



COUNCIL

Thursday 24 March 2011

MINUTES

PRESENT:

Sir Stephen Wall (*Chair*)

Professor David Attwell	Dr Bob Barber
Ms Anne Bulford (<i>Treasurer</i>)	Mr Matthew Burgess
Mr Michael Chessum	Ms Philippa Foster Back
Professor Malcolm Grant	Mr Rob Holden
(<i>President and Provost</i>)	Mr Mark Knight
Ms Vivienne Parry (<i>Vice-Chair</i>)	Ms Katharine Roseveare
Dr Benet Salway	Dr Gill Samuels
Dr Stephanie Schorge	Professor Chris Thompson
Professor Nick Tyler	Baroness Warwick of Undercliffe

In attendance: Mr Rex Knight (Vice-Provost (Operations)); Mr Nick McGhee (Academic Services); Mr Tim Perry (Secretary to Council); Ms Mandy Smith (Democracy and Engagement Officer, UCL Union); Mrs Alison Woodhams (Director of Finance).

Dr Tom Kennie (Ranmore Consulting) attended for Minute 81.

Apologies for absence were received from Ms Catherine Newman and Professor Maria Wyke.

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.

Key to abbreviations used in these Minutes:

BIS	Department for Business, Innovation and Skills
CIF	Capital Investment Framework
CPI	Consumer Prices Index
CSS	Corporate Support Services
CUC	Committee of University Chairs
FTE	full-time equivalent
HEFCE	Higher Education Funding Council for England
HEI	higher education institution
ISC	Information Strategy Committee
LRI	Cancer Research UK London Research Institute
MHCPC	Museums, Heritage and Cultural Property Committee
MRC	Medical Research Council
NIHR	National Institute for Health Research
NUS	National Union of Students
OFFA	Office for Fair Access
PFI	Private Finance Initiative
QR	Quality Research (funding)
REF	Research Excellence Framework
RFH	Royal Free Hospital
RNOH	Royal National Orthopaedic Hospital
RPI	Retail Prices Index
SLMS	School of Life and Medical Sciences
SMT	Senior Management Team
SoP	School of Pharmacy
STEM	science and medicine, technology, engineering and mathematics [subjects]
TUPE	Transfer of Undertakings Protection of Employment
UCL-Q	UCL in Qatar
UCL SERAus	UCL School of Energy and Resources, Australia
UCLU	UCL (students') Union
UKCMRI	UK Centre for Medical Research and Innovation

Preliminary Formal Business

57 **HONOURS AND AWARDS**

Noted

- 57.1 Members of the UCL community, including two current members of Council, had been recognised in the 2011 New Year Honours list. Professor Nick Tyler had been appointed a CBE for services to technology. Ms Vivienne Parry, Vice-Chair of Council, received the OBE for services to the public understanding of science. Full details of awards to members of the UCL community in the New Year Honours were available at <http://www.ucl.ac.uk/news/news-articles/1101/110100601>.

Received

- 57.2 APPENDIX C 3/49 (10-11) – a note on the major prizes *etc* recently awarded to members of the academic community of UCL.

58 **MINUTES**

Approved

- 58.1 The Minutes of the meeting of Council held on 24 November 2010 [*Council Minutes 29-53, 2009-10*] were confirmed by Council and signed by the Chair.

59 **MATTERS ARISING FROM THE MINUTES**

[see Minutes 62, 66 and 78 below]

60 **REGULATIONS FOR MANAGEMENT – AMENDMENTS**

Received

- 60.1 APPENDIX C 3/50 (10-11) with Annexe 1 – a note by the Secretary to Council, introducing proposed amendments to UCL Regulations for Management.

