



COUNCIL

Wednesday 10 April 2013

MINUTES

PRESENT:

Sir Stephen Wall (*Chair*)

Professor David Attwell

Dr Bob Barber

Mr Edwin Clifford-Coupe

Ms Natasha Gorodnitski

Mr Mark Knight

Mr Simon Melliss (*Treasurer*)

Ms Katharine Roseveare

Dr Stephanie Schorge

Professor Chris Thompson

Professor Maria Wyke

Mr Ven Balakrishnan

Lord Clement-Jones

Ms Philippa Foster Back

Professor Malcolm Grant

(President and Provost)

Ms Vivienne Parry (*Vice-Chair*)

Dr Gill Samuels

Dr Sarah Snyder

Baroness Warwick

In attendance: Professor Steve Caddick (Vice-Provost (Enterprise)) [for Minute 70]; Mr Phil Harding (Director of Finance and Business Affairs); Mr Adam Harman (UCL Project Director – Stratford) [for Minute 77]; Mr Richard Jackson (Head of Environmental Sustainability) [for Minute 71]; Mr Rex Knight (Vice-Provost (Operations)); Mr Geoff Lang (Director of Policy and Planning, Human Resources) [for Minute 69]; Mr Nick McGhee (Assistant Secretary to Council); Ms Kathleen Nicholls (Director of Information and Data Services, Registry and Academic Services) [for Minute 69]; Mr Tim Perry (Secretary to Council).

Apologies for absence were received from Professor Nick Tyler.

Key to abbreviations used in these Minutes:

BEAMS	[School of] Built Environment, Engineering, and Mathematical and Physical Sciences
CPD	continuing professional development
EPSRC	Engineering and Physical Sciences Research Council
FC	Finance Committee
FTE	full time equivalent
HE	Higher Education
HEBCI	Higher Education Business & Community Interaction Survey
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
ISD	Information Services Division
LETB	Local Education Training Board
MRC	Medical Research Council
OFFA	Office for Fair Access
PGT	postgraduate (taught)
SLMS	School of Life and Medical Sciences
UCLB	UCL Business Plc
UCLU	UCL (Students') Union
UKBA	UK Border Agency

Preliminary Formal Business

64 **DECLARATION OF INTERESTS**

Noted

64.1 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.

64.2 Ms Parry noted that she was a Council member of the Medical Research Council [see Minute 78 below].

65 **MINUTES**

Approved

65.1 The Minutes of the Council meeting held on 5 March 2013 [Council Minutes 46-63, 2012-13] were confirmed by Council and signed by the Chair.

66 **MATTERS ARISING FROM THE MINUTES**

[see Minutes 69, 77 and 78 below]

Matters for discussion

67 **FINANCIAL UPDATE**

Received

67.1 APPENDIX C 5/56 (12-13) – the Financial Update 2012-13 (March 2013).

67.2 An oral update from Phil Harding, Director of Finance and Business Affairs.

Reported

67.3 The format of the Financial Update was under review. The current Q2 update incorporated an enhanced level of detail in the commentary as well as a number of other changes, notably:

- analysis of Faculty contribution levels;
- information on balance sheet and reserves;
- staff FTE data;

- an additional level of detail on major capital projects and equipment expenditure.

- 67.4 The forecast surplus of £10.1m was unchanged from the Q1 forecast. The Update did not take account of the adjustment to the HEFCE teaching grant set out in APPENDIX C 5/57 (12-13) (see *Minute 68 below*). The original surplus target of £19m remained in force, despite the adverse variance resulting from the change of accounting treatment for the receipt of HEFCE capital funds to cover investment in the Francis Crick Institute.
- 67.5 The attention of Council members was also drawn to:
- a net shortfall against budget of £0.3m in respect of core academic activity;
 - an adverse variance of £2.4m in the School of Life and Medical Sciences (SLMS);
 - research grant income currently £6m above budget, although with a lower than projected overhead recovery rate;
 - tuition fee income £0.7m below budget, a significantly improved position from that reported in the Q1 update;
 - an adverse variance of £977k in Professional Services;
 - a rise in total debt levels, partly due to high levels of recent billing activity, but a halving of NHS debt over the past year.

