ms Carol Lake, Ms Katharine Roseveare, Professor Nick Tyler and Baroness Warwick.

Key to abbreviations used in these Minutes:

DARO	Development and Alumni Relations Office
FC	Finance Committee
HEFCE	Higher Education Funding Council for England
IoE	Institute of Education
IoO	Institute of Ophthalmology
MEH	Moorfields Eye Hospital
OFSTED	Office for Standards in Education
REF	Research Excellence Framework
SLMS	School of Life and Medical Sciences
UCLU	UCL (Students') Union

Preliminary Formal Business

117 DECLARATION OF INTERESTS

Noted

- 117.1 Any member of Council who had (or who knew of a family member who had) a material, personal, financial or other beneficial interest in any item on the Agenda was requested to declare that interest at the beginning of the meeting in order that such declaration could be recorded in these minutes. No such interests were declared.

118 QUEEN'S BIRTHDAY HONOURS 2014

Noted

- 118.1 APPENDIX C 6/90 (13-14) – a paper detailing members of the UCL community recognised in the Queen's Birthday Honours list 2014.

Reported

- 118.2 On behalf of Council the Chair congratulated all those concerned.

119 MINUTES

Approved

- 119.1 The Minutes of the Council meeting held on 20 May 2014 [*Council Minutes 98-116, 2013-14*] were confirmed by Council and signed by the Chair.

120 FINANCE COMMITTEE MINUTES

Noted

- 120.1 The draft Minutes of the Finance Committee meeting held on 10 June 2014.

121 MATTERS ARISING FROM THE MINUTES

[See Minutes 122, 125 and 140 below]

Matters for discussion

122 **PROVOST'S BUSINESS**

Received

122.1 An oral report from Professor Michael Arthur, President and Provost.

122A **Dean of Faculty of the Built Environment**

Reported

122A.1 Professor Alan Penn had been reappointed Dean of the Faculty of the Built Environment with effect from 1 September 2014 for a period of five years.

122B **UCL Academy**

Reported

122B.1 A report on the governance arrangements for the UCL Academy was at APPENDIX C 6/109 (13-14) [see Minute 140 below]. A report to the Sponsor from the UCL Academy had been circulated to Council in advance of the meeting. It was expected that OFSTED would return for a monitoring visit in approximately eight weeks.

Discussion

122B.2 The Academy had a unique and innovative ethos and enjoyed strong feedback from parents. It had nevertheless faced a number of significant challenges over the past year, including the delayed completion of the building, the doubling of the student cohort, and a range of challenges associated with establishing systems from scratch. A new school improvement partner had recently been appointed and coaching support put in place for the Head Teacher; expert colleagues at the Institute of Education were also being consulted. Council attached great importance to the early and rigorous implementation of the Academy's improvement plan under the strict supervision of the governing body.

122C **Institute of Education**

Reported

122C.1 Negotiations relating to the proposed merger of UCL and the Institute of Education were on course for a final proposal to be submitted to the IoE and UCL Council meetings on 8 and 20 October 2014 respectively. Due diligence was ongoing but had not uncovered any major issues to date.

122D **HEFCE Catalyst Award**

Reported

- 122D.1 Notification had been received in recent days of a £7.5m award from the HEFCE Catalyst fund for the Biomedical Research Institute established by UCL and the London School of Hygiene and Tropical Medicine.

123 **FINANCIAL UPDATE**

Received

- 123.1 APPENDIX C 6/91 (13-14) – a report on the financial results for the year to 30 April 2014 and the forecast for 2013-14.
- 123.2 An oral report from Mr Phil Harding, Director of Finance and Business Affairs.

Reported

- 123.3 The full year forecast position had improved since the Q2 forecast, principally as a result of an increase in profit on disposals. The operating surplus at year end currently forecast a deficit position of £1.5m, reflecting an anticipated rise in expenditure in the last quarter. Early indications however were that this rise would not be as sharp as had been predicted, so there was reason to believe that the operating surplus would turn out slightly above budget.
- 123.4 Provision had been made for the reduction in HEFCE income for 2012-13 and 2013-14 discussed at the last meeting [*Council Minute 102.3, 2013-14*], although an appeal against this decision had been submitted.
- 123.5 All three Schools were showing an improved performance over Q2, though SLMS was still falling short of its target contribution. The positive variance of £1m in Professional Services was primarily due to overachievement in residences income over the summer period.
- 123.6 Mr Harding drew attention to a need to improve the commentary on the reasons behind any significant variances, notably the pattern of research income.