RESOLVED

- 60.2 **That the amendments to Regulation for Management as set out in the Secretary's note at APPENDIX C 3/50 (10-11) with Annexe 1 be approved.**

61 **ACADEMIC UNITS OF UCL**
 [see also Minute 60 above]

Noted

61.1 UCL Statute 10(1) provided as follows:

 There shall be such academic units of the College as the Council on the advice of the Academic Board may from time to time determine, with such powers as determined by the Council on the advice of the Academic Board. ... The academic units of the College shall be designated Departments or Divisions or have such other designation as the Council on the advice of the Academic Board may from time to time

Received

64.3 APPENDIX C 3/54 (10-11) – the Annual Report 2009-10 of the Information Strategy Committee.

RESOLVED

64.4 **That Council approve the Annual Report 2009-10 of the Information Strategy Committee at APPENDIX C 3/54 (10-11).**

65 **MUSEUMS, HERITAGE AND CULTURAL PROPERTY COMMITTEE – ANNUAL REPORT 2009-10**
[Council Minute 69, 2009-10]

Noted

Received

66.3 APPENDIX C 3/56 (10-11) with Annexe 1 – a detailed proposal from UCL’s Head of Property.

RESOLVED – on the recommendation of Finance Committee

66.4 **That Council approve the property transaction with UCLH Trust detailed at APPENDIX C 3/56 (10-11) with Annexe 1.**

67 **CAPITAL INVESTMENT FRAMEWORK 2 – CARBON MANAGEMENT PLAN**

Noted

67.1 This matter had been considered by the Estates Management Committee and the Finance Committee at their meetings on 23 March 2011.

Received

67.2 APPENDIX C 3/57 (10-11) with Annexe 1 – a note introducing the proposed Carbon Management Plan.

RESOLVED – on the recommendation of Finance Committee

67.3 **That Council approve the Carbon Management Plan at APPENDIX C 3/57 (10-11) with Annexe 1.**

Statutory and Formal Business – matters for Information

70 **REPORTS OF COMMITTEES TO COUNCIL**

[*Note: Any matters arising from meetings of committees which required discussion or the formal approval of Council appear as separate items in these Minutes.*]

70a **Academic Board**

Noted

70a.1 The Minutes of the special meeting of Academic Board held on 16 December 2010 would be filed with these Minutes as APPENDIX C 3/61 (10-11).

70b **Audit Committee**

Noted

70b.1 The Minutes of the meetings of Audit Committee held on 6 October and 23 November 2010 would be filed with these Minutes as APPENDICES C 3/62 – 63 (10-11).

70c **Finance Committee**

Noted

70c.1 The Minutes of the meetings of Finance Committee held on 24 November 2010 and 26 January 2011 would be filed with these Minutes as APPENDICES C 3/64-3/65 (10-11).

70d **Other committees reporting to Council**

Noted

70d.1 The Council officers had also received Minutes of the following meetings of committees reporting to Council:

- Governance Committee (4 November 2010);
- Honorary Degrees and Fellowships Committee (12 November 2010);
- Human Resources Policy Committee (18 November 2010);
- Investments Committee (1 November 2010);
- Museums, Heritage and Cultural Property Committee (10 November 2010).

70d.2 In accordance with the UCL Committee Operations Code of Practice, the Chair had confirmed that the above Minutes did not contain any matters which needed to be brought to the attention of Council (other than any matters arising from these Minutes separately notified to the Council officers for consideration by Council).

71 **APPOINTMENTS**

Received

- 71.1 APPENDIX C 3/66 (10-11) – a list of recent appointments (i) of Deans of Faculty; (ii) of Heads of Academic Departments and (iii) to established Chairs and Readerships tenable at UCL.

72 **ACTION TAKEN BY THE CHAIR ON BEHALF OF COUNCIL**

[see also Minute 71 above]

Noted

- 72.1 The Chair had taken action on behalf of Council to approve the following:
- Finance Committee recommendations relating to the Royal Free Pension and Assurance Scheme;
 - Museums, Heritage and Cultural Property Committee proposals for disposal of items from the UCL Museums and Collections;
 -

arrangements designed to facilitate interdisciplinary interaction across the School. These were not line-managed units but groupings brought together for the purpose of developing funding bids and developing technologies. Research studentships and fellowships

plans in principle did not imply approval of the forms of the names used in the current paper. For the time being, Council noted that neuroscience was a key academic strength of UCL and the importance of communicating this effectively in the names of the academic units concerned.

