



COUNCIL

Wednesday 28 November 2012

MINUTES

PRESENT:

Sir Stephen Wall (*Chair*)

Professor David Attwell	Mr Ven Balakrishnan
Dr Bob Barber	Lord Clement-Jones
Mr Edwin Clifford-Coupe	Ms Philippa Foster Back
Ms Natasha Gorodnitski	Professor Malcolm Grant
Mr Mark Knight	<i>(President and Provost)</i>
Mr Simon Melliss (<i>Treasurer</i>)	Ms Vivienne Parry (<i>Vice-Chair</i>)
Dr Gill Samuels	Dr Stephanie Schorge
Dr Sarah Snyder	Professor Chris Thompson
Professor Nick Tyler	Baroness Warwick
Professor Maria Wyke	

In attendance: Dr Ben Campkin (Director, UCL Urban Laboratory) [for Minute 24]; Mr Andrew Grainger (Director of UCL Estates) [for Minute 24]; Mr Phil Harding (Director of Finance and Business Affairs); Mr Adam Harman (Project Director, UCL Stratford) [for Minute 24]; Mr Rex Knight (Vice-Provost (Operations)); Mr Nick McGhee (Assistant Secretary to Council); Professor Alan Penn (Dean, Faculty of the Built Environment) [for Minute 24]; Mr Tim Perry (Secretary to Council); Professor Stephen Smith (Dean, Faculty of Social and Historical Sciences) [for Minute 26]; Mr Nigel Waugh (Director of Human Resources) [for Minutes 25-26].

Apologies for absence were received from Ms Katharine Roseveare.

Key to abbreviations used in these Minutes:

FRS	financial reporting standard
HEFCE	Higher Education Funding Council for England
LBN	London Borough of Newham
MRC	Medical Research Council
OFFA	Office for Fair Access
REF	Research Excellence Framework
SCAF	Standing Committee on Academic Freedom
SMT	(Provost's) Senior Management Team
UCLU	UCL (Students') Union
USS	Universities Superannuation Scheme

Preliminary Formal Business

18 DECLARATION OF INTERESTS

Noted

- 18.1 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.
- 18.2 With reference to the item of business regarding the transfer of MRC units to UCL [see Minute 32 below], Vivienne Parry noted that she was a Council member of the Medical Research Council.

19 MINUTES

Approved

- 19.1 The Minutes of the Council meeting held on 1 October 2012 [Council Minutes 1-17, 2012-13] were confirmed by Council and signed by the Chair.

20 MATTERS ARISING FROM THE MINUTES

[see Minutes 24, 25, 26 and 27 below]

Matters for discussion

21 AUDIT COMMITTEE ANNUAL REPORT

[Council Minute 21, 2011-12]

Noted

- 21.1 The terms of reference of the Audit Committee provided for the presentation of an annual report to the Provost and to Council, the annual report thereafter to be forwarded to the Higher Education Funding Council for England (HEFCE). According to the provisions of the HEFCE Audit Code of Practice, Council was expected formally to approve the Annual Report of the Audit Committee before it approved the Annual Financial Statements [see Minute 22 below].

Received

- 21.2 APPENDIX C 2/17 (12-13) – the Audit Committee annual report for the year ending 31 July 2012.

21.3 An oral report by Mark Knight, Chair of the Audit Committee.

Reported

21.4 At its meeting on 23 November 2012 the Audit Committee had confirmed its satisfaction with the adequacy and effectiveness of UCL's internal control systems for the year ending 31 July 2012. The internal auditors KPMG 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 in place to promote economy, efficiency and effectiveness.

21.5 The Audit Committee had discussed whether the scale of Deloitte's non-audit fee, which had increased significantly (to more than £1m) in light of the appointment of Drivers Jonas by UCL to advise on the UCL Stratford project, breached, or could be perceived as breaching, relevant ethical standards. The Committee had taken the view that there was no substantive issue of concern. A clear protocol was in place for any appointment of Deloitte to a non-audit function.

21.6 Mr Knight drew the attention of Council to two instances of financial fraud reported to HEFCE: one perpetrated at the School of Pharmacy prior to its merger with UCL; the other perpetrated by an individual outside UCL. UCL's standard procedures had not been followed in the latter case and staff had since been reminded of the relevant requirements.