Discussion

- 67.6 The Treasurer drew the attention of Council to a declining cash position, linked with the increasing level of activity on the Bloomsbury Masterplan. This highlighted the importance of taking a strategic view on the appropriate level of surplus. At the Finance Committee meeting on 26 March 2013 it had been agreed that it would be sensible for the committee to develop a more detailed understanding of Professional Services staffing levels. To that end the Vice-Provost (Operations) had undertaken to submit a report on the matter to a future meeting of the Finance Committee.
- 67.7 With respect to the balance sheet information in table 6, it was noted that there was typically a significant seasonal variation in the cash position; it was suggested therefore that it would be useful to make comparisons against the same point 12 months previously. It was confirmed that the stated cash position related to Sterling deposits only.
- 67.8 UCL did not impose a cap on research funding that came without overhead recovery; it was for Deans to take a view on the appropriate mix of research income in the context of their faculty's contribution targets.
- 67.9 Members queried the nature of any risk arising out of the triennial review of Research Council funding, particularly in the case of the School of the Built Environment, Engineering, and Mathematical and Physical Sciences (BEAMS), 85% of whose research income was derived from this source. It was suggested, however, that the Comprehensive Spending Review represented a more real risk.

67.10 After a period of rapid growth, home taught postgraduate (PGT) numbers were now declining across the sector. The withdrawal of the HEFCE block grant meant that some institutions had been obliged to increase PGT fees. There was particular concern over the appetite for PGT study on the part of those who had completed undergraduate studies under the new fees regime. Council noted also the financial challenge implicit in any relative shift towards postgraduate research numbers.

68 HEFCE GRANT ANNOUNCEMENT

Received

68.1 APPENDIX C 5/57 (12-13) – details of UCL’s Adjusted Recurrent Grant for 2012-13 and the Initial Recurrent Grant for 2013-14.

68.2 An oral report from Phil Harding, Director of Finance and Business Affairs.

Reported

68.3 The adjusted HEFCE grant for 2012-13 was £1.2m less than the initial grant announced in March 2012, due to an under-recruitment against estimated numbers. Further adjustments would be made in due course but were not expected to be significant. The initial recurrent grant for 2013-14 was £5.6m less than in the current year. This was £4.1m higher than the forecast prepared in June 2012, however, although it was of course dependent on UCL’s achieving the recruitment targets. The introduction of a new price group in the HEFCE classification would result in a modest rise in the number of current students attracting teaching funding. UCL’s allocation of HEFCE research funding for 2013-14 was up 0.8% on 2012-13. Although this was a cut in real terms, it represented a strong performance in the context of a cash standstill position for the sector as a whole.

Discussion

68.4 Work was ongoing to develop ways of interacting with applicants to improve conversion rates for 2013-14. New scholarships for undergraduate students were also being introduced. The national picture was of a decline in home and international applicant numbers; UCL’s home application numbers were down slightly on 2012, but international applications had increased.

68.5 Council was advised of demographic trends in the UK that indicated a significant decline in the size of the annual 18-year old cohort towards 2019, rising sharply again over the following decade. The experience of the 1980s suggested that there was not a simple correlation between demographic fluctuations and student numbers although it was recognised that HE participation rates had increased substantially in the intervening decades.

69 **UK BORDER AGENCY – UCL’S COMPLIANCE ARRANGEMENTS**

[Council Minute 41, 2012-13]

Received

- 69.1 APPENDIX C 5/59 (12-13) – details of UCL’s policies and procedures in respect of UCL’s compliance with UKBA requirements in relation to students and migrant workers.
- 69.2 Oral reports by Geoff Lang (Director of Policy and Planning, Human Resources) and Kathleen Nicholls (Director of Information and Data Services, Registry and Academic Services).