- 74.13 The paper was relatively brief in order to draw attention to the key strategic features of the proposals. Although it included no representation of the constituent units in terms of FTEs, turnover, staff or student numbers, careful modelling in these areas had been carried out. The results of an independent review of the implications of the proposed restructure for management costs could be made available on request.
- 74.14 Council approved the strategy underlying the proposals and the future SLMS structure described. The Chair confirmed that Council was not at this stage signing off on any particular faculty names or structures.

RESOLVED

- 74.15 **That, subject to consultation on the names of the Faculties concerned, and further consideration of detailed proposals at its meeting on 6 July 2011, Council endorse the proposals for restructuring of the School of Life and Medical Sciences set out at APPENDIX C 3/68 (10-11).**

75 **UCL UNION GOVERNANCE**
[Council Minute 115, 2009-10]

Noted

- 75.1 At its meeting on 6 July 2010 Council had received from the student members of Council an update on the progress of plans to reform the governance of UCL Union. It was expected that proposals would be submitted to Council during the course of the academic year 2010-11.
- 75.2 Dr Barber and Mr Chessum declared an interest in the matter in that

75a **UCLU Governance from 1 August 2011**

Received

- 75a.1 APPENDIX C 3/69 (10-11) – a briefing note to Council on UCLU's proposed governance arrangements with effect from 1 August 2011.
- 75a.2 APPENDIX C 3/70 (10-11) – the Memorandum and Articles of Association (and at * Annexe 1 the Bye-laws) associated with the proposed new governance arrangements.

Reported

- 75a.3 After four years of debate the Union had reached agreement on its future governance arrangements, operational with effect from 1 August 2011. The Union would now become a Limited Liability Company under the terms set out in the Memorandum and Articles of Association that would become the governing document of the new Incorporated UCL Union, which maintained the Union's charitable objects, set out the scope of what the Union could do and clarified the roles of the Trustees. The name would change from UCL Union to UCLU. All issues both known and unknown transferred to the new structure, with the exception of the sports grounds [*see Minute 75c below*]e therandTc Of

Grounds. It was therefore proposed that UCL act as sole corporate Trustee of the dormant Union until the end of the Trust Period in 2022.

RESOLVED

75b.4 **That Council approve the amended constitution of the federated UCL Union.**

75c **Shenley Sports Ground Trust Deeds**

Received

75c.1 APPENDICES C 3/73-C 3/74 (10-11) – briefing notes to Council by UCL Union and UCLU's solicitors on updating the Shenley Sports Grounds Trust Deeds.

75c.2 APPENDIX C 3/75 (10-11) – the proposed updated Scheme (replacing the current Trust Deeds at * Annexe 1).

Reported

75c.3 A new deed had been drawn up in respect of the Shenley Trust, differing in detail from the deeds of the old men's and women's unions only where those deeds differed from each other. Council was being asked to approve the new deeds in principle although approval would still be needed from the Charity Commission. The

76 **FINANCIAL UPDATE 2010-11**

Noted

76.1 This matter had been considered by Finance Committee at its meeting on 23 March 2011.

Received

76.2 APPENDIX C 3/76 (10-11) – the Financial Update (March 2011).

76.3 Oral reports by Mrs Alison Woodhams, Director of Finance, and the Treasurer (on behalf of Finance Committee).

Reported

76.4 The forecast operating surplus was currently ahead of budget by £2.7m. Tuition fee income, driven by increases in student numbers, was £11m higher than budget. Forecast research income was £2.5m down on budget; a reduction in overhead contributions was responsible for half of the shortfall. The figures did not include the increase in HEFCE clawback from a budgeted £3.5m to £4.5m.

