

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 12 May 2014.

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

Apologies for absence were received from Mr Du Quesnay, Mr Lewisohn and Mr Shakeshaft. Professor Gay is on sabbatical leave.

The Senior and Junior Proctors and the Director of the Office of External Affairs and Communications were present.

**UNRESERVED BUSINESS**

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

**98. Declarations of Interest**

Dr Lingwood, as the Director of the Institute of Continuing Education, declared an interest in respect of the General Board's discussion of the 2012-13 Annual Report (Minute 103 refers). Dr Cowley, as Chair of the Faculty Board of Mathematics, declared an interest in respect of the General Board's discussion of the Education Committee's meeting on 19 February 2014 (Minute 103 refers). Professor Yates, as Chair of the Colleges' Committee, declared an interest in respect of the paper concerning the College Graduate Fee which had been circulated with the minutes of the PRC's meeting on 23 April 2014 (Minute 104(c)) refers. No other personal or prejudicial interests were declared.

**99. Minutes**

The unconfirmed minutes of the meeting held on 14 April 2014 were received and approved.

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

## 100. Procedure of the Council

### (a) Arrangements for the chairing of agenda items

It was proposed that the Vice-Chancellor should chair the meeting for the unreserved items of business with the exception of the discussion about the September Strategic meeting (Minute 102(c) refers) which the Deputy Chair would chair. She would also 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:

<b>Circular</b>	<b>Issue</b>	<b>Approval</b>
11/14	11 April	22 April
12/14	17 April	28 April
13/14	2 May	12 May

## 101. Vice-Chancellor's Report

(a) The Vice-Chancellor congratulated Professor Christopher Dobson on the award of the 2014 Heineken Prize for Biochemistry and Biophysics. The Heineken Prize was awarded in recognition of a lifetime achievement and, in Professor Dobson's case, related to his work on the causes of diseases such as Parkinson's and Alzheimer's.

(b) The Reverend Canon Jeremy Davies had delivered the Mere's Commemoration Sermon on the topic of 'The readiness is all' on 22 April 2014.

(c) The Vice-Chancellor had attended a meeting of the International Alliance of Research Universities (IARU) presidents in Zurich on 24-25 April.

(d) The Chancellor of the Exchequer visited Cambridge on 25 April 2014 to announce a £7 billion government investment in science. It was noted that there would be significant investment in the polar research fleet; this would greatly benefit the University's research activities through the British Antarctic Survey and the Scott Polar Research Institute.

(e) The Vice-Chancellor had attended the UK-Japan Educational Forum at UCL on 1 May 2014.

(f) The Government had approved funds of £165m to move Papworth Hospital onto the Cambridge Biomedical Campus. This was a welcome and long-awaited development.

(g) The first of three meetings of Heads of Department had taken place on 8 May 2014.

(h) The Vice-Chancellor reported that UCU members in all branches and by a significant majority, had voted in favour of accepting the pay offer for 2014-15, which consisted of a 2% uplift on all points of the single salary spine and an additional £30 increase to point 1. The offer had been made on the basis that it would settle the 2014-15 pay negotiations and draw a line under the 2013-14 pay dispute. The University had received written

confirmation from UCEA that the pay dispute carried over from 2013 was now resolved from its perspective and that the marking boycott due to commence on 6 May would not be implemented and the 'work to contract' sanction had ceased. Unite and UNISON were still consulting their members on the pay offer for 2014/15.

(i) The Vice-Chancellor congratulated the following Cambridge researchers who had been elected to the Fellowship of the Academy of Medical Sciences: Professor Carol Brayne, Professor Nicholas Coleman, Professor Berthold Göttgens, Dr Philip Jones, Professor John O'Brien, Professor Willem Ouwehand, Professor Antonio Vidal-Puig, Dr Douglas Winton.

(j) The Vice-Chancellor congratulated the Cavendish Laboratory on achieving an Athena Swan Gold Award. It was the first gold award in the University and the Cavendish was the first physics department in the country to reach this exceptional standard. It was very much to the credit to all of those in the department and in the wider University who had been involved in the submission.

(k) There had been considerable press coverage of Pfizer's ambitions to buy AstraZeneca. The University had expressed no formal, public view on the matter. However, the University had been consulted by the group charged with briefing the government on the implications of the various possible outcomes.

## **102. 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 5 May 2014.

### **(c) September strategic meeting: 22-23 September**

The Council, at its meeting on 14 April 2014, had received and approved the notes of the spring strategic meeting on 17 March 2014. A brief paper setting out proposed topics for the September strategic meeting was received.