124 **2014-15 BUDGET**

Received

- 124.1 APPENDIX C 6/92 (13-14) – the budget for the year to 31 July 2015.
- 124.2 Oral reports from Mr Phil Harding, Director of Finance and Business Affairs, and Mr Simon Melliss, Treasurer.

Reported

- 124.3 The budget was for an increase in the surplus from £11.2m to £27.5m (2.5%), net of property disposals. This was consistent with the trajectory of improved financial performance agreed by Council with a view to achieving a 5.5% surplus by 2017-18.
- 124.4 In setting the budget it had been necessary to agree with Deans a reduction in the pace of growth in staff costs. The budget did not assume any uplift in QR as a result of the REF. The latest information on student recruitment was encouraging, with the number of postgraduate acceptances significantly up on the same point in the previous year. The budget incorporated a significant rise in capital expenditure (to £144m), which included the final payment on Bidborough House.
- 124.5 The budgeted 6% rise in Professional Services costs reflected investment in several major strategic initiatives including IT systems, ongoing centralisation of admissions, expansion of the DARO team, high ongoing levels of estates costs and an increase in student bursaries. Finance Committee had requested additional detail on the rationale behind the budgeted increases in Professional Services and corporate finances expenditure.
- 124.6 The Treasurer reported that Finance Committee had approved the budget whilst registering a degree of dissatisfaction with a perceived lack of ambition in the target surplus. FC has also asked that an element of quantification of risk be incorporated into future budget papers.

Discussion

- 124.7 Council discussed the manner in which the need to slow the growth in staff costs had been communicated to the UCL community, as well as the impact of any cuts to funding of research activity already budgeted for. The Provost noted that the 28% growth in staff numbers over the past three years had significantly outstripped the 16% growth in student numbers. This had been driven by the REF cycle, and was unsustainable; UCL had reached the capacity of its infrastructure and it was vital that staff appreciated the full economic cost of every new appointment. Deans had been asked to delay by six months any new posts not directly associated with increased income. Appointment to posts funded by external grants continued as normal, as did replacement appointments. No other instruction had been issued in relation to expenditure.
- 124.8 Council discussed the role of governance oversight in reaching the current position. It was noted that the sector had experienced a period of extraordinary change. The Chair noted also the improvement in and increased candour of management information now available to Council.
- 124.9 Council discussed the level of risk inherent in the projected research income. The recent transfer of three MRC units to UCL was expected to provide an opportunity to leverage additional research income. New

grant awards were up, and the opportunities provided by the government's commitment to invest in the development of quantum technologies were noted.

- 124.10 Council discussed the programme approval process and the importance of ensuring that different faculties did not introduce new Masters programmes likely to be in direct competition for students.
- 124.11 The budget did not make reference to the April 2014 USS pensions valuation as it was not thought likely that any increase in contribution rates would be introduced before September 2015. A 2% increase in contribution rates had been incorporated into financial projections from that date.
- 124.12 It was suggested that a public statement of the proportion of the expenditure under the Estates and Funding Strategy falling to the Stratford development and the Bloomsbury campus would be useful for staff.

RESOLVED – on recommendation of Finance Committee

- 124.13 **That the proposed budget for the year to 31 July be approved.**

125 UCL 2034 STRATEGY

Received

- 125.1 APPENDIX C 6/94 (13-14) – the final draft of *UCL 2034: a 20 year Strategy*.
- 125.2 An oral report from the Provost.

Reported

- 125.3 A four-month consultation with the UCL community had recently concluded. Once agreed by Council, the Strategy would become a dynamic document communicated principally through the website, rather than an unchanging, published text.

Discussion

- 125.4 In approving the final draft, Council members suggested that the description of UCL's history and ethos be expanded slightly, and that minor amendments be made to the visual presentation.

RESOLVED

- 125.5 **That the final draft of *UCL 2034: a 20 year strategy*, together with the next steps of the implementation process, be approved.**

126 **UCLU REPORT**

Received

- 126.1 Oral reports from Mohammed Zayyan Butt, Ethics, Environment and Operations Officer, and Keir Gallagher, Education and Campaigns Officer, UCLU.