21.7 Council noted the retirement from Audit Committee of Mr John Hustler after 22 consecutive years as a member.

21.8 Council noted that the Audit Committee regularly received the updated Strategic Risk Register for UCL [see also Minute 33 below].

RESOLVED – on the recommendation of Audit Committee

21.9 **That Council approve the Audit Committee annual report 2011-12.**

22 ANNUAL FINANCIAL STATEMENTS

Received

22.1 APPENDIX C 2/18 (12-13) – the draft audited Financial Statements for the year ending 31 July 2012, with:

- Annexe 1 – a commentary on the Financial Statements by the Director, Financial Control and Analysis;
- Annexe 2 – the report to the Audit Committee from the External Auditors Deloitte LLP;
- Annexe 3 – the External Auditors' management letter, setting out the accounting and major audit issues arising from their audit of the UCL Financial Statements.

Reported

- 22.2 At its meeting on 26 November 2012 Finance Committee had recommended that Council approve the Financial Statements, subject to a number of minor amendments¹.

Discussion

- 22.3 Council noted the proposed amendment of financial reporting standard (FRS) 17 and the implications this would have for the accounting treatment of the USS pensions liability. Following discussion of the issue at Finance Committee, a reference to the number of UCL members of the USS had been incorporated into the notes to the Financial Statements.
- 22.4 Council members noted, with particular reference to the need to generate a surplus sufficient to fund the UCL estates strategy, a shift in UCL's research funding portfolio towards funding streams (charitable and EU) which did not provide full economic costing. Further details would be provided in the detailed financial forecasts that Finance and Business Affairs would develop over the coming months, with a view to facilitating the development of an integrated estates and funding strategy. Council noted the significant challenges to maintaining the UK's highly successful record of competing for EU research funding, an area in which UCL had so far enjoyed particular success.

RESOLVED – on the recommendation of Finance Committee

- 22.5 **That Council approve the audited Financial Statements for the year 2011-12.**

23 **FINANCIAL UPDATE**

Received

- 23.1 APPENDIX C 2/19 (12-13) – the Financial Update 2012-13 (October 2012).

Reported

- 23.2 Income was broadly in balance with forecast. It was noted that a series of developments to UCL's financial reporting was in preparation.

24 **UCL STRATFORD**

Received

- 24.1 APPENDIX C 2/20 (12-13) Annexe 1 – an open letter from the UCL Urban Laboratory, with, at Annexe 2, the proposition document dated 11 October 2012.

¹ Tabled at the meeting and saved with these Minutes as APPENDIX C 2/18 (12-13) - Annexe 4.

- 24.2 Oral reports from Dr Ben Campkin (Director, UCL Urban Laboratory), Professor Alan Penn (Dean, Faculty of the Built Environment), Mr Andrew Grainger (Director, UCL Estates) and Mr Adam Harman (Project Director, UCL Stratford).
- 24.3 A number of letters from residents of the Carpenters Estate had been received by the Council Secretary and circulated to members of Council in advance of the meeting.

Reported

- 24.4 Dr Campkin summarised the Urban Laboratory's position². The Stratford proposition provided an opportunity to develop an ethical regeneration scheme led by UCL's academic expertise in interdisciplinary urbanism. While noting that the proposals clearly reflected UCL's positive aspirations, Dr Campkin drew attention to a need for enhanced community participation and consultation in the process, and to the importance of provision of social housing. He encouraged colleagues to promote a more widespread awareness of the proposals within UCL in order to foster an open debate of the issues, and drew attention to the need to develop innovative ways of engaging with the residents of the Carpenters Estate and with Newham communities more broadly.
- 24.5 UCL was now in the process of appointing a legal team and had initiated the procurement process for appointment of master planning in the disciplines of: architecture; cost consultancy; transport/traffic consultancy; and engineering, with a view to confirming these appointments by the end of March 2013. The London Communications Agency had been appointed to handle public relations.

Discussion

- 24.6 Council endorsed the proposal to engage UCL's academic expertise fully in the process, although the importance of maintaining momentum was also noted. A range of suggestions for the future development of the consultation process was discussed. Dr Campkin referred to work on the issue of consultation by UCL's Director of Museums and Public Engagement³ and by Michael Edwards⁴ (Bartlett School of Planning).
- 24.7 The main phase of the consultation process had not yet commenced. Council noted the importance of avoiding giving a false impression either that the detail of UCL's plans was already firmly established or, conversely, that every aspect of the vision was negotiable.
- 24.8 Council members had received invitations to meet with residents and tour the site. The Provost had met with the Residents' Steering Group.

