

University of Cambridge

COUNCIL

Minutes of a meeting of the Council held in the Council Room, The Old Schools, at 10.15 am on Monday 17 June 2013.

Present: Vice-Chancellor (Chairman); the Master of Christ's, the Master of Jesus, the Master of Fitzwilliam, the Warden of Robinson; Professor Gay, Professor Hopper, Professor Karet; Dr Bampos, Mr Caddick, Dr Cowley, Mr Du Quesnay, Dr Good, Dr Lingwood, Dr Padman; Mr Lewisohn, Dame Mavis McDonald (Deputy Chairman), Mr Shakeshaft; Mr Bell, Ms Old, Mr Wakeford; with the Registry, the Head of the Registry's Office, the University Draftsman, and the Director of Finance; the Senior Pro-Vice-Chancellor, the Pro-Vice-Chancellor (Education) the Pro-Vice-Chancellor (Institutional Affairs) and the Pro-Vice-Chancellor (International Strategy).

Apologies for absence were received from Professor Donald and Professor Pearce. Dr Oosthuizen is on sabbatical leave during Easter Term.

The Senior and Junior Proctors were present.

The Vice-Chancellor noted that this was the last meeting of the current student members of the Council. He thanked them for their effective and constructive participation in the Council's work over the past year and wished them well for the future.

**UNRESERVED BUSINESS**

**PART A: PRELIMINARY, LEGISLATIVE AND STRAIGHTFORWARD BUSINESS**

**108. Declarations of Interest**

No personal or prejudicial interests were declared.

**109. Minutes**

The unconfirmed minutes of the meeting held on 20 May 2013 were received and approved subject to a minor amendment to minute 104 (Code of Practice for a Collaborative Fundraising Model for Collegiate Cambridge.)

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

**110. Matters arising**

Minute 100(d): Council response to the remarks in the Discussion on 23 April 2013 about the Joint Report of the Council and the General Board, dated 6 and 18 March 2013, on IT Infrastructure and Support

It was noted that the existing governance and management arrangements (including the Information Strategy and Services Syndicate and the reporting lines of the Directors of UCS and MISD) would remain unchanged until the date of the initial merger of UCS and MISD on 31 March 2014 or as soon thereafter as a new Director was in post. The Council,

at its meeting on 18 February 2013, had given preliminary consideration to the membership of the proposed implementation group and to a proposal that it should comprise the internal members of the Review Group (the Senior Pro-Vice Chancellor, Dr Padman, the Chair of the Information Strategy and Services Syndicate and the Head of the School of Technology) and the Registry. The Council's Notice dated 20 May 2013 provided that the implementation group would be established by the Council and the General Board under the leadership of a senior professor with significant experience and knowledge of academic computing and the provision of IT services. The implementation group's remit was to undertake advance planning; it would not have decision-making powers. It would interact extensively and consult fully with the ISSS and, when established, with the ISC. A formal proposal for membership would be brought back to the Council at its meeting on 15 July 2013 once the outcome of the ballot had been determined.

Minute 104: Code of Practice for a Collaborative Fundraising Model for Collegiate Cambridge

Ms Old and Mr Wakeford questioned whether it was, indeed, the case (as stated in the minutes) that fundraising activities undertaken by CUSU, as an independent charity, would be governed by the Code of Practice. It was noted, in response, that the Code would apply to other independent charities including the Colleges and the Cambridge Trusts. It was agreed that the matter would more properly be considered out of the meeting and in discussion with the Chief Operating Officer at CUDO.

## **111 Procedure of the Council**

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

It was agreed that the Vice-Chancellor should chair the entire meeting.

### **(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:

<b>Circular</b>	<b>Issue</b>	<b>Approval</b>
15/13	24 May	3 June
16/13	7 June	17 June

## **112. Vice-Chancellor's Report**

(a) The Council congratulated members of the University named in the recent Queen's birthday honours list as follows:

Professor Stephen O'Rahilly, FRS	KBE
Professor Alan Dashwood	KCMG
Professor William Cornish	CMG
Professor David Ford	OBE
Mr Anthony Lemons	MBE

The Council also noted its congratulations to Professor Malcolm Grant, President and Provost, of University College London who had been knighted for services to higher education.