76.5 Expenditure in CSS divisions was forecast at £700k lower than the budgeted figure. Two CSS Divisions were not at present hitting their budget improvement targets: Information Systems, due to a restructure process falling behind schedule; and the Registry, due to the later than expected implementation of the fees for taught postgraduate applications.

76.6 The current CIF period would end on 31 March 2011 by which time UCL's allocation would be spent in its entirety under the conditions of the CIF programme. Following the withdrawal of CIF funding, financial updates would in future integrate capital funding within the accounts, and would include a greater amount of detail, including planning.

76.7 Debt as a proportion of turnover was down. There was a notable improvement in the profile of aged student debt. Cash balances had fallen but a healthy cash balance was nevertheless forecast for the end of the year.

76.8 UCL's overseas operations in South Australia and Astana, Kazakhstan were currently forecast to break even.

Discussion

76.9 It was noted that the year to date figures given in APPENDIX C 3/76 (10-11) represented half of the annual budget. There were no adjustments for phasing in the forecasts as there was very little information on historical actuals on which to base such assumptions.

It would be possible to develop this area in future as the budget was now carried out on a financial accounting basis.

- 76.10 The Minutes of the Finance Committee meeting of 24 November 2010 referred to a writing off of NHS debt from the three large partner NHS trusts (UCLH, the Royal Free (RFH) and the Royal National Orthopaedic Hospital (RNOH)) in order to clear backlogs of long outstanding debt. It was difficult to get a clear idea of the source of this debt as there was insufficient backup documentation in many cases. Council members highlighted the risk of debt arising as a result of the new NHS structure, for example where the abolition of Strategic Health Authorities closed the budgets to which particular debts had been assigned.
- 76.11 In response to a question on the integration of overseas activities and the lack of clarity over the locus of liability for failure, Mrs Woodhams noted that Finance Committee had received a paper on minimising the risk to overseas operations. It was agreed that this be considered by Council, as part of a detailed report on the financial performance of the overseas operations which was currently expected to be submitted to the July meeting of Council.

77 HEFCE GRANT ANNOUNCEMENT 2011-12

Noted

- 77.1 This matter had been considered by Finance Committee at its meeting on 23 March 2011.
- 77.2 UCL had received details of its HEFCE grant for 2011-12 on 14 March 2011. This was followed by the publication of grant details for all institutions on 17 March 2011.
- 77.3 The proposed UCL Budget for the financial year 2011-12 would be submitted to the 6 July 2011 meeting of Council for approval.

Received

- 77.4 APPENDIX C 3/77 (10-11) with Annexe 1 – a report on the HEFCE grant announcement by the Director of Financial Planning and Strategy.
- 77.5 Oral reports by the Director of Finance, the Treasurer (on behalf of Finance Committee) and the Provost.

Reported

- 77.6 UCL's T grant for 2011-12 had been cut by 4.6%, against 5.4% for the sector. Research funding across the sector was cut by 1.07%; UCL had seen a 1.36% increase due to the revised weightings applied to mainstream QR, and the protection for STEM subjects.

