



COUNCIL

Monday 20 October 2014

MINUTES

PRESENT:

Dame DeAnne Julius (*Chair*)

Professor Michael Arthur
(*President and Provost*)
Professor David Coen
Dr John Hurst
Mr Lukmaan Kolia
Dr Saladin Meckled-Garcia
Ms Lindsay Nicholson
Dr Gill Samuels

Professor David Attwell
Mr Ven Balakrishnan
Dr Martin Fry
Mr Omar Khan
Ms Nahid Majid
Mr Simon Melliss (*Treasurer*)
Ms Vivienne Parry

In attendance: Dame Nicola Brewer (Vice-Provost (International)); Professor Stephen Caddick (Vice-Provost (Enterprise and London)); Mr Andrew Grainger (Director of UCL Estates) [*for Minute 18*]; Mr Phil Harding (Director of Finance and Business Affairs); Mr Rex Knight (Vice-Provost (Operations)); Mr Nick McGhee (Acting Secretary to Council); Professor David Price (Vice-Provost (Research)); Professor Anthony Smith (Vice-Provost (Education and Student Affairs)); Mr Martin Walsh (Commercial Director, Finance and Business Affairs) [*for Minute 18*].

Apologies for absence were received from Lord Clement-Jones, Ms Carol Lake, Professor Sir John Tooke, Professor Nick Tyler, Baroness Valentine and Baroness Warwick.

Key to abbreviations used in these Minutes:

BBSRC	Biotechnology and Biological Sciences Research Council
ESRC	Economic and Social Research Council
GPA	grade point average
HE	higher education
HEFCE	Higher Education Funding Council for England
IOE	Institute of Education
ISD	Information Services Division
OFSTED	Office for Standards in Education
REF	Research Excellence Framework
SLMS	School of Life and Medical Sciences
UCLU	UCL (Students') Union

Preliminary Formal Business

1 INTRODUCTION OF NEW MEMBERS

Reported

- 1.1 In her first meeting as Chair, Dame DeAnne Julius welcomed the new members of the Council.

2 DECLARATION OF INTERESTS

Noted

- 2.1 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.

3 MINUTES

Approved

- 3.1 The Minutes of the Council meeting held on 8 July 2014 [*Council Minutes 117-147, 2013-14*] were confirmed by Council and signed by the Chair.

4 MATTERS ARISING FROM THE MINUTES

[see Minutes 6E, 7, 13 and 18 below]

Matters for discussion

5 CHAIR'S BUSINESS

Received

- 5.1 An oral report from Dame DeAnne Julius, Chair of UCL Council.

Reported

- 5.2 Dame DeAnne had held a series of individual meetings with Council members over the summer. Although members were generally satisfied that Council operated effectively, a number of possible measures for improving and streamlining the way in which business was handled had been discussed. These included:

- taking steps to reduce the volume of Council business where possible, and to focus more closely on the key issues;
- making greater use of the Sharepoint to relieve the volume of papers circulated in hard copy;
- reviewing the size and independent membership of UCL's formal committees;
- reviewing the format and timing of informal Council events, such as the dinners scheduled to follow each meeting;
- reviewing the standard timing of Council meetings.

The Secretary would canvass members' views on these matters in due course, and would arrange 1:1 meetings for the new members with the Chair.

6 PROVOST'S BUSINESS

Received

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

Reported

- 6.2 The Provost began by welcoming Dame DeAnne to her first meeting as Chair of Council.

6A Nobel Prize in Physiology or Medicine

- 6A.1 The Provost was delighted to announce to Council the award of the 2014 Nobel Prize in Physiology or Medicine to Professor John O'Keefe, Director of the Sainsbury Wellcome Centre for Neural Circuits and Behaviour. Professor O'Keefe had been at UCL for 47 years, and had carried out all of the work for which he was now being recognised at UCL. He had also recently been awarded the 2014 Kavli Prize in Neuroscience.

6B Decanal appointments

- 6B.1 Professors Geraint Rees and Nick Brook had been appointed Deans of the Faculties of Life Sciences and Mathematical & Physical Sciences respectively, with effect from 1 September 2014.

6C Student numbers 2014-15

- 6C.1 Provisional data indicated an overall student headcount in 2014-15 of 30,089, against a planned figure of 30,082. The home/EU:overseas balance remained broadly unchanged at 69:31. Further work was needed to improve conversion rates. Confirmed student recruitment data for 2014-15 would be available for the Council meeting of 27 November.

6D League tables

- 6D.1 The Provost summarised UCL’s performance in a number of recent league tables, noting in particular the advent of new methodologies, including one ranking based on the number of Google searches for each institution¹.

