



COUNCIL

Tuesday 8th July 2019

MINUTES

PRESENT:

Dame DeAnne Julius (*Chair*)

Professor Michael Arthur (<i>President and Provost</i>)	Mr Mintoo Bhandari
Professor Lucie Clapp	Professor Annette Dolphin
Dr Martin Fry	Dr Andrew Gould
Professor Patrick Haggard	Ms Lindsay Nicholson
Mr Turlogh O'Brien	Professor Hynek Pikhart
Lord Sharkey	Mr Philip Sturrock
Mr Justin Turner QC	Baroness Valentine (<i>Vice-Chair</i>)
Ms Sarah Whitney	Professor Andrew Wills

In attendance: Ms Wendy Appleby (Secretary to Council); Ms Anne Marie O'Mullane (Assistant Secretary to Council); *For Minutes 127-143:* Dame Nicola Brewer (Vice-Provost (International)); Dr Celia Caulcott (Vice-Provost (Enterprise & London)); Mr Philip Harding (Director of Finance & Business Affairs); Ms Fiona Ryland (Chief Operating Officer); Professor Anthony Smith (Vice-Provost (Education & Student Affairs)); Professor David Price (Vice-Provost (Research)) (*For Minutes 127 -130*); Mr Victor Chu (incoming Chair of Council) (*For minutes 131 – 137 and 141-43*); Ms Ashley Slanina-Davies, Education Officer 2019-20; Mr John Dubber, Chief Executive, SU UCL (*For minute 130*); Ms Francesca Fryer (*For minute 131 - 132*); Mr Tom Rowson (*For minute 139*).

Apologies for absence were received from: Mr Dominic Blakemore, Ms Lori Houlihan and Professor David Lomas.

Key to abbreviations used in these Minutes:

BUCS	British Universities and Colleges Sport
CUBO	College & University Business Officers
ESA	Education & Student Affairs
EY	Ernst & Young
JEP2	Phase Two of the USS Joint Expert Panel
IoE	Institute of Education
NSS	National Student Survey
NTU	National Taiwan University
PGT	Postgraduate Taught
PGR	Postgraduate Research
PS	Professional Services
PwC	PricewaterhouseCoopers
QS	Quadrelli Symonds

SMT	SMT
SU UCL	Students' Union UCL
THE	Times Higher Education
TOPS	Transforming Our Professional Services
UG	Undergraduate
USS	Universities Superannuation Scheme
UCU	University and College Union
UUK	Universities UK
VP	Vice-Provost

124. DECLARATION OF INTERESTS

124.1 No interests were declared.

125. MINUTES OF THE PREVIOUS MEETING

125.1 **Approved:** The minutes of the meeting held on 4th June 2019 [*Council Minutes 108 – 123, 2018-19*].

126. MATTERS ARISING

126A Regulations for Management

[*Minute 117, 2018-19*]

126A.1 The Chair explained that the updates to the Regulations for Management and Terms for Reference for Council committees was postponed until the Autumn to allow sufficient time for discussion of the proposed changes.

Matters for Discussion

127. PROVOST'S BUSINESS

127A Graduations

127A.1 There had been approximately 4,590 UG, 11,170 PGT and 1,210 PGR degrees awarded in the recent graduation ceremonies.

127B UCL East Breaking Ground

127B.1 The Mayor of London, Sadiq Khan, attended the UCL East Breaking Ground ceremony on the 2 July 2019 which was a major milestone in making the vision for UCL East a reality. This also marked the start of construction on East Bank.

127C Rankings Update

127C.1 UCL had risen two places to rank eighth in the 2020 QS World University Rankings. UCL had risen two places to rank sixth in the NTU Ranking, performance ranking of scientific papers for World Universities. UCL had ranked fourth in the THE best universities in Europe for teaching but had dropped 11 places in the Guardian League Table. Professor Anthony Smith, VP (ESA) had written to Council members about the Guardian league table. Overall, UCL's differing positions in the various league table rankings came down to the methodology utilised.

127D Prizes and Awards

127D.1 Library Services had been accredited with "Customer Services Excellence" accreditation and was the first service at UCL to be given this accreditation.

127D.2 The Student Accommodation Team had been awarded two CUBO awards, the first award was "Best Marketing Campaign" for creating a single brand focused on the student experience which helped build a sense of community across 21 disparate halls. The second award was "Innovation in Student Experience" for the development of housingadvice.london which was developed by UCL students working with the Accommodation team. It offered advice and professional guidance to first-year students leaving halls for private sector accommodation.