² Dr Campkin's speaking notes are saved with these Minutes as APPENDIX C 2/20 (12-13) - Annexe 3.

³ Saved with these Minutes as APPENDIX C 2/20 (12-13) – Annexe 4.

⁴ <http://justspace2010.wordpress.com/welcome-to-just-space/about-2/research-protocol/>

The importance of avoiding conflation of the roles of the Council and the UCL executive was noted.

- 24.9 Although a strong case could be made to the wider Newham community about the benefits of having a university presence in the borough, for example in relation to public health, employment and schools engagement, Council accepted that such arguments were of relatively indirect interest to those currently living on the Carpenters Estate, notwithstanding the wide range of views held by residents.
- 24.10 The Provost, the Director of Estates and the Project Director for Stratford had met recently to discuss the development and the options for provision of social housing. The provision of an element of private housing on the site was an essential part of the business plan, but it would be possible to seek further opportunities to provide housing in the areas neighbouring the Carpenters Estate site.
- 24.11 It was suggested that UCL should consider developing a wider relationship with Newham, for example in contributing to a regeneration strategy for the Borough as a whole. Council was content for the Provost to continue to explore the issues informally with LBN officers.
- 24.12 There would be further discussion of the Stratford project at the Council / SMT away day on 1 February 2013. It was expected that draft Heads of Terms would be submitted to the Finance Committee and Council meetings of 24 January and 5 March 2013 respectively. Council members requested that the away day receive an outline of the consultation process and a plan for its continuation, drawing on UCL's expertise; updated financial information; and an update on progress with the Bloomsbury Masterplan. Council agreed that it would be useful for Lord Andrew Mawson, a director of the Olympic Park Legacy Board and Chair of its Communities Committee, to be invited to address the away day. Council also agreed to the establishment of a Council sub-group on the Stratford development as a means of effecting oversight between meetings.

25 REFORM OF STATUTE 18

Received

- 25.1 APPENDIX C 2/21 (12-13) – proposals for reform of Statute 18.
- 25.2 A number of communications from Academic Board members and UCL officers had also been issued to Council in advance of the meeting.

Reported

- 25.3 Academic Board, at a Special Meeting held on 21 November 2012, had requested that at the present meeting Council consider approving only those changes to Statute 18 which related to the specific references to employment law therein. It had further been proposed to the Special Meeting, and agreed by a very large majority of those

present, that Academic Board establish a working group tasked with addressing the issue. Draft minutes of the AB meeting had been circulated to Council members.

- 25.4 The Chair advised that against this background he did not intend to ask Council to decide at the present meeting whether to amend Statute 18. The Chair envisaged that a decision on the matter would be deferred to the Council meeting of 10 April 2013 but felt that it would be useful nevertheless for Council to take the opportunity of the present meeting for a preliminary discussion of the issues.
- 25.5 The Provost summarised the history of Statute 18 in its current form and outlined the rationale for the proposed amendments. The Statute currently addressed issues of redundancy, discipline, dismissal and removal from office, removal for incapacity on medical grounds, and grievance procedures. In contrast to the remaining statutes, which were principally concerned with underlying principles, Statute 18 addressed matters of process in detail. The requirement for Privy Council approval of any amendment of the statutes had resulted in Statute 18 becoming out of date with respect to employment legislation. The proposed revisions sought to bring the Statute into line with employment law, and to guard against obsolescence by moving the detail of process into regulations which could henceforth be more efficiently updated, whilst retaining the basic principles of the protection of academic freedom.

Discussion

- 25.6 Concerns had been expressed by members of the academic community with respect of a number of aspects of the proposals, principally the advisory role of the proposed Standing Committee on Academic Freedom (SCAF), the lack of a right to legal representation, the appeals procedure, and the nature of the consultation and communication process itself.

RESOLVED

- 25.7 **That Council defer further discussion and a decision on proposals to amend Statute 18 to its meeting on 10 April 2013.**

26 **EQUALITIES AND DIVERSITY STRATEGY– ACTION PLAN** *[Council Minute 69, 2011-12]*

Received

- 26.1 APPENDIX C 2/22 (12-13) – an update and action plan on equality and diversity issues at UCL.
- 26.2 Oral reports by Professor Stephen Smith, Chair of the Committee for Equal Opportunities, and Mr Nigel Waugh, Director of Human Resources.

