



COUNCIL

Thursday 26 November 2015

MINUTES

PRESENT:

Dame DeAnne Julius (*Chair*)

Professor Michael Arthur
(*President and Provost*)

Professor Lucie Clapp

Professor David Coen

Dr Andrew Gould

Dr Saladin Meckled-Garcia

Mr Mohammad Ali Mumtaz

Ms Wahida Samie

Baroness Valentine

Mr Ven Balakrishnan

Mr Dominic Blakemore

Lord Clement-Jones

Dr Martin Fry

Ms Nahid Majid

Mr Simon Melliss (*Treasurer*)

Ms Lindsay Nicholson

Professor Nigel Titchener-Hooker

In attendance: Ms Wendy Appleby (Secretary to Council); Dame Nicola Brewer (Vice-Provost (International)); Dr Celia Caulcott (Vice-Provost (Enterprise)); Mr Philip Harding (Director of Finance and Business Affairs); Mrs Lori Houlihan (Executive Director of Development and Alumni Relations) [*for Minute 31*]; Mr Rex Knight (Vice-Provost (Operations)); Professor David Lomas (Vice-Provost (Health)); Mr Nick McGhee (Assistant Secretary to Council); Professor David Price (Vice-Provost (Research)); Mr Andy Saffery (Deputy Registrar, Operations and Planning [*for Minute 23*]; Professor Anthony Smith (Vice-Provost (Education and Student Affairs)).

Apologies for absence were received from Dr John Hurst, Professor Chris Husbands, Mr Philip Sturrock and Baroness Warwick.

Key to abbreviations used in these Minutes:

AB	Academic Board
FTE	full time equivalent
GPA	grade point average
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
KPI	key performance indicator
K-RITH	KwaZulu-Natal Research Institute for TB and HIV
OFFA	Office for Fair Access
QAA	Quality Assurance Agency
REF	Research Excellence Framework
RFM	Regulations for Management
SLMS	School of Life and Medical Sciences
SMT	Senior Management Team
TEF	Teaching Excellence Framework
UCLP	UCL Partners
UCLU	UCL (Students') Union
UCU	University and College Union
USS	Universities Superannuation Scheme

Preliminary Formal Business

16 **DECLARATION OF INTERESTS**

16.1 No interests were declared.

17 **MINUTES**

17.1 Following circulation of the Minutes there had been some discussion over the wording of Minute 8.5. It was agreed that the phrase ‘the remainder of’ would be deleted.

17.2 **Approved:** subject to the amendment noted above, the Minutes of the Council meeting held on 15 October 2015 [*Council Minutes 1-15, 2015-16*], confirmed by Council and signed by the Chair.

18 **MATTERS ARISING FROM THE MINUTES**

[see Minute 24 below]

Matters for discussion

19 **PROVOST’S BUSINESS**

19A **Professor John Hardy**

19A.1 The Provost lauded Professor John Hardy’s achievement in becoming the first British scientist to be awarded the \$3m Breakthrough Prize in Life Sciences. The award was further evidence of the huge momentum in neuroscience at UCL, following Professor John O’Keefe’s Nobel Prize in 2014.

19B **Queen’s Anniversary Prize**

19B.1 The Institute of Education had been awarded the Queen’s Anniversary Prize for Higher and Further Education for its ‘world leading contribution to the policy and practice of education with international reach around innovative social research’. The award had previously been held by UCL’s Department of Biochemical Engineering.

19C **Horizon 2020**

19C.1 With awards to date of €49m, UCL was the leading institution at the mid-point of the current round of the EU’s Horizon 2020 research and innovation programme.

19D Higher Education Green Paper

19D.1 The Provost drew attention to three key elements of the Higher Education green paper published on 6 November:

- revised regulations making it easier for private education providers to enter the university sector;
- the introduction of the TEF, and the complex and potentially expensive proposals for linking performance in the TEF with the ability to raise maximum tuition fees;
- the creation of an Office for Students, subsuming the functions of the HEFCE, the QAA and OFFA.

UCL would contribute to the Russell Group's response to the green paper and would also submit an institutional response.

19E Nurse Review

19E.1 Sir Paul Nurse's review¹ of Research Councils, published on 19 November, proposed a reconfiguration of the Research Councils into a single umbrella body, Research UK. Council noted that it would be vital to ensure the future preservation of the dual funding lines for teaching and research.

19F Comprehensive Spending Review

19F.1 The Chancellor's spending review announcement on 25 November 2015 represented a reasonably positive outcome for HEIs, although the picture for students was mixed. The Provost drew particular attention to:

- the £2 billion switch from maintenance grants to student loans;
- a requirement that universities assume greater responsibility for student access;
- a 50% cut to the HEFCE student opportunity fund;
- an apprenticeships levy of 0.5% on the current payroll, offset by expenditure on apprentice salaries;
- real terms protection for the science budget;
- reaffirmation of the £6.9 billion commitment to research capital, and a commitment of £5 billion to health research;
- a £150m competition for capital resource for a dementia research institute;
- new loans for postgraduate study and a lifting of the age cap (to 60) for those to whom these were available.