**Action:** Vice-Chancellor's Private Secretary

(b) The Vice-Chancellor congratulated members of the University recently elected to the fellowship of the Academy of Medical Sciences: Professor Jane Clarke; Professor I Sadaf Farooqi; Professor Rebecca Fitzgerald; Professor Peter McNaughton; Professor Ketan Patel; Professor Sharon Peacock; Professor David Ron; Professor Magdalena Zernicka-Goetz.

**Action:** Vice-Chancellor's Private Secretary

(c) The Chancellor and the Vice-Chancellor had accompanied Her Majesty the Queen and His Royal Highness The Duke of Edinburgh at the opening of the new MRC Laboratory of Molecular Biology Building and to the Rosie Hospital on 23 May 2013.

(d) The Vice-Chancellor had addressed the députés at the National Assembly in Paris on 28 May 2013.

(e) The Vice-Chancellor had been the keynote speaker at the Global University Summit in Whitehall on 30 May 2013.

(f) There had been a meeting of the Gates Cambridge Trust on 31 May 2013.

(g) A memorial service for Dennis Avery had been held at Trinity Hall on 1 June 2013.

(h) Mr Mark Harper, MP, Minister for Immigration, had attended a meeting of the Russell Group on 3 June 2013. The Vice-Chancellor had reported that, while willing to work with government to minimise the impact of the current immigration policy, the University remained implacably opposed to the policy itself.

(i) The Vice-Chancellor was a panel member at the Glion Colloquium (an independent think tank considering the future and responsibilities of research universities) in Geneva on 5 June 2013.

(j) A meeting of the CAM Board had been held on 15 June 2013.

(k) The University had successfully renewed its Athena SWAN bronze award and the departments of Chemistry and Materials Science and Metallurgy both gained departmental Bronze awards.

(l) Mr Paul Mylrea had recently been appointed Director of the Office of External Affairs and Communications. He was currently the Director of Public Affairs at the BBC and had previously had communications roles in the Department for International Development, Transport for London and Oxfam. He would take up post on 18 September 2013.

(j) There had been discussions with government over the past week about the possible impact on Higher Education of the forthcoming Spending Review. It had emerged that one of the options under consideration was the transfer of the current budgets for the MRC and for medical education into the Department of Health. The Vice-Chancellor and the Vice-Chancellor of the University of Oxford had expressed the strongest objection both to the proposed segregation of science funding and to entrusting medical education to the health

provider. Funding for the Department of Health, for under-18 education and for the Department for International Development would remain ringfenced. It was likely that other departments would face significant cuts. It would be important for the University to continue to diversify its funding streams (in particular through philanthropy) in order to reduce its dependence on public funds.

### **113. Council, legislative and comparable matters**

#### **(a) Council Work Plan 2012-13**

The updated Work Plan was received.

#### **(b) Preliminary draft Work Plan 2013-14**

A preliminary draft was received. A revised version would be prepared for the July meeting; in the meantime, comments could be sent to the Head of the Registry's Office. The Council noted that the spring strategic meeting would be held after the Council's meeting on 17 March 2014 and not, as in previous years, after the April meeting.

#### **(c) Business Committee**

No meeting was held on 10 June 2013.

#### **(d) September Strategic Meeting 23-24 September 2013**

It was agreed that the main topics at the strategic meeting would be research activities and strategy (including the REF); and a discussion about the strategy and focus for fundraising. It would be an early opportunity for members of the Council to consider and inform the emerging fundraising strategy. The Executive Director of Development and Alumni Relations and the Chair of the School of the Arts and Humanities (representing the Schools) would attend. The Council was reminded that the HEFCE had asked the University to review its governance arrangements by the end of the 2013-14 academical year. It was therefore agreed that it would be appropriate, at the September strategic meeting, to consider the form which such a review might take and the mechanisms by which it would be conducted.

**Action:** Registry, Head of the Registry's Office

### **114. Membership of the Board of Scrutiny**

It was noted that Regulation 2 for the election of members of the Board of Scrutiny provided that, if at any election insufficient nominations were received to fill the vacant places in either class (c)(i) or class (c)(ii), the Council should appoint as many members as may be necessary. No person had been nominated in the recent election for one member of the Board of Scrutiny in class (c)(i) (a person who has been a member of the Regent House for not more than ten years on 1 October 2013). Members of the Council were invited to submit suggestions to the Registry or the Head of the Registry's Office; the matter would then be brought back to the Council at its meeting on 15 July 2013.