Reported

- 26.3 Council had expressed concern at its meeting on 15 May 2012 about the overall rate of UCL's progress towards achieving the objectives set out in the Equalities and Diversity Strategy, in particular the target for equality between the genders at grades 9 and 10, and the recruitment of ethnically diverse staff. The action plan, which sought to balance ambition with feasibility and effectiveness, incorporated three primary elements: robust arrangements for SMT accountability; the introduction of more transparent recruitment practices; and work-streams for further progress.

Discussion

- 26.4 Council members welcomed the real progress embodied in the document, while recognising that radical measures were required in order to improve the rate of progress. It was suggested that reference to age discrimination should be included in the document. A Council member raised the need to ensure that the measures were in accordance with the Equalities Act 2010.
- 26.5 It was agreed that a further update should be submitted to Council in six months' time.

27 PROVOST'S BUSINESS

27A UCL Academy
[Council Minute 17F, 2012-13]

- 27A.1 Handover of the premises was currently scheduled for 21 December 2012 although there was a possibility that UCL would initially take over only part of the building. A number of snagging issues remained to be addressed.

Matters for approval or information
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28 AMENDMENT OF UCL CHARTER

Noted

- 28.1 The Charter of UCL included the following:
23. The Council may by Special Resolution alter, amend, repeal or add to this Our Charter...
24. ...the resolution shall be of no effect unless it is confirmed by a further Special Resolution passed at a meeting of the Council held not less than one month nor more than four months after the date of the first resolution...

- 28.2 Council would be invited to confirm a further Special Resolution in respect of the proposed amendment of the Charter at its meeting on 5 March 2013.

Received

- 28.3 APPENDIX C 2/23 (12-13) – a note by the Director of Legal Services, proposing amendments to article 4(17) of the Charter.

RESOLVED (by Special Resolution)

- 28.4 **That amendments to the Charter of UCL be approved as follows:**
- 1 **to delete Article 4(17) and replace with:**
“17 To co-operate or work with other institutions and individuals and to award joint degrees or other awards.”
 - 2 **to insert as Article 4(18) the following text which currently forms part of Article 4(17):**
“18 To amalgamate with colleges, schools or other educational or research institutions with the same or similar charitable purposes.”
 - 3 **to renumber Articles 4(18) to 4(21) as Articles 4(19) to 4(22),**
and, subject to the passing of a second Special Resolution in accordance with Article 24 of the Charter, to request that Her Majesty approve these amendments subject to any further amendments as may be required by Her Majesty.

29 **REGULATIONS FOR MANAGEMENT – PROPOSED AMENDMENT**

Received

- 29.1 APPENDIX C 2/24 (12-13) with Annexes 1-2 – a note by the Secretary to Council, introducing proposed amendments to UCL Regulations for Management.

Noted

- 29.2 The amendments were subject to approval of the proposed amendments to Statute 18 [see Minute 25 above]. In view of the deferral to a future meeting a Council decision on proposed amendments to Statute 18, consideration of the proposed amendments to Regulations for Management deriving from the proposed amendments to Statute 18 was consequently deferred.

RESOLVED

- 29.3 **That Council approve the amendments to Regulation for Management 4.4 set out at Annexe 1 to APPENDIX C 2/24 (12-13)**

but defer consideration of the proposals at Annexe 2 until further notice.

30 HEFCE FINANCIAL FORECASTS 2012

Received

- 30.1 APPENDIX C 2/25 (12-13) – the draft financial results and forecasts 2012, due for submission to HEFCE in December 2012.

RESOLVED

- 30.2 **That the HEFCE financial results and forecasts 2012 be approved.**

31 ACADEMIC UNITS OF UCL – INSTITUTE OF GLOBAL HEALTH

Received

- 31.1 APPENDIX C 2/26 (12-13) – a proposal to establish the Institute of Global Health as an academic unit of UCL under Statute 10(1).

RESOLVED – *on the recommendation of Academic Board*

- 31.2 **That, in accordance with Statute 10, Council approve the establishment of the Institute of Global Health as an academic unit of UCL, based in the Faculty of Population Health Sciences, with effect from 1 January 2013.**

32 TRANSFER OF MRC UNITS TO UCL

Received

- 32.1 APPENDIX C 2/27 (12-13) with Annexe 1 – an update report on the proposed transfer of three MRC units to UCL.

