

University of Cambridge

COUNCIL

Minutes of a meeting of the Council held on Monday 22 October 2012 at 10.15 am in the Council Room, The Old Schools.

Present: The Vice-Chancellor (in the Chair); the Master of Christ's, the Master of Fitzwilliam, the Warden of Robinson College; Professor Abulafia, Professor Gay; Dr Bampos, Dr Cowley, Mr Dowling, Mr Du Quesnay, Dr Good, Dr Oosthuizen, Dr Padman; Dr Lawrence, Dame Mavis McDonald (Deputy Chairman); Mr Bell, Ms Old, Mr Wakeford (for unreserved business); with the Registrar, the Head of the Registrar's Office and the University Draftsman; the Senior Pro-Vice-Chancellor, the Pro-Vice-Chancellor (Education) and the Pro-Vice-Chancellor (Institutional Affairs).

Apologies for absence were received from Sir Christopher Hum, Professor Donald, Professor Hopper, Dr Barnes, Mr Casserley and Mr Shakeshaft.

The Junior Proctor and the Senior Deputy Proctor were present.

UNRESERVED BUSINESS

PART A: PRELIMINARY, LEGISLATIVE AND STRAIGHTFORWARD BUSINESS

9. Declarations of Interest

Dame Mavis McDonald, as an external member of Council seeking reappointment, declared an interest in the matter recorded as Minute 13(e) (External members of the Council: Nominating Committee). Mr Dowling, as a member of the University Computing Service, declared an interest in the matter recorded as Minute 17 (Report to the Council and the General Board of the Review of IT Infrastructure and Support). Professor Abulafia, Dr Cowley and Dr Oosthuizen, as University employees, declared interests in the matter recorded as 19(b) (Consultation Paper on amendments to the Second Joint Report on the Pay and Grading Scheme for non-clinical staff). Otherwise, no personal or prejudicial interests were declared.

10. Minutes

The unconfirmed minutes of the meeting held on 24 September 2012 were received and approved subject to a minor amendment to Minute 8(i) concerning the North West Cambridge project.

Action: Personal Assistant to the Head of the Registrar's Office to web.

11. Procedure of the Council

(a) Approval of arrangements for the chairing of agenda items

It was proposed that the Vice-Chancellor should chair all items of unreserved business and that the Deputy Chair should chair the reserved business. The Council approved this arrangement.

(b) Business starred as straightforward

The Council approved matters for decision set out in the confirmed starred items.

(c) Council Circulars

The Council noted the issue and approval of the following:

Circular	Issue	Approval
20/12	21 September	1 October
21/12	28 September	8 October
22/12	5 October	15 October
23/12	12 October	22 October

12. Vice-Chancellor's Report

(a) The Council congratulated Professor Sir John Gurdon, *M*, Emeritus Professor in Cell Biology at the Gurdon Institute on the award of the Nobel Prize in Physiology or Medicine.

Action: Vice-Chancellor's Private Secretary

(b) The Council congratulated Professor Sir David Baulcombe, *T*, Regius Professor of Botany and Royal Society Research Professor on the award of the Balzan Prize for Epigenetics.

Action: Vice-Chancellor's Private Secretary

(c) The Vice-Chancellor reported that Mr Casserley had recently been appointed to the position of Chief Executive Officer at Willis Group Holdings, the global insurance broker, with effect from 7 January 2013. The Council recorded its warm congratulations to Mr Casserley on his appointment to this significant post in a major multinational company.

(d) The University had now completed a bond issue of £350 million at an annual coupon rate of 3.75% and an annual interest rate of 3.84% over the lifetime of the loan and a maturity date of 2052. The Council recorded its congratulations and thanks to the Senior Pro-Vice-Chancellor, the Registry, the Director of Finance and Mrs Cheffins for their exceptional work in bringing the bond issue to this immensely successful conclusion.

(e) Mr Millburn's report on access to higher education, *University Challenge: How Higher Education Can Advance Social Mobility*, had been published on 18 October 2012. Consideration of the report within the University would be taken forward by the Undergraduate Admissions Committee. The Vice-Chancellor had discussed the report, *inter alia*, at meetings with both the Secretary of State for Business Innovation and Skills and the Minister of State for Universities and Science. The Vice-Chancellor had raised again with Mr Cable the University's concerns about the Government's current

immigration policy. He had also spoken about the need for investment in graduate education and in capital and infrastructure. He had emphasized the importance of maintaining the UK's contribution to European Union research budgets.

(f) The Vice-Chancellor had delivered his annual address to the University on the subject of 'The Scale of our Ambition' on 1 October 2012.