The Deputy Chair reported. The discussion about financial strategy and capital planning would be informed by a report from the Vice-Chancellor's Financial Strategy Advisory Group which had now met on two occasions and was making significant progress. There would, as with the spring meeting, be the opportunity for discussion in small groups. The other topics for discussion would be an update report on strategy and progress in Development and Alumni Relations; and a report on developments within the recently formed University Information Service.

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

- It was clear that the work of the Financial Strategy Advisory Group would reflect on the various other themes and topics which were discussed at the spring strategic meeting. There would, therefore, be the opportunity to consider those matters further in the context of financial strategy and priorities.
- The Financial Strategy Advisory Group was considering the affordability of the capital plan, taking into account both known projects and unforeseen capital needs.

The new Estates Strategy Committee would be responsible for overseeing and co-ordinating the practical delivery of the capital programme, as well as making recommendations about future strategy for development. The Project Boards for the major developments on the New Museums Site and the Mill Lane/Old Press Site would report to the Estates Strategy Committee.

#### **(d) External members of the Council: Nominating Committee**

The Graces for the reappointment of Mr Lewisohn and Mr Shakeshaft for a further four years had been approved on 2 May 2014. The Nominating Committee had agreed a schedule of long- and short-listing meetings and hoped to interview candidates in July 2014 for the vacancy arising from Dame Mavis McDonald's resignation. A report and recommendations would be brought back to the Council at one of the meetings during the research period.

### **103. General Board**

The minutes of the General Board's meeting on 5 March 2014 were received. It was noted, with regard to Minute C1 (Education Committee), that the Heads of School intended to bring back a position paper about the structural and governance relationships between Schools and their constituent Faculty Boards.

## **PART B: MAIN BUSINESS**

### **104. University Finance Budget**

#### **(a) Allocations and Budget Report 2014-15**

The final Allocations and Budget Report was received. It was noted, with regard to paragraphs 3 and 8 of the Report, that the University's commitment to achieving value for money in all of its activities was internally driven as well as being externally imposed. Value for money considerations were embedded in the University's planning and purchasing activities.

The Council signed the Report and approved it for publication.

**Action:** Draftsman (publication)

#### **(b) Finance Committee**

The meeting scheduled for 30 April 2014 had been cancelled. The Committee had agreed, by circulation, to recommend the Allocations and Budget Report to Council; to approve a one-off contribution for £150m to the Capital Fund for the purposes of rationalising and renewing the University's biofacilities; and to approve the annual budget of Cambridge Enterprise.

The Senior Pro-Vice-Chancellor reported that the PRC had seen and approved the academic case for the biofacilities project. The Finance Committee had approved, in principle, the one-off investment in the Capital Fund at its meeting on 8 January 2014. The Council, at its meeting on 20 January 2014, had received the Finance Committee minutes and the associated paper and had supported the proposal. A further paper was

received by the Finance Committee Business Sub-Committee at its meeting on 5 February 2014. A developed proposal was provided to the Finance Committee at its meeting on 5 March 2014 but the discussion was deferred pending discussion with the Treasury about the possibility of additional capital funding for biofacilities. The paper had been recirculated and, as indicated above, approved by circulation.

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

- Investing reserves in the Capital Fund would, inevitably, impact on the recurrent income from interest. However, the proposal related to funds held in reserves and not in the CUEF and the money would be drawn down over a number of years. It was, effectively, an internal accounting mechanism which would help to rebalance the Capital Fund. It was agreed, however, that some work might be undertaken to understand the extent of the recurrent income that would be lost by withdrawing the £150m in reserves. The Director of Finance undertook to provide an analysis for the Council.
- Biofacilities were crucial to much of the University's research in the Clinical School and the School of Biological Sciences. Research funders were increasingly looking to Universities to generate efficiencies in this area; however, the legislative requirements were increasingly demanding and expensive. It was not an area of activity which was susceptible to donor funding.
- The ongoing running costs for the facilities would be discussed as part of the detailed planning.
- The balance between high and low cost research and teaching activities might form part of the discussion at the September strategic meeting. Consideration might also be given to the identification of principles for capital expenditure.

### **(c) Planning and Resources**

The minutes of the meeting of the Planning and Resources Committee held on 23 April 2014 were received together with a paper outlining the principles for a single Graduate Fee and including the proposed draft Agreement between the University and the Colleges which the PRC had considered and approved. A paper illustrating the College Graduate Fee Agreement was tabled.