127D.3 Professor Sir Michael Pepper had been awarded the Isaac Newton Medal and Prize by the Institute of Physics for discovering new effects that were important to our understanding of basic physics and for the development of new technologies.

127D.4 The Institute of Physics had awarded Professor David Hawkes the Peter Mansfield Medal for his research into addressing major unsolved clinical problems and translating new imaging technologies into the clinic.

127D.5 Nadine Smit, Professor Ruth Morgan and Professor Dave Lagnado had been awarded the PW Allen Prize from the UK Chartered Society of Forensic Sciences for their paper that addressed the misinterpretation of forensic science evidence 'A systematic analysis of misleading evidence in unsafe rulings in England and Wales'.

127D.6 Professor Thanh Nguyen had been awarded the Rosalind Franklin Award and Lecture 2019 by the Royal Society for her achievements in the field of nanomaterials and her impactful project proposal.

127D.7 Council extended its congratulations to those who had received awards.

127E Potential Industrial Action

127E.1 UCU was planning to undertake two disaggregated ballots for strike action in September, one over USS pension costs and UCL's notification that it would not limit members' contributions to 8% and the other related to pay; UCU had rejected the 1.8% pay increase offer.

127F NSS Results

127F.1 UCL's overall results were encouraging, with overall student satisfaction rising to 82%, compared to 80% in 2018. There were also rises in student satisfaction with Assessment & Feedback, Teaching and Student Voice at UCL. Across the 52 subject areas, there were increases in satisfaction in 42 areas and a decrease in 9 subject areas. Earth Sciences had 100% overall satisfaction, Greek & Latin 95% overall satisfaction and Cell and Development Biology 94% overall satisfaction. A full update on NSS would be provided by Professor Anthony Smith, VP (ESA) in the autumn.

128. USS – FURTHER CONSULTATION ON 2018 VALUATION

[Paper 7-111, 2018-19]

128.1 **Considered:** An update on a further consultation on the 2018 valuation based on information UUK received from USS on those conditions attached to option 3. UCL had offered qualified support to option 3 at its meeting on the 4th June 2019 (*Minute 112, 2018-19*). Mr Phil Harding, Director of Finance and Business Affairs, provided an analysis of the implications of those conditions. USS wished to pursue a change in the scheme rules to give the Trustee a power of consent over any employer wishing to withdraw. UUK had raised concerns about the short timescale for implementation of a fully considered rule change and proposed an interim moratorium on withdrawal from the scheme for the duration of the 2020 valuation. This has been favourably received by USS. USS wished to monitor employer debt levels which was considered uncontroversial by employers. USS wished to ensure that employers did not grant security to a third party lender that ranked above USS and requested that they be granted pari passu security on any new debt secured. This measure was likely to be contentious and PwC, the covenant advisers, were arranging a webinar for employers. UCL did not have secured debt; across the sector, 10% of the debt was secured.

128.2 During discussion the following points were made:

- It would be important to press PwC on the reasonableness of the pari passu security measure
- Could the measures be reduced or removed should the covenant strength rating improve?
- What assets would be covered by the pari passu security measure? There would be major concerns if project funds or other types of debt secured on cash flows were covered by the pari passu security measure.
- It would be important to check with EY whether the pari passu security measure would impact UCL's debt raising activity.

- Concerns were raised of giving USS pari passu security on an indefinite basis. There was preference that the pari passu security measure only be triggered if particular circumstances arose or that it be time-limited, for example, until the next valuation.
- The default position, should JEP2 not result in a favourable outcome, was that the Trustees would revert to rule 76 cost-sharing process.

RESOLVED:

- 128.3 **That a sub-group of the Council, comprising of Sarah Whitney, Professor Andrew Wills, Lord Sharkey and Mintoo Bhandari would finalise the text for response to the consultation. Chair's Action would be taken to approve the final decision.**

129. **FORECAST 2 FOR 2018-19**

[Paper 7-97, 2018-19]

- 129.1 **Received:** The second forecast for 2018-19, which was a summary of the full pack considered by Finance Committee. Mr Phil Harding, Director of Finance and Business Affairs, advised that the total forecast surplus for 2018-19, excluding TOPS and exceptional USS pension charges, was £74.2m against a budget of £74.0m. TOPS expenditure, at £6.5m, represented an additional £9.9m underspend against budget due to a more gradual rate of build-up within the programme than anticipated. The exceptional USS pension charge amounted to £212.5m, and reflected an increase in the value of UCL's obligation to fund past deficits following a revision to the scheme recovery plan in January this year (an increase in the proportion of employer contributions earmarked to fund the past deficit from 2.1% to 5.0%). The increase in academic contribution was largely driven by tuition fee growth and lower staff costs whilst the £8.1m overspend in PS/VP was predominantly attributable to increased running cost across an expanding UCL estate. The capital forecast for 2018-19 stood at £235.5m against a budget of £228.4m due to the re-profiling of projects carried out within the year.
- 129.2 Council congratulated the faculties for meeting their faculty contribution targets and discussed the costs of running the estate and the purposes of lease acquisitions.