Reported

- 69.3 An internal mock audit in respect of UCL’s arrangements for Tier 4 students was planned for 24 April 2013, and a new UKBA Compliance Officer post had been created. UCL’s Tier 4 licence had recently been renewed and Highly Trusted Sponsor status reconfirmed. It was noted that the Home Office had announced on 9 April 2013 that it was granting London Metropolitan University a new licence to sponsor international students.
- 69.4 UCL had been awarded all certificates of sponsorship applied for under Tier 2 (skilled workers). The principal risk related to the monitoring of migrant workers’ whereabouts. Procedures were in place for monitoring this across the institution although the method of recording the data varied between departments.

Discussion

- 69.5 Council discussed the widespread reluctance of academic staff to record their whereabouts in electronic diaries and the difference in working culture between eg laboratory-based and arts and humanities disciplines. Regardless of the issue of visas there was an expectation that an employer should be able to contact its employees in reasonable time, for example in the event of an urgent need to contact a next of kin.
- 69.6 Council emphasised the need for effective arrangements in this area and expressed its support for the efforts of the officers concerned to develop increasingly robust systems at UCL.

70 **VICE-PROVOST (ENTERPRISE) REPORT**

[Council Minute 62, 2011-12]

Received

- 70.1 APPENDIX C 5/60 (12-13) – an update on progress since the launch of the Enterprise Strategy with ‘UCL Advances: our First Five Years’ at Annexe 1 and the UCL Business Annual Report 2011/12 at Annexe 2.
- 70.2 An oral report from the Vice-Provost (Enterprise).

Reported

- 70.3 UCL aimed to become the destination of choice for academics seeking more active engagement in enterprise activities. Successful delivery of the Enterprise Strategy would significantly enhance UCL's ability to attract the brightest scholars and students. Professor Caddick drew attention to the vital role played by the Vice-Deans (Enterprise) in BEAMS and SLMS, and also to the recent BioMarin Pharmaceuticals licence, which if successful could develop into a very substantial income stream for UCLB.
- 70.4 It was possible that the true scale of UCL's industrial income was masked by the volume of Research Council income won in collaboration with industrial partners. It was noted that more than 50% of UCL's EPSRC grants, with a portfolio value of ca. £250m, had named partners in industry.
- 70.5 Although the reliability of the Higher Education Business and Community Interaction (HEBCI) survey data was uncertain, on the assumption that UCL might be capable of capturing 10% of the enterprise market in the HE sector it was not unreasonable to hope that income from enterprise-related activities could increase to somewhere between £200m and £300m over the next five years. A particular challenge in pursuing this goal would be to find a means of liberating sufficient academic time. The use of post-doctoral fellows could prove to be an important element in this effort.

Discussion

- 70.6 If UCL were to increase its ambitions for financial return from this kind of activity, it would be necessary to take a strategic view on the institution's appetite for investment. It was suggested that UCL should consider developing a consistent policy for providing the means for bridging the opportunity cost during the first three years of a new project. Professor Caddick stressed the importance of remaining mindful of the impact on academic time.
- 70.7 In the course of a discussion about future developments, the significant opportunity presented by the transfer of responsibility for provision of medical education at a regional level from the London Deanery to Local Education and Training Boards (LETBs) was highlighted. CPD also represented an area of significant opportunity; it was relatively low risk and provided an income stream that was available to be reinvested in academic activity.
- 70.8 In response to questions on the papers, Professor Caddick noted that the aim was for a return on investment of between 2:1 and 5:1, unless there was a good strategic reason to pursue a different figure; and that all of the internships under the Student Internship Programme were paid positions.
- 70.9 It was suggested that an update on the data provided to Finance Committee in January 2012 in relation to the scale of investment and

the estimated value of the UCLB portfolio could usefully be supplied to a future meeting of Finance Committee.