The Senior Pro-Vice-Chancellor reported. The agreement would create a single consolidated graduate fee from 2014-15 which would be equal to the announced University composition fee plus the intended College graduate fee. Thereafter the fee would be fully consolidated. The proposed agreement would significantly simplify and improve transparency for applicants as well as resolving issues relating to the setting of fee levels by individual Colleges. It would also mitigate problems caused by the Research Councils' decision that the College graduate fee was no longer an eligible cost. Further, a single fee, emphasising the shared purposes of the University and the Colleges, would provide a useful basis on which to fundraise for graduate studentships.

The proposed agreement was the product of significant and detailed work and was considered to be a model which was financially and structurally acceptable to both sides. It had been approved by the PRC, the General Board and the Bursars' Committee. Assuming approval by the Council, it would be subject to approval by the Colleges' Committee at the meeting on 25 May 2014 and by governing bodies in each of the Colleges thereafter.

The key features of the proposal were as follows:

- All graduate fee income, up to a capped rate, would be pooled and allocated to the University and the Colleges on an agreed ratio of 75% : 25% respectively. The subsequent distribution would be at the discretion of each party. The parameters of the model had been set to address College concerns that, while the University composition fee had increased over time, the real terms value of the College component had been eroded and no longer met the cost of College provision for graduate students.
- The fee cap element of the proposal had been introduced to limit the value of the transfer to Colleges in the case of high cost courses in respect of which the burden of the additional costs fell primarily onto the University. Fees for all courses would be allocated on the agreed ratio but only on the value of the fee up to a set maximum. The proposed maximum was the value of the consolidated overseas fee for an Arts PhD student. This fee had been chosen because it was historically unregulated and not subject to unusually high costs on either side.
- Fee levels for RCUK supported students would be charged at the same level as for other students. However, support would be provided in order to ensure that the fee met from RCUK funds would be no more than the permitted maximum. 75% of the shortfall would be met from Chest and School funds, with the remaining 25% being met by the Colleges.

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

- The net impact of the agreement on the Chest by 2018-19 was modelled at £1.7m relative to the projections in the 2014 allocations report. However, the Colleges' commitment to meeting 25% of the additional costs in respect of RCUK studentships would reduce the burden on Schools by around £0.6m in 2018-19.
- The new consolidated fee arrangements would, as with the undergraduate fee, ensure that students reflected on their overall experience rather than separately on College and University provision. This would fundamentally change the dynamic because students who were dissatisfied with College elements would engage the University. It was anticipated that this would bring positive benefits to the overall graduate experience.
- It would be important better to understand the cost of the College element of a graduate education and better to communicate within the University what the Colleges added to the graduate student experience.
- It was anticipated that the agreed distribution ratio between the University and the College, up to the capped rate, would persist for a period of years.

The Council approved the draft agreement.

**Action:** Senior Pro-Vice-Chancellor, PRAO

## **105. Audit Audit Committee**

The Audit Committee had met on 8 May 2014. The minutes would be circulated for the Council's next meeting on 18 June. It was reported that Deloitte had been reappointed as the University's internal auditors.

## 106. Strategy and focus for fundraising: update report

The Executive Director of Development and Alumni Relations (DAR) reported on aspirations for philanthropy at Cambridge; the strategy by which these aspirations would be achieved; and the progress towards a new campaign.

There had been good progress towards rebuilding the new Development and Alumni relations team. The organisational restructure had been completed in August 2013. The new structure had integrated development and engagement functions. Ninety staff were now in post; this would increase to 120 by the end of 2015. 30% of staff were new to the organisation and a further 30% were in new roles. A number of senior and key posts had already been filled and the remaining appointments would be made by the end of 2014. Five School-based Senior Associate Directors had been appointed and the alignment of the new fundraising structure with Schools and Non-School Institutions was underway. Interviews for the Director of Principal Gifts would take place in the course of the week and the process of recruiting a Director of Development for the Clinical School and CUHP would start soon. Recruitment was also underway for senior posts to develop and support partnerships with corporates, trusts and foundations and international fundraising activities. There was a much closer interaction with Cambridge in America; the new Executive Director had already visited Cambridge on a number of occasions in order to build relationships and a better understanding of Collegiate Cambridge.

Work was underway to establish a framework for success encompassing: 'content' (the purposes for which the money would be raised); people (with DAR but also in terms of the interactions and partnerships which would drive philanthropic growth across Collegiate Cambridge); and operations (including gift settlement; donor and volunteer engagement; establishing partnerships to support academic colleagues).