130. **STUDENTS' UNION UCL ANNUAL REPORT AND BUDGET**

[Ms Ashley Slanina-Davies, Education Officer 2019-20 and Mr John Dubber, Chief Executive, SU UCL]

[Paper 7-99, 2018-19]

- 130.1 **Received:** The Students' Union Impact Report 2018-19 and the SU UCL budget. Key changes included the refurbishment of the ground floor of 25 Gordon Street with the opening a new pizza restaurant, improving the shop and relocating the reception area. There was a review of how democratic structures operated and it had been made easier for students to interact and shape their Union. There were 55 different sports clubs, up from 42 last year,

and 58 new societies that started this year. There were approximately 15,000 individual members of clubs and societies, an increase of 2.3% since last year. Three teams were promoted to BUCS Premiership (Women's Hockey 1st, Women's Lacrosse 1st and Men's Tennis 1st). The SU UCL had advised that a number of changes were required to numbers contained in the Impact Report and that the document would be updated for the formal record.

- 130.2 The consolidated budget 2019-20 predicted a small surplus of circa £3.5k and was based on the assumption of an annual grant of £2.713m, an increase by 3% on 2018-19 grant income. Staff expenditure accounted for 50% of the total revenue budget of £8.3m and there had been an overall 6% increase in the salary budget when compared with 2018-19. This was primarily due to increased pension contributions to the two defined pension schemes. A number of measures had been taken to manage this expenditure increase.
- 130.3 Council members welcomed the Impact Report which displayed the broad range of activities undertaken by the SU UCL. Council members discussed the priorities of incoming sabbatical officers for next year and whether the contributions from commercial outlets had been set at an overly ambitious level.

RESOLVED:

- 130.4 **To approve, on the recommendation of Finance Committee, the SU UCL budget for 2019-20.**

131. ESTATES STRATEGY – UPDATE

[Ms Francesca Fryer, Director of Estates]

[Paper 7-103, 2018-19]

- 131.1 **Received:** An update on progress on the development of the UCL Estates Strategy, the financial envelope within which proposals were being developed, and the next steps for completion of the strategy, leading to a report to Finance Committee and Council in November 2019. Ms Francesca Fryer, Director of Estates, outlined the key pillars that underpinned the strategy; the long term view for the estate which represented the ideal scenario, had a capital cost of £4.4 billion. This obviously exceeded the available budget. The financial constraints meant that tough choices would need to be made about priorities. A set of scenarios was being developed, with associated costs and benefits, to inform a discussion by the SMT of the trade-offs that would need to be made to derive an affordable ten-year estates strategy. An away day for Council members was planned for September 2019.

Matters for approval or information
--

132. IOE MASTERPLAN – FUTURE PHASES

[Paper 7-105, 2018-19]

132.1 **Approved:** On the recommendation of Finance Committee:

- The allocation of the residual balance of £55m in the Capital Plan to deliver Phase 2 and the award of a building contract between £37-£38m plus VAT after a tender process.

132.2 **Noted:**

- That £3m had been deferred and would only become available once the Finance Strategy and associated extension of the Capital Programme were in place.
- The forecast uplift of £500k in revenue cost to reflect additional maintenance, cleaning and security costs as a result of the increased footfall and use of the building facilities.

133. TRANS LIVES SYMPOSIUM

[Paper 7-107, 2018-19]

133.1 **Received:** A report on the Trans Studies, Trans Lives: Past, Present, and Future Symposium and note the tentative proposal of LGBTQ+ ally/awareness for Council members.

134. NOMINATIONS COMMITTEE ANNUAL REPORT

[Paper 7-108, 2018-19]

134.1 **Received:** The Nominations Committee Annual Report for 2018-19.

135. COUNCIL MEMBERSHIP AND DATES OF MEETINGS IN 2019-20

[Paper 7-110, 2018-19]

135.1 **Received:** the Council membership and dates of meetings in 2019 – 20.

135.2 It was noted that the membership required an update to reflect that Sarah Whitney was the Treasurer to UCL Council.

136. DATE OF NEXT MEETING

136.1 The next meeting of Council was scheduled for **Tuesday 15th October 2019** at 2.00pm in the Council Room.

Wendy Appleby
Secretary to Council
July 2019