6E UCL Academy

[Council Minute 112B, 2013-14]

- 6E.1 Following an OFSTED inspection of the UCL Academy earlier in the year and the subsequent development of an action plan, a monitoring visit had now taken place. OFSTED had commended the action taken in response to the recommendations. The Provost congratulated the Principal, Geraldine Davies, and the Board of Governors chaired by Professor David Price, for the expeditious measures taken in this matter.

6F Funding of Higher Education

- 6F.1 The Provost updated Council on the national HE funding picture, noting in particular Labour’s decision not to announce a £6,000 fees policy in the leader’s recent conference speech, as well as the support in some quarters for the ‘big institutes’ model. The appointments of George Freeman as Minister for Life Sciences and Greg Clarke as Minister for Universities, Science and Cities, were noted.

7 INSTITUTE OF EDUCATION MERGER

[Council Minute 112C, 2013-14]

Received

- 7.1 APPENDIX C 1/03 (14-15) – a proposal that UCL merge with the Institute of Education with effect from 2 December 2014.
- 7.2 An oral report from Rex Knight, Vice-Provost (Operations).

Reported

- 7.3 At a meeting on 8 October 2014 the IoE Council had confirmed its support for the merger. Under the terms of its charter, the IoE Council was required to confirm the decision by Special Resolution at a second meeting, scheduled for 25 November. The merger would then formally take effect on 2 December 2014.
- 7.4 The due diligence process had identified no substantial issues requiring report to Council. Although a considerable amount of work would inevitably be necessary after the formal merger date, there were compelling reasons to meet the expeditious timescale, principally the opportunity to publish REF results for the merged institution, and the

¹ <http://www.timeshighereducation.co.uk/news/the-20-most-searched-universities-in-the-world-on-google/2015972.article>.

undesirability of any delay between formal confirmation and implementation.

Discussion

- 7.5 Council discussed the implications of the merger for the character of UCLU, particularly in respect of the high proportion of mature, postgraduate and part-time students at the IoE. The student unions of the two institutions were currently in discussions about the preferred structure following merger.
- 7.6 It was noted that the Statutes of the two institutions gave different definitions of academic staff. It was intended that the Regulations would be amended to ensure that the existing definition would continue to be recognised in respect of those IoE staff transferring to the merged institution.
- 7.7 Some consideration had been given to the creation of a fifth Grand Challenge, in the area of global education, should the merger proceed.
- 7.8 Council discussed the opportunities for achieving economies of scale over time, whilst noting the commitment that there be no compulsory redundancies as a direct result of the merger. Members also drew attention to the need for awareness of the different culture and ethos in the two institutions, as well as the relevance of the merger to the UCL Academy and to the proposed UCL East development [see Minute 18 below], given the IoE's working relationship with a number of schools in the area.

RESOLVED

- 7.9 **That Council approve the entry into the proposed transfer of the assets, liabilities and undertakings of the Institute of Education to UCL (the “Transaction”) in accordance with the terms of the proposed agreement relating to that Transaction (the “Transfer Agreement”);**
- that Council approve the entry into the Transfer Agreement (subject to the Institute of Education passing its resolutions to transfer the assets, liabilities and undertakings of the Institute of Education to UCL and to approve the winding up of the Institute of Education in due course);**
- that Council authorise the execution of the Transfer Agreement by way of deed, on behalf of UCL, including such amendments as those executing the same on behalf of UCL in their reasonable discretion think fit; and any other document required to be executed by UCL (whether by deed or otherwise) in connection with the Transaction;**
- that Council authorise relevant managers within UCL to do all such other acts and things as those persons in their reasonable discretion think fit in connection with the Transaction.**

8 VICE PROVOST (RESEARCH) REPORT

Received

- 8.1 APPENDIX C 1/04 (14-15) – a report by Professor David Price, Vice-Provost (Research).

Reported

- 8.2 Professor Price drew attention to a number of key points in the document, notably: a 16% increase in the research grant spend in 2013-14 (or 9% net of the transfer of three MRC units); application success rates of approximately 40%; and record successes in securing ESRC and BBSRC funding. It was anticipated that UCL's research spend in 2013-14 would be second only to that of Oxford. There was reason to believe that UCL was well placed for a strong performance in the REF, the results of which would be announced on 18 December. Significant future challenges included the issue of restricted space, the uncertain HE funding environment, and the ongoing importance of maximising cost recovery.

