



## Council

Tuesday 15 October 2019, 2:30pm

### Minutes

#### **Present Members:**

Professor Michael Arthur; Mr Mintoo Bhandari; Mr Dominic Blakemore; Mr Victor Chu, Chair; Professor Lucie Clapp; Dr Alun Coker; Professor Annette Dolphin; Dr Andrew Gould; Ms Lindsay Nicholson MBE; Mr Turlogh O'Brien CBE; Ms Caroline Paige; Professor Hynek Pikhart; Professor Helen Roberts; Lord Sharkey; Ms Ashley Slanina-Davies; Baroness Jo Valentine; Ms Sarah Whitney.

#### **Attendees:**

For Minutes 4 – 9, 10 – 21: Dame Nicola Brewer, Vice-Provost (International)  
For Minutes 1 – 9, 10 – 12: Dr Celia Caulcott, Vice-Provost (Enterprise).  
For Minutes 1 – 9, 10 - 21: Mr Phil Harding, Director of Finance & Business Affairs  
For Minutes 4 – 9, 10 - 21: Ms Fiona Ryland, Chief Operations Officer  
For Minutes 4 – 8: Professor David Price, Vice-Provost (Research).  
For Minutes 4 – 9: Professor Anthony Smith, Vice-Provost (Education & Student Affairs).

#### **Apologies:**

Professor Patrick Haggard  
Mr Philip Sturrock MBE  
Mr Justin Turner QC  
Ms Lori Houlihan, in attendance  
Professor Lomas, in attendance

#### **Officers:**

Ms Wendy Appleby, Secretary to UCL Council, and Registrar and Head of Student and Registry Services  
Ms Anne Marie O'Mullane, Assistant Secretary to UCL Council

## **Part I: Preliminary Business**

### **1. New Members of Council**

- 1.1. The Chair welcomed Dr Alun Coker, Ms Carol Paige, Professor Helen Roberts and Ms Ashley Slanina-Davies to their first meeting of Council as Council members.

### **2. Declaration of Interests**

- 2.1. Mr Dominic Blakemore declared a new role as Non-Executive Director on the Board of the London Stock Exchange Group plc with effect from 1 January 2020. This was declared under Item 16, Register of Interests 2019/20.

### **3. Minutes (1-01)**

- 3.1. Council approved the minutes of the meeting held on 8 July 2019 [Minutes 124 – 143, 2018-19] subject to an amendment to Minute 137.1, to add the following to the end of the final sentence of the paragraph: “and the delivery of the academic mission”.
- 3.2. Council noted that the minutes of the meeting held on 4 June 2019 were amended to reflect that Mr Victor Chu did not attend the meeting and to include the correct date for the next meeting of UCL Council.

### **4. Matters Arising**

- 4.1. Arising from Minute 128.2, 2018-19, a question was asked about EY confirming whether the pari passu security measure would impact on UCL’s debt raising activity. The Director of Finance & Business Affairs (FBA) advised that Universities Superannuation Scheme (USS) had proposed to establish a working group on this matter, which had yet to be convened. An update would be provided to the next meeting of Council on this matter.
- 4.2. Exempt from publication, please see confidential minutes.

## **Part II: Strategic Items for Discussion**

### **5. Provost’s Business**

- 5.1. The Provost welcomed Mr Victor Chu to his first meeting as Chair of UCL Council and thanked the Chair for his activities in Japan which included

hosting breakfast and dinners on behalf of UCL.

5.2. The Provost reported the following items to Council:

**Enrolment**

- a. Overall, 21,651 new students, including affiliate students, were enrolled at the start of the new academic year.

**Admissions**

- b. This was the first year that UCL undertook contextual admissions which resulted in 200 students from widening participation (WP) backgrounds being admitted to UCL; more than ever had been recruited before through a WP scheme. UCL had recruited above target but there had not been significant over-recruitment. There had been over-recruitment of overseas students and under-recruitment of home and EU students at undergraduate and postgraduate taught levels. National achievement in examinations had impacted on the recruitment of home students.