Reported

- 126.2 Notable UCLU initiatives in 2013-14 had included: campaigns relating to international students' fees and the payment of Postgraduate Teaching Assistants; the development of a London NUS structure to provide a pan-London voice for students; working with the Registry on the development of a UCL Fitness to Study policy and the capturing of data in relation to students with responsibilities as carers; and the development of an Estates and Funding Strategy and an HR action plan for UCLU staff. Other notable achievements included the reintroduction of the Varsity Forum, the creation of a sustainability framework for internal services, and the inaugural UCLU Education Conference.

Discussion

- 126.3 Despite a rise in voter turnout from 16% to 20% in 2013-14, student participation rates in elections were still below the Russell Group average. Improving the position would be difficult in view of the high numbers of postgraduate and international students, who were traditionally the categories most commonly disengaged from their students' union. It was understood that many students were unclear about the purpose of the autumn elections and the nature of the positions elected at that time of year.
- 126.4 Professor David Price recorded the thanks of the staff and students of the UCL Academy for the help of the UCLU in providing volunteers and mentors. The Chair thanked Mr Butt and Mr Gallagher for initiating the new reporting system, which would be carried over for the future.

Matters for approval or information

127 **ACADEMIC UNITS – RENAMING OF DEPARTMENT**

Received

- 127.1 APPENDIX C 6/95 (13-14) – a proposal to rename the Department of Medical Physics and Bioengineering with effect from 1 August 2014.

RESOLVED – *on the recommendation of Academic Board*

- 127.2 **That the proposal to rename the Department of Medical Physics and Bioengineering as the Department of Medical Physics and Biomedical Engineering, with effect from 1 August 2014, be approved.**

128 **ACADEMIC COMMITTEE / EDUCATION COMMITTEE REPORT ON NEW PROGRAMMES OF STUDY**

Noted

- 128.1 APPENDIX C 6/96 (13-14) – the annual report of programmes withdrawn and approved, in accordance with Academic Committee's schedule of delegated powers.

129 **UCLU DRAFT BUDGET 2014-15**

Received

- 129.1 APPENDIX C 6/97 (13-14) – the Students' Union draft budget for 2014-15.

Discussion

- 129.2 The Chair noted that UCL and UCLU were in discussion about the Union's governance arrangements, and that the matter would be coming back to Council in due course.

RESOLVED

- 129.3 **That the UCLU draft budget for 2014-15 be approved.**

130 **RISK MANAGEMENT UPDATE**

Noted

- 130.1 APPENDIX C 6/98 (13-14) – an update on UCL's Strategic Risk Register for 2013-14, and the associated Risk Improvement Updates.

Reported

- 130.2 The Director of UCL Estates would be invited to an autumn meeting of the Council to discuss the risk presented by HS2.

131 ESTATES AND FUNDING STRATEGY

Received

- 131.1 APPENDIX C 6/99 (13-14) – a review of funding options in respect of UCL's Estates and Funding Strategy, prepared by external advisers KPMG in consultation with UCL officers.

RESOLVED – on recommendation of Finance Committee

- 131.2 **That the proposal for UCL officers to progress plans for securing borrowing of circa £300 million as projected in financial modelling undertaken to date be approved.**

132 FINANCIAL REGULATIONS – AMENDMENTS

Received

- 132.1 APPENDIX C 6/100 (13-14) – the revised UCL Finance Regulations.

RESOLVED – on recommendation of Finance Committee

- 132.2 **That the revised Financial Regulations and the process for approving changes in the future be approved.**

133 HEFCE FINANCIAL FORECASTS

Received

- 133.1 APPENDIX C 6/101 (13-14) – the annual accountability returns to be submitted to HEFCE, including financial forecasts for 2014-15 to 2016-17 and an update of the 2013-14 position submitted in December 2014.

RESOLVED

- 133.2 **That the annual accountability returns to be submitted to HEFCE be approved.**

134 CENTRAL CAMPUS CONSTRUCTION LOGISTICS

Received

- 134.1 APPENDIX C 6/103 (13-14) – a business case to procure a logistics partner to manage construction logistics and minimise the impact

works on the University's operations and student and staff experience during the Central Campus Capital Programme.