Discussion

- 8.3 There had been a slight downturn in applications rates in recent months but this was to be expected at the present stage in the REF cycle. It was anticipated that UCL's rate of growth in research activity would plateau in the coming period.
- 8.4 Mindful of the common tactic of institutions submitting a relatively small proportion of research active staff to the REF in order to raise their GPA, Council discussed the various metrics by which success in the REF could be measured. Council noted also the importance of seeking to ensure that the methodology was understood by the mainstream media.
- 8.5 There was an appetite amongst members of Finance Committee and Council to improve their understanding of the issues around research funding. Finance Committee would be discussing the issue at a future meeting. Whatever metrics were employed, the economics of research could not be considered in isolation because research activity was a fundamental driver of student recruitment.
- 8.6 The Chair thanked Professor Price for an excellent report.

9 FINANCIAL UPDATE

Received

- 9.1 APPENDIX C 1/05 (14-15) – a summary of UCL's financial performance for the year ended 31 July 2014, subject to audit.
- 9.2 Oral reports from the Provost and the Director of Finance and Business Affairs.

Reported

- 9.3 The Provost summarised the history of UCL’s budgetary strategy in recent years, noting that prior to the phased reduction of the capital funding stream it has been customary to budget for a zero surplus. Only in recent years had the need to generate a surplus in order to fund reinvestment come to be generally accepted.
- 9.4 Noting that work was ongoing in making improvements to the format of the paper, Mr Harding tabled a paper summarising the headline figures of the update. It was intended that a summary of this sort would be included in future updates.
- 9.5 The overall surplus was £34.5m (3.4%), including £20.3m from exceptional capital items. The operating surplus showed a £4.7m negative variance against budget. The outcome was an improvement on the third quarter forecast, principally as a result of a lower than anticipated level of expenditure on equipment at the end of the year.
- 9.6 The Schools had exceeded their budget targets overall, although SLMS had fallen short, principally due to a shortfall in generating the targeted savings in pay costs. The overspend in Professional Services was due principally to: additional costs on early retirement / voluntary severance (which were picked up as a central cost); higher than anticipated studentship / scholarship expenditure; an overspend on ISD projects (much of which was delayed from the previous year); and the HEFCE clawback provision previously noted to Council [*Council Minute 80E.1, 2013-14*]. Provision had also been made for a possible repayment of funds to sponsoring organisations in Australia.

10 ANY OTHER BUSINESS

10A London Mining Network

Reported

- 10A.1 Council was in receipt of three letters from the London Mining Network relating to UCL’s relationship with BHP Billiton.
- 10A.2 The executive would consider the letters and determine a response. The funding to which the letters referred was a donation and not a research contract, and as such was subject to approval by the Gift Acceptance Committee. The committee had the opportunity to elevate the discussion to Council where necessary.

Matters for approval or information
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**11 COUNCIL TERMS OF REFERENCE; CONSTITUTION AND MEMBERSHIP;
STANDING ORDERS**

Received

- 11.1 APPENDIX C 1/06 (14-15) (with Annexes 1-4) – Council’s terms of reference, constitution and membership for the session 2014-15, and a note by the Secretary on Council Standing Orders and on responsibilities of Council members.

12 REGISTER OF INTERESTS 2014-15

Noted

- 12.1 APPENDIX C 1/07 (14-15) – the annual declarations from Council members in the Register of Interests.

13 2034 STRATEGY – IMPLEMENTATION UPDATE

Received

- 13.1 APPENDIX C 1/08 (14-15) – a report on progress with implementation planning for UCL 2034.

Reported

- 13.2 Council members had been given access to a beta website² with a draft of the implementation plan. A senior member of staff had been assigned to lead each theme. A presentation on fundraising would be delivered at the Leadership Forum on 22 October.

14 SELF-REVIEW OF COMMITTEES

Received

- 14.1 APPENDIX C 1/09 (14-15) – details of the outcome of the self-reviews of the Audit, Finance, and Remunerations & Strategy Committees in 2013-14.

² <https://www.ucl.ac.uk/ucl-2034/draft-implementation>

15 **NOMINATIONS COMMITTEE ANNUAL REPORT 2013-14**

Noted

- 15.1 APPENDIX C 1/10 (14-15) – a summary of the main outcomes resulting from Nominations Committee discussions in 2013-14.

16 **USE OF THE UCL SEAL: ANNUAL REPORT**

Noted

- 16.1 APPENDIX C 1/11 (14-15) – a report of sealings carried out between 18 September 2013 and 30 September 2014.

17 **CHAIR'S ACTION ON BEHALF OF COUNCIL**

Noted

- 17.1 APPENDIX C 1/12 (14-15) – a summary of the actions taken by the Chair on behalf of Council since the previous report to Council.