

University of Cambridge

COUNCIL

Minutes of a meeting of the Council held at Madingley Hall at 10.00 am on Monday 17 March 2014.

Present: Vice-Chancellor (Chair); the Master of St Catharine's, the Master of Jesus, the Warden of Robinson; Professor Hopper, Professor Karet; Dr Bampos, Mr Caddick, Dr Cowley, Mr Du Quesnay, Dr Good, Dr Lingwood, Dr Padman, Dr Oosthuizen; Mr Lewisohn, Dame Mavis McDonald, Professor Dame Shirley Pearce, Mr Shakeshaft; Mr Jones, Ms Old, Ms Osborn; with the Registry, the Head of the Registry's Office, the University Draftsman, and the Academic Secretary; the Senior Pro-Vice-Chancellor, the Pro-Vice-Chancellor (Education), the Pro-Vice-Chancellor (Institutional Affairs), the Pro-Vice-Chancellor (International Strategy) and the Pro-Vice-Chancellor (Research).

Apologies for absence were received from Professor Donald.

The Master of Christ's and Professor Gay are on sabbatical leave.

The Senior and Junior Proctors were present.

UNRESERVED BUSINESS

PART A: PRELIMINARY, LEGISLATIVE AND STRAIGHTFORWARD BUSINESS

73. Declarations of Interest

Dr Lingwood, as a member of the Fitzwilliam Museum Syndicate, declared an interest in respect of the minutes of the General Board's meeting on 5 February 2014 at which the Fitzwilliam Museum's Annual Report was discussed (minute 79 refers). Professor Dame Shirley Pearce, as a member of the HEFCE Board, declared an interest in respect of the discussion about the University budget for 2014-15 and the outlook for the coming years (minute 80 refers). No other personal or prejudicial interests were declared.

74. Minutes

The unconfirmed minutes of the meeting held on 17 February 2014 were received and approved.

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

75. Procedure of the Council

(a) Arrangements for the chairing of agenda items

It was proposed that the Vice-Chancellor should chair the entire Ordinary meeting. 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
5/14	14 February	24 February
6/14	21 February	3 March
7/14	28 February	10 March

76. Vice-Chancellor's Report

(a) The Vice-Chancellor had addressed a Cambridge Enterprise event for Enterprise Champions on 20 February 2014.

(b) The Vice-Chancellor had addressed the Cambridge University Scientific Society Annual Founders Dinner on 21 February 2014.

(c) The Vice-Chancellor had addressed the Queens' College Medical Society Annual Meeting on 22 February 2014.

(d) The Vice-Chancellor had spoken at the closing event of the e-Luminate festival on 23 February 2014.

(e) The Vice-Chancellor had attended a UUK Chancellors' event with the Chancellor on 4 March 2014.

(f) The Vice-Chancellor had chaired an event for International Women's Day on 5 March 2014 to mark the launch of 'The Meaning of Success: Insights from Women at Cambridge', a book exploring the experiences of women in the Collegiate University. It had been a tremendously stimulating and successful event, encouraging discussion and debate. The associated book, which members of the Council received, was a significant and thought-provoking piece of work.

(g) The Russell Group Away Meeting had taken place in Cambridge on the 6 and 7 March 2014. The discussion had covered a number of issues, including fees and student support policies. It was accepted that there had been an underestimate of the portion of loan outlay that would never be repaid by graduates (known as the resource accounting and budgeting, or RAB, charge). There had been a presentation about the failure of the UK education system to address the inequities in achievement between socio-economic quintiles: the gap between the lowest and the highest quartiles was more pronounced at the age of three than at the age of sixteen. There were, therefore, clearly issues around parenting and early years support which could not be redressed at the Further and Higher Education stage. It was unlikely that Higher Education would be a key issue for any of the political parties in the next election; it would, however, be important to ensure that the sector's agenda and primary concerns were clearly communicated as soon as possible. The Minister of State for Universities and Science had attended the second morning of the meeting and he reported that a group had been established to consider whether future REF exercises might be based entirely on metrics with no peer review. It would certainly be the

case that impact studies would continue to be an important aspect of the assessment. He also spoke about the pensions debate; A level reform; and the continued sale of the loan book in advance of the next election.

(h) The Vice-Chancellor had attended the opening of the Stevenage Bioscience Catalyst on 10 March 2014.

(i) The Vice-Chancellor had hosted a reception for new Fellows of Learned Societies on 11 March 2014.

(j) The Vice-Chancellor had attended a meeting with the Heads of the EU Research Councils in Brussels on 12 March 2014.

77. Council, legislative and comparable matters

(a) Council Work Plan 2013-14

The updated Work Plan was received.

(b) Business Committee

No meeting had been held on 10 March 2014.

(c) Strategic Meeting

The spring strategic meeting would follow the present meeting. The papers had been circulated on 7 March 2014.

(d) Membership of the Council and the General Board: elections for student membership

The outcome of the elections was as follows:

COUNCIL

Category (i) – All eligible students (2 places)

HOOGEWERF-McCOMB, Helen

A bye-election will be called in due course to fill the remaining place in this class.