(g) On 1 October 2012 the Vice-Chancellor had attended a dinner for the Winton Symposium on Energy Efficiency.

(h) The Vice-Chancellor had held discussion meetings with Heads of Department on 2, 3 and 9 October 2012.

(i) The Vice-Chancellor had had a one-to-one meeting with the Business Secretary on 3 October. He and the Pro-Vice-Chancellor (Research) had also participated in a round table meeting at the Institute for Manufacturing.

(j) The Vice-Chancellor had given a keynote speech at the Linnean Society on 8 October 2012.

(k) The Vice-Chancellor had chaired a meeting of the Russell Group European Advisory Group on 11 October 2012.

(l) HRH The Duke of Wessex had visited the University on 11 October 2012.

(m) Professor Hasok Chang, Hans Rausing Professor of History and Philosophy of Science, had delivered an inaugural lecture on 11 October 2012.

(n) The Vice-Chancellor had visited Germany to attend a meeting of the German Cambridge Society on 12 October 2012.

(o) The Vice-Chancellor had delivered a keynote lecture at the Polish City Club on 17 October 2012.

(p) The Vice-Chancellor had attended a lunch at the Royal Aeronautical Society for the inauguration by HRH The Duke of Edinburgh of the Marshall Room on 19 October 2012.

13. Council, legislative and comparable matters

(a) Council Work Plan 2012-13

The updated Work Plan was received.

(b) Business Committee

The Business Committee had not met on 15 October 2012.

(c) The Council's Annual Report 2011-12

A second draft was received. It was agreed that there should be reference, either in the Council's or the General Board's Annual Report, to the University's ongoing commitment to monitoring the impact on access of the new fee regime. There should be reference to the theft at the Fitzwilliam and to the fact that the National Security Adviser for the Arts

Council had confirmed in his most recent inspection prior to the theft, that the security of the museum met the required standards of Government Indemnity, which was considered to be an appropriate benchmark for museum security in general. Thought might be given to the ordering of the materials in the Report.

Action: Registry, Head of the Registry's Office

(d) Strategic meeting: 24-25 September 2012

The note of the Council's recent strategic meeting, which had been provided to the Council in Circular 22/12 on 5 October 2012, was received. It was important to emphasise that the University was entering a new age of perpetual fundraising and was not simply embarking on a stand-alone new campaign. Fundraising would, increasingly, be part of the University's core business and the proposed increase in resources for development activities would therefore represent a permanent and recurrent uplift.

There had been some considerable progress in reviewing and revising the proposed fundraising strategy; a paper would be brought back to the Council at its meeting on 26 November 2012.

On the question of funding for the proposed restructuring of the University's development activities, it was confirmed, as set out in the meeting notes, that the resourcing implications, on the basis of the Council's outline approval, would be taken forward, scrutinised and agreed through the Planning Round.

(e) External members of the Council: Nominating Committee

The Council received a paper setting out the recommendations of the Nominating Committee for External Members of the Council together with draft Graces. *Curriculum vitae* for the candidates nominated for appointment were tabled.

In the absence of Mr Shakeshaft who had chaired the Committee, the Registry reported. The Committee had met on four occasions. Perrett Laver had been appointed to assist with the search. At its second meeting, the Committee had received information about 45 possible candidates, 29 of which Perrett Laver considered to have scored particularly highly against the criteria in the person specification and who were therefore worthy of consideration for interview. The Committee had drawn up a long list of 16 candidates and had asked Perrett Laver to provide information about three possible further candidates. It was of concern that there had been very few women candidates, notwithstanding the best efforts of Perrett Laver who had approached nearly sixty women candidates none of whom wished to have their names put forward. The Committee had interviewed shortlisted candidates on 12 October 2012. At that stage, they had been advised that, for the reason set out in Minute 12(c) above, Mr Casserley had regrettably indicated his intention to resign from the Council with effect from the calendar year.

The Committee now recommended three candidates to the Council as follows:

- Dame Mavis McDonald for reappointment;
- Mr Mark Lewisohn, Vice-Chairman, Investment Banking Division, Global Head of Technology, Media and Telecommunications & Chairman of European Equity Capital, at UBS, for appointment
- Dr Shirley Pearce CBE, former Vice-Chancellor and President of Loughborough University, for appointment.

Each candidate had consented to the nomination.

The Council thanked the Nominating Committee for its work. It was suggested that the process might, in future years, be started earlier. The Council recorded its gratitude to both Dr Lawrence and Mr Casserley for the exceptional contribution which they had made and continued to make to the Council's deliberations and work.

