



## COUNCIL

Tuesday 29 November 2016

### MINUTES

*PRESENT:*

Dame DeAnne Julius (*Chair*)

Professor Michael Arthur  
(*President and Provost*)

Mr Dominic Blakemore

Professor David Coen

Dr Martin Fry

Dr John Hurst

Mr Simon Melliss (*Treasurer*)

Ms Lindsay Nicholson

Baroness Valentine

Mr Ven Balakrishnan

Ms Halima Begum

Lord Clement-Jones

Professor Annette Dolphin

Dr Andrew Gould

Ms Nahid Majid

Mr Zakariya Mohran

Mr Philip Sturrock

Dr Andrew Wills

*In attendance:* Ms Wendy Appleby (Secretary to Council); Dame Nicola Brewer (Vice-Provost (International)); Dr Celia Caulcott (Vice-Provost (Enterprise and London)); Ms Sarah Guise (Head of Equalities and Diversity) [*for Minute 27*]; Mr Philip Harding (Director of Finance and Business Affairs); Mr Rex Knight (Vice-Provost (Operations)); Professor David Lomas (Vice-Provost (Health)); Mr Nick McGhee (Assistant Secretary to Council); Mr John Parr (Interim Director of Human Resources) [*for Minute 27*]; Professor David Price (Vice-Provost (Research)).

Apologies for absence were received from: Professor Lucie Clapp; Baroness Warwick; Mrs Lori Houlihan (Vice-Provost (Development)); Professor Anthony Smith (Vice-Provost (Education and Student Affairs)).

*Key to abbreviations used in these Minutes:*

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| ASER  | Annual Student Experience Review             |
| BME   | black and minority ethnic                    |
| FRS   | Financial Reporting Standard                 |
| GAAP  | Generally Accepted Accounting Principles     |
| HEFCE | Higher Education Funding Council for England |
| IoE   | UCL Institute of Education                   |
| IQR   | Internal Quality Review                      |
| LGBT  | lesbian, gay, bisexual and transgender       |
| OFR   | Operating and Financial Review               |
| QMUL  | Queen Mary University of London              |
| StAR  | Student Academic Representative              |
| TEF   | Teaching Excellence Framework                |
| UCLU  | UCL (Students') Union                        |

**Preliminary Formal Business**

20 **DECLARATION OF INTERESTS**

20.1 No interests were declared.

21 **MINUTES**

21.1 **Approved:** Council confirmed the minutes of the meeting held on 19 October 2016 [*Council Minutes 1-19, 2016-17*], and these were signed by the Chair. Approval was given after some discussion of the decision to purchase Clare Hall that had been taken following circulation of the proposal to Council members along with a draft minute of the inquorate discussion of the item. The decision to approve the recommendation had been supported by 14 out of 20 Council members, with three opposed and three giving no response.

21.2 The matter of a proposed revision to the Regulations in respect of quoracy would be carried over to the next meeting.

22 **TIM CLEMENT-JONES**

22.1 Council congratulated Lord Clement-Jones on his appointment as Chair of Council at Queen Mary University of London. He would join the QMUL Council on 1 June 2017 and become Chair on 1 August 2017. He would therefore step down from the UCL Audit Committee directly after its meeting on 6 April 2017, and from UCL Council on 31 July 2017. A proposal for the appointment of the Chair of Audit Committee in succession to Lord Clement-Jones would be submitted to the meeting of 14 February 2017.

22.2 HEFCE had been advised of the situation and were content provided that both Councils had considered the matter and raised no issues. No such issues were forthcoming from either Council.

**Matters for discussion**

23 **PROVOST'S BUSINESS**

23A **Dean of Arts and Humanities**

23A.1 Professor Stella Bruzzi from the University of Warwick had been appointed Dean of Arts and Humanities with effect from April 2017. The current interim Dean, Professor John Mullan, would continue in the post until that time.

**23B Friends of Israel event**

23B.1 Council members had been apprised of press coverage of protests at a Friends of Israel event held at UCL on 27 October. UCL had set up an internal inquiry chaired by Professor Geraint Rees. The Provost noted the importance of ensuring both freedom of speech and safety of students on campus.

**23C Campaign Launch**

23C.1 The UCL Campaign continued to progress strongly, with a further £10m secured since the £253m figure noted at the last meeting. During a recent visit to East Asia the Provost and colleagues had met with several of the world's principal philanthropic organisations.

**23D Sustainability on campus**

23D.1 UCL had received for the second year running a First Class award in the People & Planet University League<sup>1</sup>, placing 29<sup>th</sup> out of 151 UK universities, with King's College London 61<sup>st</sup> and Imperial College 96<sup>th</sup>.