**Library visits**

- c. There had been 4.2 million library visits last year; of which the Student Centre and the DMS Watson Library had the highest visits with 771,000 and 1 million respectively. Research had shown that library visits had not declined at other venues when the Student Centre had opened.

**Green League Performance**

- d. UCL was placed 18<sup>th</sup> out of 154 Higher Education Institutions in the People and Planet University “Green” League. This was UCL’s highest position to date; putting UCL 4<sup>th</sup> in the Russell Group.

**Brexit**

- e. The Brexit Mitigation Group had been working hard to address the current uncertainty. One of the biggest challenges was that of data, particularly in the event of “no deal” when the UK would become a “third country” in respect of GDPR and lose its “data adequacy status”. For data to continue to flow freely between the EU and the UK, the EU needed to issue an adequacy decision and this could take some time to be put in place. In the absence of “adequacy status”, UCL would need to change contracts with an estimated cost of £2million.

**Ministerial Changes**

- f. The Universities and Science Minister had changed a number of times in recent months, with Mr Chris Skidmore returning to the role. The effect of these changes has been a roll-out of the Knowledge Exchange Framework as well as the likely roll-out of subject-level Teaching Excellence Framework, possibly in a similar timeframe to the Research Excellence Framework (REF) 2021.

**USS 2018 valuation**

- g. The USS valuation 2018 had now concluded and the final contribution rates required of members and employers had been confirmed. From 1 October 2019 members would contribute 9.6% of pay and employers 21.1% until October 2021, followed by 11% and 23.7% respectively thereafter. The next valuation has been brought forward to 2020; allowing time for the Joint Expert Panel's recommendations from their second report to be considered and implemented. The Pensions Regulator had confirmed that it did not intend to take further action unless there was a deterioration in economic circumstances between valuations.

**Ballot on industrial action**

- h. UCU was undertaking a dual ballot on pensions and pay which was due to conclude at the end of October.

**Terms and conditions of outsourced staff**

- i. The Chief Operating Officer provided an update on correspondence from the Independent Workers' Union of Great Britain (IWGB) and interaction with the IWGB and UNISON on the terms and conditions of staff outsourced to suppliers such as Sodexo and Axis. UCL's Senior Management Team (SMT) had been engaging with UNISON, the recognised union, on terms and conditions of outsourced staff. Outsourced staff were effectively employed on two sets of terms and conditions depending on when they had been employed. There were potential planned protests on Thursday 17 October 2019 (UNISON) and Tuesday 29 October 2019 (IWGB).
- j. The SMT was of the opinion, following analysis, that providing parity in terms and conditions was the right approach and recommended that pay, holidays pension arrangements, annual leave, maternity and paternity leave and carer's leave be equalised for outsourced employees and those directly employed by UCL on a phased basis by August 2021. This would cost £7million. The levelling up of pay, holidays, pension arrangements and sickness pay would be prioritised with holidays being levelled up from the 1 December 2019. Insourcing was a different issue and it would take time to evaluate all the consequences of taking such a decision.
- k. The following points were made in discussion:
  - i. The status of IWGB was questioned and it was confirmed that IWGB had not reached the threshold membership level to be a recognised union also it was only possible to have one recognised union for a work area and this was UNISON.
  - ii. The reasoning for not pursuing insourcing at this time was queried. It was clarified that there were a number of logistical issues that would need to be explored. These included the establishment of a Human Resources Team and an Estates team for this group of staff, the

delivery of specific training required for Health & Safety, operational risks associated with food supply and allergies, and the capacity of filling vacancies as they arise as well as supporting career progression.

- iii. It was recommended that maternity pay also be prioritised due to risks of inequalities arising and this point was accepted.
  - iv. Opportunities should be taken to review service level agreements with a view to mitigating operation costs as part of covering the costs of £7million on an annual basis.
  - v. The journey to parity was taking place across the sector and it was positive to be engaging with UNISON constructively on this issue.
- l. Council endorsed the direction of travel being taken by the UCL Senior Management Team subject to looking for opportunities to mitigate the costs in the operation of the contracts.