In conclusion, the Council commended the recommendations; agreed to put forward the three candidates and approved the draft Graces.

Action: Draftsman (for publication)

(f) Council Handbook and fundamental documents

The Council was reminded that, at its meeting on 16 July 2012, it had received various documents produced by the working group on Council business. The Council had approved the following documents:

- Terms of reference for the Business Committee;
- A proposed table of contents for the revised Council handbook;
- Draft revised Council standing orders;
- A draft list of key contacts;
- A draft document setting out the Council's annual business cycle.

The Council, at that meeting, had invited the working group to give further consideration to a draft paper setting out the legal duties and responsibilities of members of the Council. That revised paper was now brought back to the Council with the minute of the discussion at the Council's meeting on 16 July 2012.

In the absence of Mr Shakeshaft who had chaired the working group, Dr Padman and Professor Gay reported. The working group had revised the document to address comments about the way in which the Council (collectively and as individual members) dealt with decisions in respect of which complete consensus could not be achieved. The working group was fully cognisant of the fact that the right to dissent was enshrined within the University and in the provisions in Statutes and Ordinances. There had also been further work to review the wording around the Council's executive responsibilities and the need to retain a strategic focus while maintaining a general oversight.

In the course of discussion it was agreed that there should be a more explicit statement, early in the document, of the role of the Regent House as the governing body of the University and of the Statutes and Ordinances as its governing legislation. Subject to this change and to other minor amendments, the Council approved the document for adoption from 1 January 2013.

Action: Head of the Registry's Office

(g) Council response to the remarks at Discussion on 24 April 2012 about the following topic of concern: The selective and unreasonable punishment of a single student for a collective act of protest by students and senior members.

Further to the discussion at the Council's meeting on 24 September 2012, the Business Committee had received and further amended a revised draft at its meeting on 8 October 2012. Professor Yates, as chair of the Business Committee, reported that the Committee considered that the revised draft took account of the Council's comments and he

commended it for publication. The question of whether and how the Council might review the University's court processes was a separate matter.

The Council approved the circulated response for publication.

Action: Draftsman (for publication)

14. General Board

The minutes of the General Board's meeting on 11 July 2012 were received. It was noted that the Council received the General Board's confirmed minutes. The minutes of the General Board's meeting on 3 October would be provided to the Council with the papers for the meeting on 26 November 2012.

15. North West Cambridge Project

The following papers were received:

- An updated financial appraisal for Phase 1 of the development;
- A draft Report to the University. (An earlier iteration of the Report had been circulated to the Council for comment on 9 October 2012. This revised version took account of comments received.)

The Council also received the minutes of the Finance Committee's meeting on 10 October 2012 (Minute 16(i) (b) refers). The Finance Committee, for its part, had agreed that the financial case for progression to Phase 1 of the North West Cambridge Project was sound and had agreed to recommend to the Council that it should proceed with a Report, to that effect, to the Regent House.

The Senior Pro-Vice-Chancellor reported. The numbers in the financial appraisal represented a further refinement; however, there had been only limited changes since the previous iteration. Deloitte had conducted an independent review of the financial model which had identified a few minor errors in the figures which had now been corrected. They had therefore confirmed that the workings of the financial appraisal were sound. The model would continue to be audited as part of the rolling audit process.

Now that the interest rate applicable to the bond issue was known, it was proposed that the interest rate charged to the project on internal borrowing should be reduced from 4.5% to 4.25%. This would cover the cost of carry and management of loan thereby rendering the transaction cost neutral. The margin of interest cover would vary through the course of the project, starting at below zero and increasing throughout. Full interest cover would be achieved by 2024 and X1.25 by 2029 with repayment of the loan anticipated in 2048. It was significant, in this regard, that income on the project was linked to inflation and would therefore increase in the course of the project (unless there was an extended period of deflation); the loan, however, was at a fixed rate and interest costs would not rise. Interest cover would therefore be achieved by means of inflation alone.

Overall, the financial appraisal and analysis indicated that the project was affordable and that the risks were manageable and well contained. The project remained a strategic imperative for the University.

In the course of discussion, it was noted that the proposal that there should be an investment of £25m of equity in the project to cover sunk costs was a departure from earlier notifications to the Regent House that these funds represented a loan from the Chest. It was important that this change to the previously notified arrangements should be explicitly stated and explained, noting that the appraisal demonstrated that within the 40 year period of appraisal, the project would repay all outstanding debts and return a further £114m to the Chest. The change represented a small adjustment to the organisation of the cashflow. It was agreed that a revised version of the Report would be provided to the Council for approval for publication by circulation.