The Council, at its September strategic meeting, had received a report from the then Head of the School of Arts and Humanities on the work which had been undertaken across Schools and Non-School Institutions to identify the University's academic fundraising priorities for the next campaign. This consultation exercise had resulted in a set of themes and a matrix of core needs. The Heads of Schools had subsequently led a process to identify and endorse campaign flagship initiatives. Fifty proposals had been received from across all six Schools and from three Non-School Institutions of which 45 met the criteria. An Academic Fundraising Priorities Working Group had been established in January 2014, comprising the six Heads of School, the University Librarian, the Senior Pro-Vice-Chancellor and the Pro-Vice-Chancellor (Research).

The expanded and realigned Development and Alumni Relations Team would provide resource, expertise, and support to academic colleagues within the University. It would also be important to build strong and effective relationships with the Colleges; the Code of Practice was important in this regard. There had already been significant engagement with the Colleges with regard to 'top prospects' and shared initiatives. Work was underway to ensure the effective involvement and recognition of donors and to develop, manage and optimise the relationship with volunteers and, in particular, senior campaign volunteers. DAR was engaging with colleagues in the UAS to streamline gift acceptance policies.

There had been significant progress towards the new campaign since the last report to the Council in September 2013. Volunteer leadership would be important. The campaign co-chairs (Harvey McGrath and Mohammed El-Erian) and the Chancellor and Vice-Chancellor would provide strategic leadership. Recruitment of the full leadership team was underway. Consideration was being given to the volunteer committee structure: it

would include a Campaign Leadership Committee, a Principal Gifts Committee, Regional Committees and Thematic Committees. A Campaign Advisory Group had been established and would act as an internal championing body.

The case for support was evolving and would provide a framework against which the narrative of the imperative, purpose and ambitions for the campaign could be told. The Academic Fundraising Priorities Working Group had agreed that the campaign should focus on generating support and investment across three major things: 'Extraordinary People', 'Inspiring Environment' and 'Change that Matters'. Philanthropic priorities had been identified for each theme. The Working Group would now identify two or three funding priorities from amongst the submissions and key academic champions. Thereafter, it would be necessary to draw up an articulated case for support. It would be important, throughout the campaign, to ensure that the priorities remained aligned with the University's needs and strategic direction; the Academic Priorities Fundraising Group would therefore continue to meet termly.

It would be important, in preparation for the campaign, to develop and test key messaging internally and with donors at events and in communications. This work was being undertaken jointly with the Office of External Affairs and Communications.

Consideration was being given to the campaign timeline. It was anticipated that there would be an internal campaign announcement event on 1 October 2014; a 'soft launch' volunteer rollout event in spring 2015; and a public launch in the autumn of 2015. It would be important carefully to consider the form which the public launch might take. The current proposed campaign target was £2bn of which £221m had already been realised. The target was considered to be challenging but realistic. Work on the prospect pipeline was already underway. It would be important to identify key prospects to whom approaches might be made as part of the silent phase. The approach for non-alumni prospects was under review, particularly with regards to corporates and trusts.

Collegiate engagement in the campaign was now under discussion. The three themes were likely to be common across the University and the Colleges. It would be important to consider College involvement in producing the campaign case; in the volunteer structure; in campaign events; and in discussions about the target and timetable. Reports would be provided to the College Development Directors' Committee at its meeting on 14 May 2014 and to the Colleges' Committee on 5 July 2014.

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

- The percentage of DAR staff new either to the organisation or to the post was significant. It would be important to ensure that they developed a deep understanding of Cambridge in order both to develop relationships across the Collegiate University and to represent the Collegiate University externally in an informed and confident manner. Significant thought and effort had been expended in designing a detailed and personalised induction and training programme. Staff would gain an understanding of the 'Cambridge experience' by spending time in the Colleges and in academic departments and by talking to staff, students and alumni.
- The focus on fundraising for education should not be focussed simply on bursaries and teaching posts. It should also seek support for the underpinning facilities and infrastructure (particularly for high costs subjects) and for educational research and development.
- Student involvement with the campaign was likely to be largely through the Colleges and would be important, in particular, in eliciting alumni support.



- The involvement of postdoctoral researchers was already under discussion with the Director of Postdoctoral Affairs. They, in common with more established colleagues, would be important academic champions.
- The Director of Development in CUHP would also be responsible for fundraising for the Clinical School and for managing the relationship with the Addenbrooke's Charitable Trust.