- 70.10 In conclusion Council expressed its strong support for Professor Caddick's work and its congratulations on achievements to date.

71 ENVIRONMENTAL SUSTAINABILITY STRATEGY

Received

- 71.1 APPENDIX C 5/61 (12-13) – a paper setting out the main elements of the UCL Environmental Sustainability Strategy.
- 71.2 An oral report by Richard Jackson, Head of Environmental Sustainability.

Reported

- 71.3 HEFCE had asked HEIs to set carbon targets and to develop carbon management plans, and there was an increasing level of interest in the issue of environmental sustainability from staff and students. The cost of energy and waste management was rising. A number of drivers for addressing UCL's environmental sustainability impacts had been identified. The Environmental Sustainability Strategy sought to put in place measures to reduce the institution's environmental impact through carbon and energy reduction measures, procurement procedures, and reduction in travel, whilst also identifying ways of enhancing environmental sustainability opportunities through education and research.

Discussion

- 71.4 Council noted that it had received a presentation three years ago [*Council Minute 20, 2009-10*] indicating that UCL at that time performed poorly in the People and Planet 'Green League'. Mr Jackson noted in response that the quality of UCL's data in respect of the carbon impact of buildings had improved very significantly since then, but the challenge was to use the data effectively. Council's attention was drawn to the input into the report by UCLU, as well as their recent success in receiving the NUS Green Impact 'Most Improved Student Union' award for 2012-13.
- 71.5 The Chair thanked Mr Jackson for his report and suggested that it would be useful to have him give an update to Council at the start of the academic year 2014-15.

RESOLVED

- 71.6 **That Council approve the Environmental Sustainability Strategy.**

72 **COUNCIL – ELECTION OF ACADEMIC STAFF MEMBERS**

Received

- 72.1 APPENDIX C 5/63 (12-13) – a note outlining proposed changes to the timetable for election of academic staff to Council.

RESOLVED

- 72.2 **That the proposed changes be approved in principle.**

73 **PROVOST'S BUSINESS**

Received

- 73.1 An oral report by the Provost.

73A **Department of Earth Sciences**

Reported

- 73A.1 The Provost reported with great sadness the death of Dr Katharine Giles, a Reader in the Department of Earth Sciences, in a road accident on 8 April 2013. This was the second tragic loss of a staff member of the Department in the space of four months, following the death of Professor Seymour Laxon following an accident on New Year's Day.

73B **Office for Fair Access**

[Council Minute 50.10, 2012-13]

Reported

- 73B.1 The Provost had met recently with the Director of OFFA and outlined the innovative character of the sponsorship of the UCL Academy as a model of early-stage engagement with school students, as opposed to the focus on university admissions that was a feature of OFFA's own approach. It was important that OFFA work with other universities to develop many more early-engagement strategies. The Director of OFFA had also attended the opening of the UCL Academy.

Matters for approval or information
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74 **GRADUATE SCHOOL ANNUAL REPORT**

[Council Minute 91, 2011-12]

Received

74.1 APPENDIX C 5/64 (12-13) – the Graduate School annual report 2011-12.

RESOLVED

74.2 **That Council approve the Graduate School annual report 2011-12.**

75 **CONFERMENT OF PROFESSORIAL TITLE**

Received

75.1 APPENDIX C 5/65 (12-13) – a proposal to confer a professorial title on the next Provost, in accordance with UCL Regulations for Professors and Readers.

RESOLVED

75.2 **That, in accordance with UCL's Regulations for Professors and Readers, the title of Professor of Medicine be conferred on Michael J P Arthur, DM, FRCP, FMedSci, FRSA with effect from the date of his appointment as President and Provost of UCL ie 1 September 2013.**

76 **DATE OF NEXT MEETING**

Noted

76.1 Wednesday 15 May 2013 at 4pm.

Tim Perry
Secretary to Council
April 2013