Action: Draftsman (for publication)

16. Finance, Planning and Resources
(i) Finance Committee

(a) 19 September 2012

The minutes of the meeting of the Finance Committee on 19 September were received.

(b) 10 October 2012

The minutes of the meeting held on 10 October were received.

(ii) Planning and Resources Committee

The Planning and Resources Committee had met on 17 October. There were no matters for urgent report. The minutes would be circulated with the papers for the Council's meeting on 26 November 2012.

(iii) Contributory Pension Scheme (CPS) rules

The Council received the following documentation:

- A draft Notice and Grace including a summary of the proposed changes to the CPS,
- The minute of the Business Committee's discussion of the matter at its meeting on 8 October 2012.

The Council was reminded that it had, both directly and by means of reports from the Finance Committee and the HR Committee, considered proposed changes to the CPS over a three year period. The relevant processes, both in respect of UK legislation with regard to consultation with the members of the CPS and the rules of the CPS, had now been completed. Further, the advisers to the University and to the CU Pension Trustee Limited had confirmed that the proposed rule changes gave effect to the University's proposals as summarised in the draft Notice.

The Council approved the Notice and Grace for publication.

Action: Draftsman (for publication)

17. Report to the Council and the General Board of the Review of IT Infrastructure and Support

The report of the Committee established to review IT infrastructure and support was received together with the unconfirmed minute of the General Board's discussion of the report at its meeting on 3 October 2012.

The Senior Pro-Vice-Chancellor, as a member of the Review Committee, reported. The report was the work of a panel under the external chairmanship of Professor Keith Burnett, Vice-Chancellor of the University of Sheffield. The key recommendations had already been widely circulated and had been discussed with members of the University Computing Service (UCS) and the Management Information Services Division (MISD). The General Board, at its recent meeting, had approved the report as a basis for further consultation in the University. The Council was now invited to do likewise. The consultation period would remain open until the end of November. During that time, comments could be submitted to the Review Committee via its Secretary or on the web forum. There would, in addition, be at least two open meetings. The Review Committee would, thereafter, review the comments and bring forward final recommendations for consideration by the General Board and the Council. It was intended that a Joint Report to the University would be issued thereafter.

Dr Padman, who had also served on the Review Committee, drew particular attention to the following recommendations:

- That there should be a review of the career structures and employment arrangements for computing staff across the University with a view better to supporting their development and mobility (E1);
- That there should be an agreed level of service across all School and non-School institutions. It was notable that many large institutions had access to an excellent standard of service which was not (and, given the available resource and expertise, could not be) provided within some smaller institutions;
- That there was a need for significant changes to the structural arrangements supporting governance, management and oversight of the delivery and support of IT services. The Review Committee had set out proposals for revised arrangements in, *inter alia*, recommendations B1, C1 and C2.

Mr Dowling had declared a significant personal interest in the matters under discussion. He was invited to provide some introductory remarks; these are included within the general report of the discussion which follows. He then left the meeting.

The following points were amongst those made in the course of discussion:

- There was much to welcome in the report and in its recognition of the need to improve the IT infrastructure and support arrangements across the University. However, the report also, quite rightly, noted that there was significant and widespread existing good practice and considerable professional expertise. Much had already been done to engage MISD, UCS and others involved in the delivery of IT support with the Review Committee's discussions and recommendations. It would be important to continue this process of constructive debate during the consultation period. It was noted, in this regard, that none of the recommendations in the consultative report would be taken forward for implementation until the final Report had been received and had been approved by the Regent House.

- It would be important, as part of the consultation process, to explain and expand on the arguments and the rationale underpinning the principles and recommendations in the report.
- It was important that the structures which supported the University's IT provision were sufficiently flexible to facilitate a quick and effective response to a very rapidly changing IT environment.
- The Review Committee had considered both centrally provided and centrally resourced IT (through UCS and MISD) and the arrangements and resourcing for the provision of IT in Schools and non-School institutions. CARET and the UL had not been included within its scope.
- It was important that there were clearly defined arrangements to ensure that the user needs of students and staff in School and non-School institutions and the needs of the UAS (in terms of the provision of management information systems) were both met. Balancing those needs would have resourcing implications both for the proposed new Information Services and Systems Committee (ISSC) and for the PRC. There was no suggestion in the report that the new organisation should sit within the UAS.
- It was noted that the report recommended the establishment of an ISSC Research Computing Sub-Committee. It was important that IT support for teaching and learning activities as well as for research activities was properly considered and resourced.