**Action:** Registry, Head of the Registry's Office

## **115. General Board**

The minutes of the General Board's meeting on 1 May 2013 were received. The Council's attention was particularly drawn to the following minutes:

### **C2: QAA review**

The Board had received the draft Report of the recent QAA review. The Pro-Vice-Chancellor (Education) reported. The QAA had confirmed that the University met UK expectations in terms of: threshold academic standards; the quality of learning opportunities; the information provided about learning opportunities; and the enhancement of learning opportunities. The report identified various examples of good practice and affirmed actions which had already been taken by the University. It also set out seven recommendations of which five could be accommodated. The recommendation that there be closer central oversight of published information would require a clear statement of the materials which would be monitored. It was intended that the recommendation that the University 'take deliberate planned steps to ensure that the nature and purpose of enhancement is clearly identified and agreed across the institution' would be rejected. It would not be appropriate to determine strategically defined and institutionally led enhancement measures; rather, enhancement should be locally defined and driven. The report also recommended that the University should ensure that it was informed of student appeals and complaints within Colleges. It was proposed that this should be achieved by means of a voluntary agreement with the Colleges and that it should be restricted to anonymised OIA judgements.

### **C6: Affiliation of Faculty and Departmental Libraries to the University Library**

The Board had received a paper on progress with the affiliation of Faculty Departmental and other libraries in the School of the Humanities and Social Sciences. The paper would be referred to other Schools with a request for a timetable for the affiliation of the libraries in those Schools.

## **PART B: MAIN BUSINESS**

## **116. Finance, Planning and Resources Planning and Resources Committee**

The minutes of the meeting of the Planning and Resources Committee held on 22 May were received. The Committee had approved the planning guidance for the 2013 planning round and had agreed that there should be no change from the currently proposed 1% increase in the allocations envelope for 2014-15 and for each year in the planning period thereafter. The Committee had also considered and approved a number of significant capital projects.

## **117. Cambridge University Press (CUP)**

Sir David Bell (Chair of the Press Syndicate) and Mr Peter Phillips (Chief Executive, CUP) attended.

A report from Cambridge University Press was received. The Chair of the Press Syndicate reported. He congratulated the Chief Executive and his team for the significant

progress which had been made across a whole range of the organisation's activities in the past year. In particular, he noted that there had been an improvement in the financial management, information and controls systems. Governance arrangements had been enhanced through the establishment of an Operating Board and by reinforcing the Audit Committee. An ELT and Education Publishing Committee had been set up to work in parallel with the existing Academic Publishing Committee. CUP's symbiotic relationship with the University represented a significant competitive advantage.

The Chief Executive reported. CUP was the world's longest established publisher. Its mission to advance learning, knowledge and research internationally was fully aligned with that of the University. It was an internationally known and respected brand which contributed to the University's reputation and visibility. There had been estimated sales of c.£260m in 2012-13 with three main activities: academic books and journals; English Language Teaching (ELT); and education (content for schools). 30% of net surplus was returned annually to the University.

The Press sought to be the 21<sup>st</sup> century's most respected academic and educational publisher, providing authoritative knowledge and learning internationally. CUP would concentrate on retaining its current reputation for academic rigour and excellence and would focus on those activities of greatest strength. It would be important to be responsive and flexible in the context of a challenging and rapidly changing global market.

The past year had been one of major, strategically-driven change. There had been a further significant improvement in the relationship with Cambridge Assessment (CA) resulting in an increasing number of joint products and development projects. The transfer of the Shaftesbury Road site to CA (subject to planning approval) would bring the benefit of co-location.

There had been a number of new digital developments. The website had been significantly improved. There had been a growth of 20% in the number of journal articles being downloaded and there were now 250K registered users of Touchstone Online, more than double the number in the previous year. A new academic publishing strategy for books and journals was currently being implemented, one aspect of which was closer engagement with Schools, Faculties and Departments, including on an inter-disciplinary basis. The New York warehouse had been sold and distribution in North America had been outsourced. The Cambridge printing operation had been outsourced to the MPG Print Group in July 2012. MPG was, at the time, a profitable business whose credit rating was good. Regrettably, it had since encountered financial difficulties and, in early June, had announced that it would go into administration. The Press had offered financial and other support to its former printing employees.

