

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 16 June 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 Hopper, Professor Karet; Dr Bamos, Mr Caddick, Dr Cowley, Dr Good, Dr Lingwood, Mr Du Quesnay, Dr Padman, Dr Oosthuizen; Dame Mavis McDonald, Professor Dame Shirley Pearce, Mr Shakeshaft; Mr Jones, Ms Old, Ms Osborn; with the Registry, the University Draftsman, and the Director of Finance; the Senior Pro-Vice-Chancellor, the Pro-Vice-Chancellor (Institutional Affairs) and the Pro-Vice-Chancellor (Education).

Apologies for absence were received from Professor Donald and Mr Lewisohn. Professor Gay is on sabbatical leave.

The Senior and Junior Proctors were present.

The Vice-Chancellor noted that this was the last meeting of current student members Ms Old and Ms Osborn and thanked them for contributions to the work of the Council over the past year.

UNRESERVED BUSINESS

PART A: PRELIMINARY, LEGISLATIVE AND STRAIGHTFORWARD BUSINESS

110. Declarations of Interest

Dr Cowley declared an interest in the item noted under Minute 115 (his daughter is a member of Cambridge and Coleridge Athletic Club). Dr Oosthuizen declared an interest in the item noted under Minute 121 (spouse employed by Cambridge University Press).

111. Minutes

The unconfirmed minutes of the meeting held on 12 May 2014 were received and approved.

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

112. Procedure of the Council

(a) Arrangements for the chairing of agenda items

It was proposed that the Vice-Chancellor should chair the entire meeting, with the exception of the matters noted under Minute 125 below, which would be chaired by the Deputy Chair. 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
14/14	16 May	27 May
15/14	23 May	2 June
16/14	30 May	9 June
17/14	6 June	16 June

113. Vice-Chancellor's Report

(a) The Vice-Chancellor invited the Council to congratulate members of the University named in the recent Queen's birthday honours list, who had been awarded the following honours: Professor David Spiegelhalter, Knight Bachelor; Professor Jeremy Sanders, CBE; Dr Helen Mason, OBE; Professor Barry Rider, OBE; Mr Ray Jobling, MBE; Dr Pete Wothers, MBE.

(b) The Vice-Chancellor invited the Council to congratulate members of the University recently elected to the fellowship of the Royal Society: Professor Geoffrey Grimmett, Professor Richard Hills, Dr Timothy Holland, Professor Martin Johnson, Professor Vladimir Markovic, Professor Paul Midgley, Dr Karalyn Patterson, Professor Randy Read, Professor David Ron, Dr Julian Parkhill.

(c) The Vice-Chancellor invited the Council to congratulate members of the University honoured by the Academy of Medical Sciences: Professor Carol Brayne; Professor Nicholas Coleman; Professor Berthold Götting; Dr Philip Jones; Professor John O'Brien; Professor Willem Ouwehand; Professor Antonio Vidal-Puig; Dr Douglas Winton.

(d) The Vice-Chancellor invited the Council to congratulate members of the University honoured by the Royal Society of Chemistry: Dr Erwin Reisner, Professor David Spring, Dr Keith Taber, and Professor Ian Paterson.

Action (a)-(d): Vice-Chancellor's Private Secretary

(e) There was a HEFCE Institutional Visit on 15 May 2014. This was part of a series of visits to universities being made by HEFCE Chief Executive Professor Madeleine Atkins; she had met the Vice-Chancellor, the Registry and the Head of the Planning and Resource Allocation Office (in the absence of the Senior Pro-Vice-Chancellor).

(f) The Vice-Chancellor attended the LERU Rectors' Assembly in Helsinki on 16 May 2014.

(g) The Vice-Chancellor met with Francis Maude MP on 20 May 2014.

(h) There were various Gates Trustees events between 21 and 24 May 2014.

(i) There was a Guild of Benefactors event on 23 May 2014.

(j) There was a topping out event for the new Chemical Engineering Building on 27 May 2014.