Category (ii) – All eligible graduate students (1 place)

JONES, Richard, JN

GENERAL BOARD

Category (i) – All eligible undergraduate students (1 place)

RICHARDSON, Rob, R

Category (ii) – All eligible graduate students (1 place)

There were no eligible candidates. A bye-election will be called in due course.

78. Review of Governance

The working group had been asked to consider whether there were matters beyond the scope of the review of governance, undertaken at the request of the HEFCE, on which further work might be undertaken. A paper setting out the working group's recommendations in this regard was received.

Mr Lewisohn, as Chair of the working group, reported. The working group's key recommendations related to: induction and support for members of the Council; Council membership and representation; the presentation of Council materials; and the way in which the Council's activities and wider governance matters were communicated to the Regent House and more widely. The working group would have a further meeting and would consider, *inter alia*, how this further work could be taken forward and by which bodies.

The Registry reported that, as agreed at the Council's meeting on 17 February 2014, the report of the recent review of the University's governance arrangements had been submitted to HEFCE. The Chief Executive of HEFCE had since responded, confirming that the review provided reassurance about the accountability, transparency and robustness of the University's governance arrangements. She further noted that, as recommended in the Committee of University Chairs' Governance Code of Practice, the University was transparent in reporting, in its audited financial statements, that the Vice-Chancellor chaired the Council and that the Council did not have a majority of external arrangements. She noted that the University had explained that these arrangements had proved reliable in enabling the University to achieve its core academic objectives. The response would be provided to the Council in a circular.

The Registry further reported that the Advisory Committee on Benefactions and External Legal Affairs (ACBELA), at its meeting on 14 March 2014, had approved a protocol setting out how ACBELA's responsibilities interacted with those of other bodies in order that clear guidance could be issued to institutions within the University. This protocol would be circulated to the Council, to Heads of Institutions and to the Colleges' Committee.

It was agreed that the working group should review and approve the University's response to the draft revised Higher Education Code of Governance, produced by the Committee of University Chairs. The deadline for the consultation response was 31 March 2014. It was intended that the response should be brief and high level.

Action: Registry

79. General Board

The minutes of the General Board's meeting on 5 February 2014 were received.

It was noted that, following some considerable discussion, the Board had agreed to approve the Joint Report of the Council and the General Board on student membership of the two bodies. However, in response to some of the comments and concerns raised during the discussion, the Board agreed to ask the Council to consider a proposal that there be a review of the Student Unions.

The student members of the Council questioned, on the basis of the General Board's minute, the case and grounds for a review. It was agreed, in the first instance, that the CCSSU should be asked to consider whether such a review was timely and, if so, what form it might take.

Action: CCSSU secretariat

PART B: MAIN BUSINESS

80. University Finance (a) Budget

A paper was received setting out the University budget for 2014-15 and the outlook for the coming years.

The Senior Pro-Vice-Chancellor reported. The paper before the Council was aggregated information for Chest and non-Chest budgets and forecasts. The budget and the forecasts would be considered again, with the text, at a meeting of the Finance Committee's Business Sub-Committee on 2 April 2014 and then at the Finance Committee's meeting on 30 April 2014. The Council would be asked to publish and sign the Budget and Allocations Report 2014-15 at its meeting on 12 May 2014. The underlying small surplus for 2014-15 was largely in line with the forecast position in the 2013 Budget Report although there was both positive and negative variance in individual budget lines. The outlook for 2016-17 was less positive. This was, in part, because the reserves in the maintenance budget would have been spent down, thereby requiring the increased use of Chest resources. The budget did not yet take account of the need for additional resource in the Research Office and Estate Management in order to support the University's growing research and estate activities. It also did not reflect the reduction in funding announced in the recent HEFCE letter. It was noted, in this regard, that the HEFCE had announced a clawback (both in-year for 2013-14 and for 2012-13) of c.£1.5m. A contingency had been set aside for these purposes; it was nevertheless unfortunate that it would be required. The figures continued to assume a flat undergraduate fee of £9K; with inflation, this represented a year-on-year erosion. The figures predicted an increase in research volume and, therefore, an increase in indirect recovery; however indirect recovery rates remained low and were a cause for concern. A contingency for the likely additional USS costs had been retained. It was also assumed that the University would cover 50% of the College Graduate Fee for RCUK PhD grant holders; negotiations with the Colleges were ongoing.

The following is a summary of the comments made in discussion:

- The transfer from Cambridge Assessment would be an important income stream. This income was being used, in its entirety, to support the Capital Fund and would therefore not have an impact on the recurrent Chest budget.
- The RAM distribution model was used to moderate allocations to Schools through the Planning Round process. The model was informed by the expenditure and the surplus/deficit in each school. The surplus/deficit was divided by the expenditure to give a position within a +/- 5% tolerance band. The value of the School's allocation was adjusted accordingly, either positively or negatively. It was recognised that within a School, some departments returned a surplus and some a deficit; the calculation, however, was made at School level.
- It had originally been intended that the new Data Centre would be self-funding. There was now a provision for funding from the Chest. It was noted that the Data Centre, once fully occupied, would deliver significant savings both financially and in terms of carbon reduction. Currently, academic and research staff were not aware of the costs of data storage in their own department; charging them to use the Data Centre was, therefore, a disincentive to relocation. A Data Centre Manager had now been appointed and would undertake a more detailed analysis of costs and benefits.