33 RISK MANAGEMENT UPDATE

Received

- 33.1 APPENDIX C 2/28 (12-13) – a risk management update with, at Annexe 1, the Strategic Risk Register 2012-13, and at Annexe 2 a risk analysis form for each risk rated ‘intolerable’ or ‘severe’.

Noted

- 33.2 The risks currently rated ‘intolerable’ included ‘Failure to meet terms of OFFA Agreement’. A request was received for this element of the Strategic Risk Register to be raised for discussion. Pressure of other business prevented the discussion taking place immediately but the

Chair agreed that the matter should be discussed by Council at its next meeting on 5 March 2013.

RESOLVED

- 33.3 **That Council approve the Strategic Risk Register 2012-13, and the proposed actions to be taken for risks rated as ‘intolerable’ or ‘severe’.**
- 33.4 **That Council discuss the risk of ‘Failure to meet terms of OFFA Agreement’ at its meeting on 5 March 2013.**

34 **LIBRARY COMMITTEE ANNUAL REPORT**

Received

- 34.1 APPENDIX C 2/29 (12-13) – the Library Committee annual report 2011-12.

RESOLVED

- 34.2 **That the Library Committee annual report 2011-12 be approved.**

35 **UCL HEALTH AND SAFETY POLICY**

Received

- 35.1 APPENDIX C 2/30 (12-13) – the UCL Health and Safety Policy.

RESOLVED – *on the recommendation of the Health and Safety Committee*

- 35.2 **That the UCL Health and Safety Policy (October 2012) be approved.**

36 **HEALTH AND SAFETY COMMITTEE ANNUAL REPORT**

Received

- 36.1 APPENDIX C 2/31 (12-13) – the Health and Safety Committee annual report 2011-12.

RESOLVED

- 36.2 **That the Health and Safety Committee annual report 2011-12 be approved.**

37 **COMMITTEE FOR EQUAL OPPORTUNITIES**

Received

- 37.1 APPENDIX C 2/32 (12-13) – the Committee for Equal Opportunities annual report 2011-12.

RESOLVED

- 37.2 **That the Committee for Equal Opportunities annual report 2011-12 be approved.**

38 **INSTITUTE OF EDUCATION**

Received

- 38.1 APPENDIX C 2/33 (12-13) – a progress report on the Institute of Education / UCL strategic partnership.

39 **HEFCE ASSESSMENT OF INSTITUTIONAL RISK**

Received

- 39.1 APPENDIX C 2/34 (12-13) – a letter of 30 September 2012 from the Chief Executive of HEFCE to the Provost, regarding HEFCE's risk assessment of UCL.

Noted

- 39.2 The HEFCE letter requested that the letter be formally presented to the next meeting of the governing body. The letter concluded that UCL 'is not at higher risk'.

40 **UCLU BUDGET 2012-13**

Received

- 40.1 APPENDIX C 2/35 (12-13) – the UCLU budget for 2012-13.

41 **UK BORDER AGENCY: COMPLIANCE IN RELATION TO STUDENTS**

Received

- 41.1 APPENDIX C 2/36 (12-13) – a briefing note on UCL's current compliance arrangements in relation to 'Tier 4' students.

Noted

41.2 A presentation on this subject would be scheduled for the Council meeting of 5 March 2013.

42 ROLE DESCRIPTIONS FOR CHAIR AND SECRETARY

Received

42.1 APPENDIX C 2/38 (12-13) – descriptions of the roles of the Chair of Council and the Secretary to Council, drawn up in light of a recommendation by UCL's internal audit service.

RESOLVED

42.2 **That the role descriptions of the Chair and Secretary to Council be approved.**

43 REPORTS OF COMMITTEES TO COUNCIL

Received

43.1 APPENDIX C *2/39 (12-13)⁵ – a list of committee minutes received since the last meeting of Council.

44 CHAIR'S ACTION ON BEHALF OF COUNCIL

Received

44.1 APPENDIX C 2/40 (12-13) – a note summarising action taken by the Chair since the last report to Council.

Tim Perry
Secretary to Council (and Director of Registry and Academic Services)
December 2012

⁵ An appendix or annexe reference preceded by an asterisk indicates that, for the sake of economy, the document was not issued with the Agenda but was available on request to the Council Secretary's office and is filed with these Minutes.