The Council approved publication of the report for consultation purposes and its distribution to the Council of the Schools and other bodies for comment.

Action: Draftsman (for publication)

Mr Dowling returned to the meeting.

18. Audit Audit Committee

The minutes of the meeting held on 11 October were received, along with the Higher Education Funding Council for England's (HEFCE) annual Assessment of Institutional Risk. It was noted that the HFECE's overall assessment, based on the accountability returns for 2010-11, was that the University of Cambridge was 'not at higher risk'.

19. University Employment (a) Human Resources Committee

The Committee had met on 11 October. There were no matters for urgent report. The minutes would be circulated with the papers for the Council's meeting on 26 November 2012.

(b) Consultation Paper on amendments to the Second Joint Report on the Pay and Grading Scheme for non-clinical staff

A consultation paper, prepared by a working group of the Human Resources Committee on Pay and Reward, on amendments to the Second Joint Report on the Pay and Grading Scheme for non-clinical staff was received.

The Pro-Vice-Chancellor (Institutional Affairs) reported. The HR Committee had set up a working group in Lent Term 2012 to review pay and reward mechanisms with a view to identifying such changes as were necessary in order to ensure that the University could continue to compete effectively with competitor institutions internationally in recruiting and retaining staff of the highest calibre. The main proposals were:

- The extension of the scale of stipends for the University Senior Lectureship (USL) in order to improve recognition of the contribution of USLs, particularly to teaching, examining and non-research activities;
- The establishment of a transparent, consistent and flexible process to replace an increasing reliance on market supplements. This would involve the introduction of advanced contribution supplements for academic staff and market pay for other staff. The working group also recommended that existing market supplements should be incorporated into underlying base salaries.
- The extension of the grade 12 salary scale by six points to spine point 100 and the introduction of two point overlapping extensions to bands one to four of grade 12. The proposal was in recognition of the competitiveness of the academic market and the need to be able to offer suitable terms and to secure the employment of the best senior staff. The working group was of the view that a published salary scale at this level was important in order to ensure transparency.

The following points were amongst those raised in the course of discussion:

- The reform of the market supplements arrangements was welcomed; the proposed new scheme offered greater transparency and accountability. It was noted that it would be possible to incorporate almost all of the staff currently on market supplements onto the new scale.
- The proposed recognition of teaching excellence by means of the extension to the scale of stipends for USLs was welcomed.
- It was noted that there were significantly more discretionary points in the grade 12 salary scale than in other grades. This meant that higher grade staff would have more opportunities for salary progression than those in lower grades, many of whom ended up indefinitely at the top of their scale. It was, however, necessary to be realistic about market forces at the most senior levels. Band four was used only in exceptional circumstances in order to recruit and reward the most exceptional people.

The Council approved publication of the report for consultation purposes. The working group would consider responses to the consultation and bring back a Report to the Council and the General Board in due course.

Action: Draftsman (for publication)

PART C: RESERVED BUSINESS

The Deputy Chair took the chair. Officers other than the Registry and the Head of the Registry's Office withdrew.

20. University Employment Remuneration Committee

A report from the Remuneration Committee's meeting on 24 September 2012 was received.

The Council noted the Committee's decision in respect of the terms of a bonus payment against agreed objectives.

The Committee had also considered proposals for a contribution scheme for Pro-Vice-Chancellors and Heads of School.

The Vice-Chancellor reported. The proposal sought to recognise the vital (and increasingly complex and accountable) roles played by the Pro-Vice-Chancellors and the Heads of School on the University's behalf. It was important, in order to be able to attract and recruit potential applicants to these senior leadership roles, that those individuals should not feel that they might be disadvantaged on their return to their underlying post because of the lack of opportunity for recognition. It was noted, in this context, that it was very difficult to recruit to these roles. The existing biennial professorial contribution review, for which the majority of Pro-Vice-Chancellors and Heads of Schools were eligible, was judged primarily against academic (and, in particular, research) criteria; of necessity, those in senior leadership roles had sacrificed research time and were therefore less able to present a strong case. Further, given the involvement of Heads of Schools in the process, there were understandable concerns about perceived conflicts of interest. The proposal was therefore that there should be a separate contribution based review scheme to consider the performance of these individuals in their senior leadership capacity.

In the course of discussion, members of the Council raised various questions and concerns both on points of principle and on points of process and procedure. It was agreed that further work should be undertaken in setting out the case for such a scheme; in reviewing the proposed procedure; and in considering the process by which it might be considered and approved.

Vice-Chancellor
26 November 2012