- It would be particularly important, given funding constraints and in the context of the second Diamond Review, both to achieve and to be able to demonstrate efficiency savings and value for money.
- The significant increase in research grants and contracts indirect income for 2014-15, which then levelled off, was largely attributable to the incorporation of the MRC and CRUK units.
- The formula for the distribution of CUEF income had been designed to even out fluctuations in valuations. There was a distribution cap of 4.25% on an increasing overall value. The increase in the overall value was clear in the balance sheet. It was noted that the Director of Finance had recently produced a graphical summary of the University's balance sheet illustrating those funds which were accessible and fungible and those which were not. This information had informed the Finance Committee's recent discussion about the transfer of the University's assets for the biomedical sciences capital project. It was agreed that the graph should be provided to members of the Council.

Action: Senior Pro-Vice-Chancellor,
Director of Finance

(b) Finance Committee

The minutes of the meeting of the Finance Committee held on 5 March 2014 were received.

It was noted, with regard to minute 42 ('Quarterly management accounts') that the recovery of indirect research costs continued to be of concern, including in the context of the absorption into the University of various research units. The Senior Pro-Vice-Chancellor reported that the figures for the newly absorbed research units were based on estimates and would be subject to review. There would be no further acquisitions until the full implications of the recent round had been established.

It was noted that there had been a detailed discussion about Judge Business School's proposal to establish a loan scheme for MBA, EMBA and MFin students, administered through Prodigy Finance Limited (minute 46 refers). There had been much due diligence work with regard to the proposal and it had been concluded that it represented a very low risk to the University because of the quality and career prospects of the cohort of students concerned. It was an interesting model of student support which would be kept under review, particularly to see whether it might be applied to other courses. It was noted that there was some interest in government for such mechanisms. It was recognised, however, that the current proposal was based on commercial rates of interest and was therefore, very much focussed towards high-earning graduates from programmes such as the MBA.

81. Audit

The minutes of the meeting of the Audit Committee held on 6 March 2014 were received. Mr Shakeshaft, as Chair of the Committee, noted that the Committee had agreed the external audit plan for the financial year ending 31 July 2014. The Committee had also received an update report on the re-tendering process for the internal audit function; further consideration would be given to the strategy, approach and provision for internal audit.

82. Review of Sport

The Council, at its meeting on 25 November 2013, had received and approved for publication a consultative report from the working group established to review the governance and management of sport within the University. The consultative report had been considered at the Discussion on 21 January 2014. The working group had considered the remarks made in Discussion, together with other comments received during the consultation period, and a Report, a revised report and final recommendations were received.

The Pro-Vice-Chancellor (Institutional Affairs), as chair of the working group, reported. The working group had welcomed the constructive engagement with the consultation both in written submissions and at the Discussion. The recommendations in the original report remained broadly unchanged but there were some substantive changes as follows: designating the title of the head of the new Sports Service to be the Director; adding a requirement that there be a representative of the Senior Treasurers of sports clubs on the University Sports Committee; and ensuring that the gender balance on the new Committee gave equal representation to women's sport. The working group was of the view, as set out in paragraph 4 of the Report, that the establishment of a University Sports Committee to replace the Sports Syndicate significantly strengthened the position of sport within the University by means of a direct line of accountability to the Council and the General Board and the appointment of the Pro-Vice-Chancellor (Education) as Chair of the Committee. It would also permit better oversight of the Sports Service.

The following is a summary of the comments made in discussion:

- It would be important to make the best and most efficient use of sporting facilities across the Collegiate University; this would require closer interaction with the Colleges. Collegiate representation on the new Sports Committee was welcomed in this regard.
- A non-recurrent grant had been agreed to support the clubs and societies pending a review of funding for support under the proposed new arrangements. It did not relate directly to the West Cambridge Sports Centre.
- It would be important to consider, in due course, whether and how to take forward a review of the Societies Syndicate.

The Council approved the Report and other materials for publication.

Action: Draftsman (publication)

83. North West Cambridge

The Pro-Vice-Chancellor for Institutional Affairs reported. The planning applications for Lot 1 and the Western Edge had been approved; the relationship with the planning authorities remained positive. The major earthworks were nearly complete. The archaeological excavation work had revealed the oldest-known Roman irrigation system in the UK. Three of the Colleges in the rental group had withdrawn from the negotiations and were pursuing alternative options.

**84. University employment
Human Resources Committee**

There had been a meeting of the Committee on 13 March 2014. The minutes would be circulated for discussion at the next meeting of the Council.

Vice-Chancellor
14 April 2014