RESOLVED – on recommendation of Finance Committee

- 134.2 **That the proposal to procure a logistics partner to manage construction logistics be approved.**

135 **CHARLES BELL HOUSE / MAPLE STREET**

Received

- 135.1 APPENDIX C 6/104 (13-14) – requests for additional funds of £3.3m to be added to the existing costs of £13.7m for the refurbishment of the Charles Bell House, and to enter into a lease for 4-8 Maple Street and to approve fit out estate costs of £2.25m in order to relocate the Division of Psychiatry from Charles Bell House.

RESOLVED – on recommendation of Finance Committee

- 135.2 **That the proposals for additional funds for refurbishing Charles Bell House and leasing 4-8 Maple Street be approved.**

136 **GAS AND ELECTRICITY**

Received

- 136.1 APPENDIX C 6/105 (13-14) – a proposal that UCL extend its current contract with The Energy Consortium.

RESOLVED – on the recommendation of Finance Committee

- 136.2 **That the proposal for UCL to extend its existing energy purchasing arrangement for two years be approved.**

137 **INSTITUTE OF OPHTHALMOLOGY**

Received

- 137.1 APPENDIX C 6/106 (13-14) – proposals in relation to the relocation of the Institute of Ophthalmology (IoO) with its key partner Moorfields Eye Hospital (MEH), from the existing site at Bath Street / City Road.

RESOLVED – on the recommendation of Finance Committee

- 137.2 **That the proposal to progress to the next stage of planning to relocate IoO and MEH to a single site at an estimated cost to UCL of £25m, and further professional fees of up to £10m to reach the construction tender stage, be approved.**

138 **ETHICAL INVESTMENT REVIEW COMMITTEE – ANNUAL REPORT**

Received

- 138.1 APPENDIX C 6/107 (13-14) – the annual report for the Ethical Investment Review Committee for session 2013-14.

RESOLVED

- 138.2 **That the annual report for the Ethical Investment Review Committee be approved.**

139 **DEAN OF STUDENTS (ACADEMIC)**

Received

- 139.1 APPENDIX C 6/108 (13-14) – a proposal to appoint a Dean of Students (Academic) in succession to Professor Mike Ewing.

RESOLVED – *on the recommendation of Academic Board*

- 139.2 **That Professor Anthony Smith be appointed Dean of Students (Academic) for a term extending from 1 October 2014 to 30 September 2017 inclusive.**

140 **UCL ACADEMY**

Noted

- 140.1 APPENDIX C 6/109 (13-14) – a brief outline of the governance structures of the UCL Academy, as requested by Council at its meeting on 20 May 2014 [*Council Minute 116, 2014-15*].

141 **REVISED DISCIPLINARY CODE**

Noted

- 141.1 APPENDIX C 6/110 (13-14) – an interim report on the review of the Disciplinary Code and Procedure.

142 **NOMINATIONS COMMITTEE SELF-REVIEW**

Noted

- 142.1 APPENDIX C 6/111 (13-14) – details of the outcome of the self-review of Nominations Committee carried out in response to the recommendations of the 2009 HEFCE Assurance Review.

143 MEMBERSHIP OF COUNCIL 2014-15

Noted

- 143.1 APPENDIX C 6/112 (13-14) – details of changes in Council membership for the academic year 2014-15.

Reported

- 143.2 This was the last Council meeting for Ms Philippa Foster Back, Ms Katharine Roseveare and Professor Chris Thompson; Professor Maria Wyke and Dr Stephanie Schorge; and the student members Mr Keir Gallagher and Mr Zayyan Butt. The Chair thanked the departing members for their time, experience and advice as members of Council.
- 143.3 The Provost thanked Sir Stephen Wall for his commitment as a lay member of Council since 2005, and as Chair since 2008.

144 DATES OF COUNCIL MEETINGS 2014-15

Noted

- 144.1 APPENDIX C 6/113 (13-14) – the Council meeting schedule for the academic year 2014-15

145 CHAIR'S ACTION ON BEHALF OF COUNCIL

Noted

- 145.1 APPENDIX C 6/114 (13-14) – details of action taken by the Chair on behalf of Council since the previous update.

Nick McGhee
Acting Secretary to Council
July 2014