## **6. Financial Update (1-02)**

- 6.1. The Director of Finance and Business Affairs introduced the paper setting out the draft year-end results for 2018/19. The key points arising from the presentation were that:
- a. The draft unconsolidated operating surplus for the 2018/19 financial year stood at £91million. This was an increase in of £17million against the 2018/19 Forecast 2 position.
  - b. Within this surplus there was:
    - i. An increase in total Faculty contribution of 7.7% on prior year and a £5million outperformance against Forecast 2. This was attributable largely to substantial fee income growth. All Faculties had exceeded their contribution target.
    - ii. An underspend in the Professional Services/Vice Provost Offices area was attributable to the deferral of funding to UCLB in 2019/20 and a reduced requirement for scholarships and bursaries due to the number of eligible students.
    - iii. A £9million positive variance in corporate activity was primarily due to unrealised gains on investments.
  - c. USS pension provision was expected to increase significantly this year as a result of changes to the members' deficit recovery plan following completion of the 2017 scheme valuation. There was also an expectation that members would see a substantial reduction in the deficit recovery plan following completion of the 2018 valuation and that, as a result, the 2019/20 financial statements would include a substantial credit.
- 6.2. The following points were raised in discussion:
- a. It was queried why there was a decline in expenditure on scholarships and bursaries. The Registrar and Head of Student and Registry Services advised that the budget line was a combination of spend in faculties and centrally through Student Funding.

- b. The deterioration of payment performance in the NHS was queried and it was confirmed that it was taking a longer period of time for bills to be paid. This was on the Director of Finance & Business Affairs' personal risk register.

6.3. Council noted the draft year-end results for 2018/19.

## **7. Improvements to Budget 19/20 and Projections to 2021/22 (1-03)**

7.1. The Director of Finance and Business Affairs introduced the paper which sought approval for a revised budget 2019/20 and financial projection to 2021/22 relative to the budget and financial projections that were given provisional approval by Council in July 2019.

7.2. The following key points were made in the presentation:

- a. The paper set out an improvement to surpluses of at least 4.6% in 2019/20, 5.2% in 20/21 and 5.3% in 2021/22. There remained a challenge to deliver an unassigned improvement target of £10.9million for 2019/20 and a number of mechanisms were set out in the paper for achieving this target including a proposed sensitively applied 6-month delay (against plan) to the recruitment of any new posts which could deliver £4.2million of unbudgeted savings in 2019/20.
- b. A range of updated information had been received since submitting the budget amounting to £7.5million; the most significant being the announcement of government research grant allocations. The sums would be allocated to faculties along with a corresponding adjustment to their contribution target, so adding to the surplus.

7.3. The following points were made in discussion:

- a. It was felt that there may be scope to increase postgraduate taught (PGT) fees in 2021/22 at a rate great than inflation. Benchmarking data on PGT fees was sought with UCL's US and Russell Group competitors. It was also asked to include a range of currencies in addition to dollars.
- b. There were risks of increasing numbers of students. Any increase would need to be well supported so there was no impact on the quality of the student experience.
- c. In response to a question about factoring tailwinds n and the confidence of meeting surplus targets in years 2021/22 and 2022/23, it was confirmed that there was confidence in the targets and there had not been an overreach when setting them.

7.4. Council:

- a. Noted the steps that had been taken to improve surpluses in the revised budget in 2019/20 and financial projections to 2021/22.
- b. Approved the revised budget for 2019/20 and financial projections to 2021/22.