19G Fossil Fuels

19G.1 At a recent meeting the Investments Committee had received a report on an ethical portfolio from UCL's investment advisors, and would be returning to the matter at its next meeting. The Director of Finance and Business Affairs would be meeting with members of the Fossil Free UCL group.

¹ <https://www.gov.uk/government/collections/nurse-review-of-research-councils>

20 **FINANCIAL AND AUDIT MATTERS**

[PAPER 2-10, 2015-16]

20A **Audit Committee annual report**

20A.1 The Chair of the Audit Committee confirmed the committee's satisfaction with the adequacy and effectiveness of UCL's internal control systems for the year ending 31 July 2015. The internal auditors had given an unqualified opinion that UCL had satisfactory arrangements in order to provide assurance to Council over the effectiveness and adequacy of the risk management, control and governance processes, and adequate arrangements to promote economy, efficiency and effectiveness.

20A.2 This was the last report from Deloitte as external auditors. Ernst and Young had assumed this function from 1 August 2015.

20A.3 With effect from 2014-15 the internal auditors had introduced a four-tier categorisation of findings; 'Significant Assurance', 'Significant Assurance with minor improvement observations', 'Partial Assurance' and 'No Assurance'. KPMG had been satisfied with the management responses given in respect of the two matters receiving a 'Partial Assurance' rating. The Audit Committee had requested that future internal audit plans be aligned with UCL2034.

20A.4 Lord Clement-Jones paid tribute to the work of Mr Nigel Smith, who had recently stepped down as an external member of the Audit Committee after eight years. Baroness Valentine and Mr Dominic Blakemore had been appointed to the committee with effect from 2015-16.

RESOLVED – *on the recommendation of the Audit Committee:*

20A.5 **That the Audit Committee annual report 2014-15 be approved.**

20B **Annual financial statements**

20B.1 The Director of Finance and Business Affairs reported that the surplus after depreciation and before tax was £31.1m, which equated to 2.6% of total income. This was in line with budget. The audit process was now complete and the external auditors were poised to issue an unqualified opinion.

20B.2 UCL had had some discussions with the auditors over the accounting treatment of R&D expenditure tax credits. The auditors had made only one Grade 2 recommendation, in respect of administration of the accounting for UCL Qatar.

20B.3 Council discussed the complications around accounting for associates and subsidiaries.

20B.4 The Treasurer noted that, following discussion at Finance Committee on 12 November, the Operating and Financial Review had been amended to give greater clarity on debt for capital investment and on risk associated with the USS Pension Scheme. Finance Committee had also discussed the issue of fixed and variable income and costs, and a sub-group of members would be meeting with the Director of Finance and Business Affairs in due course to discuss the matter in more detail.

20B.5 The Chair congratulated the Provost, the Senior Management Team and UCL staff on meeting the budget targets.

RESOLVED – on the recommendation of Finance Committee:

20B.6 **That Council approve the audited Financial Statements for the year 2014-15.**

20C **Annual accountability returns**

20C.1 **Received:** the annual accountability returns, for submission to HEFCE.

20D **Annual Sustainability Assurance report**

RESOLVED – on the recommendation of Finance Committee:

20D.1 **That the Annual Sustainability Assurance Report be approved.**

21 **VICE-PROVOST (HEALTH) ANNUAL REPORT**

[PAPER 2-12, 2015-16]

21.1 The new Vice-Provost (Health), Professor David Lomas, summarised the key themes of his report under the twin headings of excellence and partnership:

- Excellence: In the REF 2014 UCL had placed 1st in Panel A (medical and biological sciences) subjects measured by research power (GPA x FTE). SLMS had performed relatively strongly in the NSS (88% overall satisfaction, 2% above the sector average), and research income had grown 33% over the last three years; nevertheless the School was taking steps to address areas of weaker performance in both areas. Professor Lomas also drew attention to SLMS' enterprise activities, with 32 active projects in the portfolio of the Translational Research Office.
- Partnership: Health at UCL extended beyond the School of Life and Medical Sciences, benefitting from both the inter-disciplinary environment of the university and the range and scale of the UCLP healthcare system, which served approximately 10% of the population. Six Academic Medical Centres had been developed with partner NHS Trusts.

21.2 In 2014-15 SLMS' central contribution grew by 15%, falling short of the target by 4.7%. Professor Lomas drew attention to the £17.5m philanthropy pledged in that period for SLMS-related activities.