- 78.6 The Treasurer reported Finance Committee's discussion of the proposals in the Vice-Provost (Operations)'s note. In light of factors such as the nature of assumptions in the financial forecasts regarding staff costs, the challenge of continuing to increase research income, the deep concerns regarding the lack of guarantee over that portion of capital funding which did remain, and the lack of clarity over the rules relating to student numbers, Finance Committee had concluded that a fee level of less than £9,000 was not a viable option for UCL. The Provost noted also his concerns over the issues of student visas, the impact of raising overseas and postgraduate fees, and the fundamental viability of the funding structure if it were not to result in a raid by the Treasury on other sources of HE funding. It was also noted that in the current inflationary environment the value of fees set now and not received until October 2012 would decline.
- 78.7 It would be important for the seriousness of the funding situation to be clearly communicated in any announcement about UCL's intended fee levels, and for UCL to liaise with UCLU regarding the best way to put this forward in a transparent and helpful way. In light of continuing widespread misconceptions, it was clear that the sector would need to embark on a major and concerted communication exercise regarding the nature of the funding scheme. It was suggested that OFFA or BIS should be doing more to combat the prevailing misconceptions about the scheme. Student organisations were working with students and school careers services in this area but were struggling against media more interested in fees than in bursary arrangements. It was suggested that UCL would be well advised to be as transparent as possible in terms of the breakdown of charges to students, in order to help communicate the volume of bursaries which the rise in fees would support. This would complement initiatives, such as the Key Information Set, designed to clarify to students what they could expect from their university.
- 78.8 Mr Chessum noted his formal objection to the proposed fee level. He suggested that universities were guilty of pleading the inevitability of a process which was in his view a direct result of the Russell Group's arguing for a rise in fees in the past, and its rejection of the NUS argument that any such rise would be used to plug a gap in Government funding for higher education. He was not convinced that any access agreement could mitigate the structural bias against lower socio-economic groups which the new fees regime would reinforce; in his view the issue was one of debt aversity, not communication.

RESOLVED – *on the recommendation of Finance Committee*

- 78.9 **That the proposal for the Home/EU undergraduate tuition fee for 2012-13 at APPENDIX C 3/78 (10-11) be approved.**

79 **ACCESS AGREEMENT**

Noted

- 79.1 This matter had been considered by Finance Committee at its meeting on 23 March 2011.
- 79.2 Higher education institutions wishing to charge fees of more than £6,000 for new full-time Home/EU undergraduate entrants from 2012-13 were required to have a new Access Agreement approved by the Office for Fair Access (OFFA). The Access Agreement would set out how the institution intended to improve access for and retention of students from disadvantaged backgrounds.

Received

- 79.3 APPENDIX C 3/79 (10-11) – the proposed UCL Access Agreement.
- 79.4 An oral report by the Vice-Provost (Operations).

Reported

- 79.5 The draft agreement proposed that UCL spend approximately 30% of its additional fee income on access commitments, including bursaries and outreach activities. There were no proposals to establish fee waiver arrangements.
- 79.6 UCL was already at the forefront of the sector in terms of outreach activities but it was proposed that these be expanded. The UCL Academy was a key development in this area. It was hoped that a programme of work with school teaching staff could be developed, and consideration was being given to establishing foundation or intensive summer programmes for pupils between years 12 and 13, in order to improve A-level attainment.

Discussion

- 79.7 It was noted that it was not clear whether CPI or RPI was being referred to in the statement in the Access Agreement that ‘...this fee will rise annually in order to maintain value in real terms. Students will therefore be subject to annual increases in line with the amount set by the regulations’. The Financial Forecasts had assumed that such annual increases would be permitted, although Government confirmation on this point had not been received.
- 79.8 It was not yet clear whether the suggested foundation programmes would be financially viable, although it was noted that similar courses for international students run by the UCL Language Centre were successful, as were similar arrangements in other institutions. It was suggested that such ideas could be trialled in the UCL Academy.

extent not transpired. A further forecast would be submitted in November 2011.

Discussion

- 80.6 It was noted that table 5 of the appendix (supporting data) included reference to the potential in the Student Accommodation Strategy for the release of capital from the estate through leaseback agreements. Council members discussed the advisability of including reference to such arrangements in the forecasts. It was suggested that this was a course of action that could give the impression of an organisation in financial distress; the negative experience of the PFI arrangements surrounding the Cruciform building was noted in this regard. It was suggested, however, that it would be wrong not to refer to this opportunity as it was not until five years hence that the forecasts reached a position of positive cashflow without incorporating some form of refinancing. It was suggested that Council would benefit from having a more informed view of the value of the estate in order to judge the relative scale of any such proposed arrangement.