**8. Socially Responsible Investment Policy (1-04)**

- 8.1. The Director of Finance and Business Affairs introduced the paper setting out recommendations of the Investments Committee to amend the Policy on Socially Responsible Investment in relation to fossil fuels and to publish annually the investment portfolio.
- 8.2. The following key points were made in introducing the paper:
- a. The investment fund managers had progressively sold out their positions in fossil fuel companies and had separately decided to sell out their remaining investments in fossil fuel companies by the end of 2019.
  - b. This change gave rise to an opportunity to consider a change to the SRI policy to divest fully from fossil fuels.
  - c. Separately the Fossil Fuel group had requested greater transparency on the portfolio of investments.
- 8.3. The following points were made in discussion:
- a. A student member made a statement in support of divesting from fossil fuels and publishing annually the investment portfolio citing the overwhelming support given by the student body to questions posed to them in relation to both issues. The constructive dialogue with students on this matter was welcomed by the Students' Union and Council.
  - b. There were several expressions of support in favour of divesting.
  - c. There were several expressions of support in favour of publishing the portfolio of investment but the granularity of the detail published would need to be considered further.
  - d. Care had to be taken about the fiduciary duties placed on Investment Committee members to maximise the returns on investments from donations. During discussion, it was recognised that the fiduciary duty could not be an unqualified duty as it would need to be exercised responsibly.
  - e. Council should also be mindful that research was undertaken by UCL which was funded by fossil fuel companies.
  - f. Queries were raised whether alcohol should also be divested from and following discussion it was agreed to keep the discussion focussed solely on divestment from fossil fuels.
- 8.4. Council:
- a. Noted the content of the Policy on Socially Responsible Investment Paper.
  - b. Approved amendments to the Policy on Socially Responsible Investment to divest from fossil fuels.
  - c. Approved a proposal to publish annually UCL's investment portfolio subject to Council receiving further information on the level of detail that would be included in a disclosure.

## 9. Principal Theme 2 and Enabler A Annual Report (Paper 1-05)

- 9.1. The Vice-Provost (Education and Student Affairs) introduced the Principal Theme 2 Annual Report, Integration of research and education, which also included a report on student satisfaction surveys. He commented that:
- a. UCL continued to attract well qualified students in substantial numbers and was one of a small number of institutions to not have entered clearing. Students were attaining good outcomes and more work was underway to make further progress.
  - b. This year was the first time UCL's performance improved in every area of the NSS; with student satisfaction up 2%. This bucked the trend of Russell Group Universities where there was no improvement.
  - c. The Student Centre had been an extraordinary success and demonstrated a tangible commitment to the student experience.
  - d. The challenge ahead would be to ensure that students felt a sense of genuine belonging to the community.
- 9.2. The Registrar and Head of Student and Registry Services, introduced the Enabler A, giving our students the best support, facilities and opportunities. The key points set out in the presentation were:
- a. The report contained a deep dive on the opening of the Student Centre.
  - b. As the Enabler had been in place for five years, the Registrar had undertaken a light touch review of it with leads for the objective areas. As a result, a refreshed Enabler Statement had been developed and some changes were also proposed the Objective Statements. Some comments had been received from the Student Union UCL, Democracy, Operations and Community Officer to tighten up the wording of the refreshed Enabler Statement, which would be implemented.
- 9.3. The following points were made in discussion:
- a. Council members welcomed the reports and congratulated all involved on the progress made.
  - b. There was a variability in performance in surveys between departments. It was queried what steps were being taken to mitigate this variability. Concern was particularly expressed about the performance of the Departments in the Faculty of Engineering.
  - c. Council members would like, in future, to receive information on student cohort numbers and response rates in order to understand whether the results were statistically significant to the overall result for the institution.
  - d. The commute to the ExCel Centre for examinations was very long for students.
- 9.4. The Vice-Provost (Education and Student Affairs) reassured Council that the variability in departments' performances for surveys was being taken seriously and accountability was an important element of ensuring improvement in performance. Each Dean had an objective related to this, which they were working on with their respective Heads of Department. Poor performance for

assessment & feedback was a multi-factoral and perennial issue. There was a new initiative to develop assessment norms and the academic model project had yielded data that was being used to understand whether over-assessment was taking place.

- 9.5. The Registrar and Head of Student and Registry Services advised that UCL previously used 30 different venues for 85,000 exam candidature sittings. Because of the volumes involved, the ExCel was the only venue that could accommodate examinations on the scale that UCL needed. Also, it had the benefit that UCL was now able to provide a consistent student experience and have the Student Support and Wellbeing Team on hand to support students where necessary.
- 9.6. Council:
  - a. Noted the Principal Theme 2 and Enabler A Report.
  - b. Approved changes to the Enabler Statement and Objectives subject to the amendments to tighten the wording recommended by a Council member.