**24 ANNUAL FINANCIAL STATEMENTS**

*[PAPER 2-16, 2016-17]*

24.1 Principally as a result of the volume of work associated with the incorporation of FRS102, the audit of UCL's financial accounts 2015-16 was not yet complete. Council had consequently received the full but unaudited statements. These had been discussed by the Audit Committee but the committee was unable to offer its customary assurance, or provide its annual report *[see Minute 25]*, until the external audit opinion had been received. HEFCE was aware of the situation and had granted an extension of the submission deadline. Council was therefore asked to authorise the submission of the draft statements (at HEFCE's request) by 1<sup>st</sup> December, and would in due course be asked to authorise the Chair to take action to sign off the audited Financial Statements once the external audit opinion, and the Audit Committee report, had been circulated to members.

24.2 As set out in the notes to the accounts, FRS102 had had a significant impact on the statements for both 2014-15 and 2015-16. The principal one-off impact was to add approximately £560m to the value of UCL assets. The recurrent effects of FRS102 would be less dramatic but would nevertheless result in greater volatility, for example through the new arrangements for recognising non-government capital grants. Further consideration was warranted as to whether surplus as a percentage of income would continue to be the most appropriate summary measure of financial sustainability. The Finance Committee has asked for an analysis of alternative measures in view of the volatility introduced by the new accounting standard. The result of this analysis will be brought to Council in due course.

24.3 The Financial Review section of the OFR sought to set out UCL's underlying operating performance, irrespective of changes in accounting practice. The operational surplus for the year under previous UK GAAP, and on the basis on which the 2015-16 financial targets had been set, was £51m (3.8% of income),

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<sup>1</sup> <https://peopleandplanet.org/university-league>

slightly ahead of the £45.5m (3.5%) budgeted target. A reconciliation in this respect had been developed and was available on request. Council congratulated UCL on this outcome.

- 24.4 Noting that the surplus under the new accounting standard was £115m rather than the £51m that would have been stated under the former rules, Council cautioned that changes in accounting methods could trigger changes in behaviour; communication both within and outside UCL of the reasons for the apparent change in financial performance was therefore of vital importance.
- 24.5 Council agreed that the Audit Committee report be circulated once the external audit had been completed, together with a note highlighting any resultant changes to the Financial Statements, and that Council be asked at that stage to authorise the Chair to take action to approve the audited Financial Statements.

**RESOLVED**

- 24.6 **That Council authorise the submission of the draft, unaudited Financial Statements to HEFCE.**

25 **ANNUAL ASSURANCES TO HEFCE**  
*[PAPER 2-17, 2016-17]*

- 25.1 The following elements were available to Council prior to the meeting: the Value for Money report; the draft HEFCE Annual Assurance return, the Quality Assurance Return, and the Prevent Monitoring report. The Audit Committee report, including the internal audit report, would follow once the external audit had been completed.
- 25.2 The Value for Money paper was a HEFCE requirement this year for the first time. Council found this a useful document, particularly in respect of benchmarking. The poor score on user satisfaction with support services was noted, as was the relevance of the 'Transforming Our Professional Services' programme *[see Minute 30 below]*. It was anticipated that a second iteration of the Size and Shape paper would come back to Council in due course, most likely at the away day in 2017.
- 25.3 The Quality Assurance paper was a new piece of work, relating to the requirement for the governing body to submit assurances about the continuous improvement of the academic experience and student outcomes, and the reliability of academic standards. It had been discussed by Academic Committee at its meeting on 8 November.
- 25.4 Council discussed the Quality Review Framework diagram in the paper, in particular how issues relating to the teaching estate were reflected. It was confirmed that the framework was principally an academic feedback process. Council noted the positive cycle of student engagement, whereby engagement was stimulated by the perception of earlier rounds of feedback making a difference. It was confirmed that the students involved in IQR teams were StARs, recruited through UCLU, and that they generally found the experience of participating in these reviews to be rewarding.
- 25.5 In respect of the Prevent update, a student member of Council reported that UCLU adhered to NUS policy in declining to engage with Prevent. It was noted

however that the paper reflected the situation in 2015-16, when engagement had occurred. It was confirmed that the reason the Friends of Israel event [see Minute 23B] was raised in the paper was that UCL had been contacted both by Camden Council and by HEFCE for additional information about the incident. The rise in the risk level in respect of external speakers and events from low to medium was not in response to that event, or to any sense that students were at a higher risk of radicalisation, but rather of a view that the management of the process had not developed as rapidly as had been hoped. It was agreed that the Lead Officer for Prevent would liaise further with UCLU to agree any necessary changes to the document before submission to HEFCE.