There had been progress in improving financial management systems, controls and reporting; however, there remained work to be done. A joint CUP/University oversight group had met regularly during the year. The first phase of implementing software from the German firm SAP had been completed and work on further phases was underway. There had been a number of new senior appointments in the finance team and work had been undertaken to consolidate processes and policies. A new post of Head of Compliance had been created with a particular focus on anti-bribery and corruption procedures. All staff were now signing a Code of Ethics. There had been good progress with the CUP Pension Trustees towards clarifying the nature of the University's underlying covenant, reviewing the investment strategy and controlling the deficit. For the purposes of pension liability, the University was the statutory employer.

The process of finalising the accounts for the 2012-13 financial was not yet complete. However, notwithstanding a challenging financial climate, the preliminary and unaudited data indicated an increase in surplus to about £8m and a growth in sales of 7%. That sales growth was better than that in competitor organisations. The ELT and education side of the business had grown by more than 15% over the last year. Sales in academic publishing had remained flat; to improve financial performance in this area it would be important to invest in order to strengthen capacity and expertise in sales and marketing and digital product offerings.

Over the forthcoming two years, CUP would seek to: accelerate digital transformation and innovation; further build on relationships with CA and the University; drive efficiency with a view to getting ELT to, at least, break-even in the 2013-14 financial year and to trebling the overall surplus by 2015-16; complete the next phase of the renewal of the back office systems; and foster a more innovative and responsive culture.

The following points were amongst those raised in the course of discussion and in answer to questions:

- There had been an increased focus on benchmarking CUP’s performance against competitor organisations and on monitoring their product developments and activities. It was important that the organisation was able to respond quickly and innovatively to market forces in order to capitalise on the Cambridge ‘brand’.
- The increasingly close relationship and interaction between CUP and Cambridge Assessment was to be welcomed. There remained significant opportunities for further joint projects. The two organisations remained structurally separate: collaboration was on the basis of growing mutual trust and confidence. It might be appropriate, in due course, to review the governance and management structures across the two organisations to ensure that they were relevant to the current economic and market climate and to ensure that there was neither a duplication of activity nor missed opportunities.
- There remained considerable uncertainty about the implications for the publishing world of the digital transformation. It would be important for CUP to retain the flexibility to respond to developments in this area and on the question of open access. Those staff whose focus had been primarily on hard-copy publishing were being provided with support and training to enable them to develop the skills necessary for an increasingly digital age. It was likely, however, that there would still be a place for hard-copy publication.
- There had been an increasing and beneficial interaction between CUP and the University’s International Office.
- The Code of Ethics represented a consolidation and streamlining of existing policies. Staff had been required to complete an on-line training module focussing on bribery and corruption issues. The new Head of Compliance would now ensure that training programmes took place at offices around the world.
- There were clear synergies between the work of CUP and CA and the University Library.

In conclusion, the Council commended the open and constructive nature of the presentation and congratulated the Press on significant progress in a number of areas over the past year.

## **118. North West Cambridge Project**

The Pro-Vice-Chancellor (Institutional Affairs) reported that the ground-breaking ceremony on the site would take place on Thursday 20 June 2013. It was unlikely that there would be resolution with Natural England on the matter of the greater crested newts until July. However, constructive negotiations with the planning authorities (on this and on other matters) meant that the timetable for this part of the work was unlikely to be affected.

### **PART C: RESERVED BUSINESS**

## **119. Remuneration Committee**

Officers other than the Registry and the Head of the Registry's Office withdrew. The Council received a report of the Remuneration Committee's meeting on 20 May 2012. Following a long and detailed discussion, the Council agreed as follows:

- To endorse the Remuneration Committee's recommendation concerning the remuneration of the Chief Investment Officer;
- To note the new arrangements for calculating bonuses for staff in the Investment Office;
- To endorse the Remuneration Committee's recommendation concerning the remuneration package attached to the post of the Deputy Project Director for the North West Cambridge Project;
- To endorse the Remuneration Committee's recommendation concerning the salary arrangements for the post of Director of Estate Strategy, noting that the arrangements concerning bonus related only to the post during Mr Taylor's tenure and would not set a precedent;
- To endorse the decisions of the Remuneration Committee with regard to the award of two market supplements.

The Council was conscious, in the context of these discussions, of salary levels for academic staff, particularly in early career stages and the challenges which this presented in terms of recruitment and retention. It was noted that the amendments to the pay and grading scheme which had recently been approved would further formalise and make more transparent remuneration arrangements.

Vice-Chancellor  
15 July 2013