21.3 Discussions of the operating model of the Francis Crick Institute were ongoing. The opening date had been postponed and a request for a strategic contribution to costs received. UCL and other partner universities had offered transitional support but would not be making any further capital contribution. Discussions on the treatment of Intellectual Property had continued; the need to develop a coherent approach to rewards for inventors across the partner universities was noted.

21.4 Council members requested that the next annual report include details of research overheads and the recovery rate.

22 **AFRICA CENTRE FOR HEALTH AND POPULATION STUDIES**

[PAPER 2-13, 2015-16]

- 22.1 The paper outlined a proposal for UCL to become the host UK university for one of the Wellcome Trust's five Major Overseas Programmes, the Africa Centre for Health and Population Studies (AC). The Vice-Provost (International) reported that the Wellcome Trust had also invited the KwaZulu-Natal Research Institute for TB and HIV (K-RITH), based in Durban, to contribute to a combined scientific vision and bid, with a view to drawing together the AC's access to an extensive rural population with a high burden of HIV with K-RITH's state-of-the-art facilities. The paper was presented to Council for information at this stage; it was anticipated that a proposal for formal approval would be submitted in the spring.
- 22.2 Council noted that the proposal was aligned with the Global Engagement Strategy, the 6th Principal Theme of UCL 2034, and the Global Health Grand Challenge. The matter had recently been discussed by SMT and a timetable was under discussion that would allow sufficient time for appropriate due diligence processes in view of the complex relationships and challenging operating environment.
- 22.3 Further reports to Council would be made in accordance with the Global Partnerships Framework submitted to the last meeting. It was noted that the proposals met the requirement for an Anchor partnership, although the interrelationship of the various parties was more complex than had been envisaged in developing that model.

23 **PREVENT / ANTI-TERRORISM**

[PAPER 2-14, 2015-16]

Mr Andy Saffery (Deputy Registrar (Operations and Planning)) was in attendance for this item

- 23.1 UCL and other relevant HE bodies had become subject to the statutory 'Prevent' duty on 18 September 2015. Ultimate responsibility for ensuring compliance lay with Council. Although the future of HEFCE was uncertain *[see Minute 19D]* it was expected that the Prevent duty would remain in force in the longer term.
- 23.2 A discussion paper had recently been submitted to SMT, who had made suggestions regarding engagement with the academic community in view of sensitivities among staff and students. Further work remained to be done on staff training and increasing awareness; guidance from HEFCE on training was expected in due course.
- 23.3 The UCU had written to Council to confirm its support for the proposed approach. UCLU had taken a decision not to comply, as they were entitled to do as student unions were legally exempt from the duty. UCLU had concerns over the strength of the academic basis for the legislation, the implications for student welfare, and the impact on academic freedom. UCLU was nevertheless engaging with UCL on implementation.

24 **GOVERNANCE PROPOSALS**

[PAPER 2-15, 2015-16]

24.1 Papers had been circulated to AB membership on 23 October and a small number of responses received. It had not been possible to arrange a meeting of elected academic members in advance of the current meeting, but a meeting was scheduled to take place shortly. It was therefore proposed: that approval of changes to Regulations for Management 2.13 and 2.14 (with consequent renumbering of RfM 2 throughout) be confirmed; that the Academic Committee terms of reference be left unchanged to allow for the forthcoming discussion with elected members to feed into the effectiveness review; and that the Delegation Framework be approved. The membership of the Council Effectiveness Review Group was also noted.

RESOLVED

24.2 **That the proposals at PAPER 2-15 (2015-16) be approved.**

Matters for approval or information
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25 **FINANCING STRATEGY**

[PAPER 2-16, 2015-16]

RESOLVED – on the recommendation of Finance Committee:

25.1 **That the Financing Strategy be approved.**

26 **UCLU FINANCIAL UPDATE**

[PAPER 2-17, 2015-16]

26.1 **Received:** the UCLU audited financial statements 2014-15, an update on progress towards balancing the budget, and details of UCLU's KPIs, as previously requested by Council.

27 **HEALTH AND SAFETY COMMITTEE REPORT / STATEMENT OF SAFETY POLICY**

[PAPER 2-18, 2015-16]

27.1 **Received:** the Health and Safety Committee annual report 2014-15 and the updated statement of Safety Policy.

28 **COURTAULD BUILDING**

[PAPER 2-21, 2015-16]

RESOLVED – on the recommendation of Finance Committee:

28.1 **That the proposed development at the Courtauld Building be approved.**

29 **ACTION TAKEN BY THE CHAIR**

[PAPER 2-22, 2015-16]

29.1 **Received:** a note of action taken by the Chair on behalf of Council since the last report.

30 **DATE OF NEXT MEETING**

30.1 The next Council meeting would be held on **11 February 2016** at 3pm.

Wendy Appleby
Secretary to Council
December 2015