- 25.6 Council approved the following elements for submission to HEFCE: the Value for Money report; the Quality Assurance return, and (subject to agreement of the final details with the UCLU) the Prevent monitoring report. Council noted that the overall Annual Assurance return could not be signed off until the audit process had been completed. Council was content for the Chair to take action to sign the document off at that stage.

**RESOLVED**

- 25.7 **That the Value for Money report and the Quality Assurance return be submitted to HEFCE;**
- 25.8 **that, subject to agreement of the final details with the UCLU, the Prevent monitoring report be submitted to HEFCE;**
- 25.9 **that the Chair be authorised to take action to approve the overall Annual Assurance return once the external audit process had been completed and the audited Financial Statements approved.**

26 **UCL 2034 PRINCIPAL THEME 3 – UPDATE**  
*[PAPER 2-19, 2016-17]*

- 26.1 The Vice-Provost (Research) outlined the activities of the Principal Theme 3 Implementation Group, and summarised progress made against each of the Implementation Action Plans. Review of the Research Strategy 2011 had been postponed in view of the volatile research environment, particularly around the HE Bill, Brexit, and the future of the Research Councils.
- 26.2 Horizon 2020 data released earlier in the day had showed UCL coming a very close second to Cambridge in terms of the volume of EU funding won. It was noted however that this meant that Brexit presented a correspondingly large risk to the projected volume of UCL's research activity.
- 26.3 Council discussed the objectives behind the KPIs, the definition and quantification of Impact, the potential of UCL's visibility as a leader in open access publication for encouraging philanthropy, and progress with improving overhead recovery.

27 **STAFF DIVERSITY AND INCLUSION**

[PAPER 2-20, 2016-17]

- 27.1 During 2014-15 UCL had exceeded its target for improving net diversity at grades 9 and 10. Recruitment data in respect of gender was positive, but BME candidates continued to be less likely than white applicants to be both shortlisted and appointed, despite the introduction of anonymised applications in Professional Services. Anonymisation was generally impractical for academic posts. In order to increase panel diversity, a number of BME staff were being given intensive training in recruitment to enable them to sit on recruitment panels across the organisation.
- 27.2 Reported sickness absence was at a very low level but there was reason to believe there was under-reporting in some areas of the organisation. Staff appraisal rates across UCL had fallen from 80% to 77%.
- 27.3 The overall professorial pay gap between men and women was around 6%, but there was no longer any significant disparity of pay within each of the professorial bands.
- 27.4 Metrics for LGBT staff were not included in the report because the rate of declarations was too low for the data to be meaningful. Recruitment data for LGBT candidates was more robust, and indicated no difference in success rates between LGBT and other candidates. It was hoped that the introduction of the new Oracle HRMS system would act as a driver for an increase in returns in this area.

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| <p style="text-align: center;"><b>Matters for approval or information</b></p> |
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28 **COUNCIL EFFECTIVENESS REVIEW – UPDATE**

[PAPER 2-21, 2016-17]

- 28.1 **Received** – an update on action taken since Council approved the report of the Effectiveness Review on 12 July 2016.

**RESOLVED**

- 28.2 **That the revised Delegation Framework be approved.**

29 **COMMITTEE TERMS OF REFERENCE AND CONSTITUTIONS**

[PAPER 2-23, 2016-17]

- 29.1 **Received** – proposals for amendments to the terms of reference, constitution and membership of UCL committees.

**RESOLVED**

- 29.2 **That the revised Investments Committee Terms of Reference and constitution be approved;**

29.3 **That Professor Lucie Clapp be appointed to Nominations Committee with immediate effect.**

30 **TRANSFORMING OUR PROFESSIONAL SERVICES**

[PAPER 2-25, 2016-17]

30.1 **Received** – a briefing note on the ‘Transforming Our Professional Services’ programme.

31 **UCLU FINANCIAL STATEMENTS**

[PAPER 2-26, 2016-17]

31.1 **Received** – the audited UCLU Financial Statements for the year ending 31 July 2016.

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

[PAPER 2-27, 2016-17]

32.1 **Received** – the Health and Safety Committee annual report 2015-16 and the updated Statement of Safety Policy.

33 **SERIOUS INCIDENT REPORTING ARRANGEMENTS**

[PAPER 2-28, 2016-17]

33.1 **Received** – a note on UCL's Serious Incident Reporting arrangements.

34 **ACADEMIC COMMITTEE REPORT**

[PAPER 2-29, 2016-17]

34.1 **Received** – the Academic Committee report 2015-16.

35 **MINUTES OF OTHER COMMITTEES**

[PAPER 2-31, 2016-17]

35.1 **Received** – a note of minutes of Council committees received since the last report.

36 **DATE OF NEXT MEETING**

36.1 The next meeting was scheduled for 14 February 2017 at 3pm in the Council Room.

Wendy Appleby  
Secretary to Council  
November 2016