RESOLVED – on the recommendation of Finance Committee

- 80.7 **That the Financial Forecasts at APPENDIX C 3/80 (10-11) be approved.**

81 **COUNCIL EFFECTIVENESS REVIEW**

[Council Minute 45.3, 2010-11]

Noted

- 81.1 Following the interim presentation made to the Council Awayday on 25 January 2011, the final report of Ranmore Consulting, following their effectiveness review of Council and UCL's governance arrangements more generally, was received in the first week of March 2011 and issued for advance information to all Council members.
- 81.2 Council had set up a sub-group of its members to consider the findings of the Ranmore report and make recommendations to Council on how the recommendations in the report might be taken forward. The Council Review Group was chaired by the Vice-Chair of Council. The Group's other members were Mr Michael Chessum, Ms Philippa Foster-Back, Ms Katharine Roseveare, Professor Chris Thompson, Baroness Warwick and Professor Maria Wyke. The sub-group had held preliminary meetings with Mr Allan Schofield on behalf of Ranmore and with the Council secretariat, to discuss the findings of the report, on 7 March 2011.

Received

- 81.3 APPENDIX C 3/81 (10-11) – Ranmore Consulting's report on the effectiveness of Council.

81.4 Oral reports by Dr Tom Kennie, Ranmore Consulting and Ms Vivienne Parry, as Chair of the Council Review Group.

Reported

81.5 Mr Kennie highlighted the following points from the report:

- The report recognised that UCL was a highly successful institution operating within a context of rapid change on a national and international scale
- the recommendations sought to remove some areas of ambiguity arising from the complexity and scale of the institution
- the report sought to balance its recommendations in terms of stakeholder interests
- guidance was given in the report on what the authors identified as a number of 'quick wins' as well as areas in which it was felt that further debate was required.

81.6 Ms Parry reported that the Council Review Group found the following points from the report:

83 **PROVOST'S BUSINESS**

83A **Role of the Vice-Provosts**

Reported

83A.1 In consideration of UCL's expanding overseas presence, and an ever-increasing need for investment in the educational aspect of UCL's activity, the Provost had concluded that the portfolio of the Vice-Provost (Academic and International) should be divided between two posts. Professor Michael Worton would continue as Vice-Provost (International), with the role of Vice-Provost (Education) being advertised in the near future.

83B **School of Pharmacy**

Reported

83B.1 Discussions with the School of Pharmacy regarding potential merger were ongoing. The Provost was still hopeful that agreement could be reached within the calendar year, or even before the start of the academic year 2011-12. The SoP Council would discuss the issue at an away day in March followed by a special meeting on 12 May 2011. The Provost was grateful to the many senior academic colleagues at UCL who had taken the time to discuss the matter with members of the SoP community.

83C **Green Paper**

Reported

83C.1 Work was progressing on the Provost's Green Paper, which would be brought to a special meeting of Council for discussion on

services were outsourced. This model was seen to be inherently inefficient and as tending to involve differential service standards. It was proposed that, with the exception of arrangements relating to the Security Control Room and the disposal of hazardous waste, both operational and supervisory in-house staff be transferred to the existing service providers in the areas concerned. A 30-day consultation was now underway, as part of a wider consultation process on the future organisation of the Estates and Facilities Division⁴, as required by UCL's organisational change procedures. If the proposed changes went ahead, a TUPE consultation would then take place as required by transfer of undertakings legislation. Council was reminded that UCL was committed to implementing the London Living Wage with respect to all outsourced staff.

viewed by UCL as considerably more disruptive than the two student occupations that had already taken place during the current academic year. UCL had since made an application to the High Court, an approach seen by Mr Chessum as an unwarranted escalation of the situation which jeopardised the welfare of the students named by UCL in making this application.

Discussion

- 84b.4 The Chair concluded that the matter was not an issue for Council and that if Mr Chessum or others felt that actions had been taken by UCL officers which were inappropriate there were established complaints procedures in place which could be invoked.
- 84b.5 Two academic members of Council encouraged UCL management to deal leniently with the students concerned.

Tim Perry
Secretary to Council
May 2011