## **107. North West Cambridge**

A paper produced by the North West Cambridge working group setting out a proposed 'Vision for the Academic Community of North West Cambridge', was received. The paper would also be presented to the Colleges Committee at its meeting on 24 May.

In the absence of the Pro-Vice-Chancellor (Institutional Affairs), who was engaged in business related to the North West Cambridge Project, the Registry reported. The working group had considered two main issues: accommodation for graduate students; and the creation of a 'postdoctoral academy'.

The working group was of the view that the graduate student population in North West Cambridge could be accommodated within a collegiate structure in a number of different ways. It was important, at this stage, not to be too prescriptive about the form which such a collegiate community might take in the 21<sup>st</sup> century. It was proposed that there be a wide consultation across the Colleges and University (and, in particular, with the current graduate community) as to how the collegiate system might best be adapted to meet the pastoral and academic needs of graduate students in North West Cambridge. The proposals in the report were likely to be attractive to potential donors.

It was further proposed that a working group be established with the authority to develop the idea, the ambition and the working of a postdoctoral academy and to explore financial models. The postdoctoral community would be represented on the working group.

The Council approved the working group's proposals.

**Action:** Pro-Vice-Chancellor (Institutional Affairs),  
Registry)

## **108. University employment Human Resources Committee**

The minutes of the meeting held on 13 March 2014 were received together with a paper about the implementation of the living wage. The Committee had agreed an informal approach whereby all directly employed staff would receive the living wage. It was noted that only a small number of staff were currently paid less than the living wage and that the £30 increase to point 1 in addition to the general 2% uplift which had been agreed as part of the pay settlement would address these cases.

## PART C: RESERVED BUSINESS

### 109. Remuneration Committee

The Vice-Chancellor withdrew. The Deputy Chair took the chair. The report from the Remuneration Committee's meeting held on 14 April 2014 was considered. Dr Cowley declared an interest as a member of the final salary section of USS.

#### (i) Director of Human Resources

The Council noted the Committee's decision with regard to the salary range approved in which it was expected to recruit a new Director of Human Resources.

#### (ii) Annual Appraisal of the Vice-Chancellor and Biennial Review of Salary

The Deputy Chair spoke to a paper circulated at the meeting setting out the proposed objectives for the Vice-Chancellor's appraisal. She reported that these were similar to the objectives agreed for the appraisal in 2013 with a small amendment to the third objective. As in previous years, members of the Remuneration Committee had been assigned members of the Council to ascertain their views and the Deputy Chair would be writing to the Chair of the Colleges Committee, the convenor of the Heads of School, and the Senior Pro-Vice-Chancellor for a submission from each to the exercise based on the views of their colleagues. The Deputy Chair reminded the members of the Council that 2014 was a year in which the Vice-Chancellor's salary would be reviewed in accordance with the agreement entered into when he was appointed, which had formalised such reviews to be conducted biennially during his tenure of office. The Council approved the objectives and the process for the appraisal and the review of salary which would be determined by the Council at its meeting on 14 July.

#### (iii) The Vice-Chancellor and USS

The Deputy Chair reported that the Vice-Chancellor wished only to ascertain the views of the Council concerning the opinion of the Remuneration Committee that it would be reasonable to increase his salary by the amount of the employer's contribution to USS in the event that he decided to cease accrual in the Scheme. The Committee had come to its opinion based on what it saw as a moral obligation derived from a term in his original contract, cited in its Report, which differed in that respect from the contracts of other members of staff in the University. The Committee had also concluded that in view of the relativity of the Vice-Chancellor's remuneration in relation to the University's global standing and comparisons with peer institutions in the UK sector it was appropriate to adopt its interpretation of the obligation.

The general consensus of the members of the Council was that whether the Vice-Chancellor's salary was now at an appropriate level was a different question from whether the University should make over to him the employer's contribution to USS in the event that he did cease accrual in that Scheme. That would set a precedent when no formal general policy had been agreed for all members of staff who might find themselves faced with a similar situation. The Council agreed that it would review the Vice-Chancellor's salary – as it was obliged to do – in the current year in the light of advice from the Remuneration Committee and taking into account the outcome of the appraisal exercise it had approved.

The Council noted that it was important that there should be a consistent approach across the University to the treatment of staff who ceased accrual in USS and agreed that the Human Resources Committee should consider and bring forward a general policy on whether and at what level the salaries of members of staff should be increased in the event of ceasing accrual in USS.

Vice-Chancellor  
16 June 2014