**10. Update from the Joint Committee for the Selection of the Next President and Provost (1-06)**

- 10.1. Exempt from publication, please see confidential minutes.
- 10.2. Exempt from publication, please see confidential minutes.

**11. Changes to Committee Terms of Reference (1-07)**

- 11.1. The Secretary to Council introduced the paper, which set out the constitution and terms of reference of Council Committees and sub-committees, proposing amendments where requested. It was confirmed that the changes to the composition and terms of reference of Finance Committee had been discussed at Finance Committee on the 30 September 2019. Quorums had been included in the constitution for each Committee of Council.
- 11.2. The following points were made in discussion:
  - a. The Chair of Council had a right as set out in the Regulations for Management to attend any meeting of a Standing Committee of Council.
  - b. The title of the Student Union Education Officer should be reflected accurately in the Academic Committee Terms of Reference.
  - c. The quorums for Finance Committees in the corporate sector usually require a majority of independent, i.e. external, members. This should be something that is taken up by the next Council Effectiveness Review.
  - d. The student members would be raising the question of student participation in all Council committees through the effectiveness review.

11.3. Council:

- a. Received the terms of reference and constitutions of Council committees and sub-committees.
- b. Approved the proposed amendments to the Terms of Reference of Audit Committee, Finance Committee, Investments Committee, Nominations Committee and Remuneration and Human Resources Strategy Committee.
- c. Approved the proposed amendments to the constitutions of Academic Committee, Honorary Degrees and Fellowships Committee and Finance Committee.
- d. Approved the inclusion of quorums into the constitution for all the Committees of Council.

**12. Changes to the Regulations for Management (1-08)**

12.1. Exempt from publication, please see confidential minutes.

12.2. Exempt from publication, please see confidential minutes.

**Part III: Other Business for Approval or Information**

**13. Council: Terms of Reference, Constitution and Membership (1-09)**

13.1. Council received the terms of reference, constitution and membership for Council for 2019/20.

**14. Action Taken by the Chair since the last meeting (1-10)**

- 14.1. Council received a report on action taken by the Chair on behalf of Council since the last meeting. The decisions were as follows:
- a. To approve the re-submissions of the Access and Participation Plan (APP) 2020/21 and 2024/25 following queries from the Office for Students (OfS).
  - b. To approve UCL's response to the Universities UK (UUK) consultation on proposed measures to allow the covenant to be confirmed as "strong" and to conclude the valuation in line with option 3.
  - c. To approve UCL's response to the UUK consultation on the Schedule of Contributions and Recovery Plan for the 2018 actuarial valuation.

**15. Thomas Marns Fund Executive Summary and Draft Scheme (1-11)**

15.1. Exempt from publication, please see confidential minutes.

**16. Access and Participation Plan Re-submission (1-12)**

- 16.1. Council received the resubmitted APP to the OfS, approved by Chair's Action.
- 16.2. Council noted the subsequent decision of the OfS to approve the APP and the notification that UCL would be subject to enhanced monitoring.

**17. Register of Interests (1-13)**

- 17.1. Council noted the Register of Interests for members of Council and attendees at Council meetings between 1 October 2019 and 30 September 2020.

**18. UCL Seal Report 2018/19 (1-14)**

- 18.1. Council received the UCL Seal Report 2018/19.

**19. Student Suspensions and Exclusions 2018/19 (1-15)**

- 19.1. Council noted the number of students suspended and/or excluded from UCL in the academic year 2018/19.

**20. Annual Update on Progress against the CUC Code (1-16)**

- 20.1. Council noted the Annual Update on Progress against the Committee of University Chairs Higher Code of Governance.

**21. Date of the Next Meeting**

- 21.1. The next meeting of Council would take on Thursday 21 November 2019 at 2:30pm in the Council Room.

The meeting finished at 5:25pm.

Ms Wendy Appleby, Secretary to Council  
October 2019