(k) The Vice-Chancellor attended a Russell Group EU Advisory Committee on 2 June 2014.

(l) There was an ESRC Institutional Visit on 3 June 2014.

(m) Two articles had appeared in the Guardian newspaper on 3 June 2014 on immigration policy and the importance of language skills based on an interview with the Vice-Chancellor.

(n) The Vice-Chancellor attended a dinner with the Vice-Chancellors of Birmingham and Exeter Universities and Advisors to David Miliband on 5 June 2014.

(o) There was a meeting of the CAm Board on 6 June 2014.

(p) The Vice-Chancellor had visited Israel from 7–11 June 2014, during which he had visited six universities and four hospitals and learnt about great opportunities for collaboration.

114. Council, legislative and comparable matters

(a) Council Work Plan 2013-14

The updated Work Plan was received.

(b) Preliminary draft Work Plan 2014-15

A preliminary draft was received. A revised version would be prepared for the July and/or September 2014 meetings. Any comments on this version should be sent to the Head of the Registry's Office.

(c) Business Committee

No meeting had been held on 9 June 2014.

(d) External members of the Council: Nominating Committee

The Nominating Committee would meet to short-list candidates later that day and interviews would be held on 28 July 2014 for the vacancy arising from Dame Mavis McDonald's resignation.

115. Report of the Council on the governance and management arrangements for sport within the University: Notice in response to remarks made in Discussion

The Business Committee, at its meeting on 19 May 2014, had agreed that the Notice in response to remarks made in the Discussion of the Report of the Council on governance and management arrangements for sport within the University should be referred to the full Council for discussion. A revised draft Notice, taking account of comments made at the Business Committee's meeting, was received together with the remarks made in Discussion.

Professor Sanders, Chair of the review committee, reported. He reminded the Council that it had approved the publication of the review committee's initial consultative report in December 2013, on which comments had been made at a Discussion in January. The Council had subsequently approved a Report in April, to which the review committee's final report had been annexed, which had been signed by all bar one member. The comments made at the subsequent Discussion on 23 April suggested that there were some remaining concerns about the recommendations of the Report. The draft Notice did not seek to revise the Report's main proposals, but did put forward some amendments to matters of detail as a result of the comments made, including a change to the title of the Director.

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

- Several members of the Council had been surprised by the opposition to the Report, which seemed to indicate that the proposals had not won the 'hearts and minds' of those closely involved with the running of sports clubs. It was difficult to assess whether the views of the Discussants were more widely shared except by publishing the Notice and Grace and putting the matter to the Regent House.
- Although some members were of the view that the Sports Syndicate could, with a more active and motivated membership, operate effectively and successfully raise funds for sport, others pointed out that the Syndicate had not taken steps to revise its own structures and had not played an active role in fundraising for the Sports Centre.
- The review committee's final report indicated, on pages 8 and 10, some of the risks to which the University was exposed by the current governance structure for sport. If the Report's recommendations were not approved, or were put on hold for a year, the momentum for change would be lost, and the appointment of a new Director would be made under the existing structures.
- The proposals put in place an overarching governance framework but deliberately did not articulate the details, leaving space for the development of plans for sport. The new Committee would have to face up to some hard questions about the strategy for University sport and ensure the best outcome for students and other users of University sports facilities.

The Council approved the Notice for publication and signed it, with two members indicating that they would provide a note of dissent.

Action: University Draftsman

116. Electronic voting in ballots of the Regent House

The Regent House, in March 2013, had approved the introduction of electronic voting in ballots of the Regent House with effect from 6 November 2013 and agreed that it should be delivered through an in-house system. However, in February 2014, shortly before the first online ballot was due to take place, it was decided that the system was not ready for use. The Council, at its meeting on 17 February 2014, reaffirmed its commitment to electronic voting and agreed to reconvene the 2012 working group on electronic voting (repopulated as necessary) to consider the options for the delivery of a suitable system. The notes of the working group's meeting on 15 May 2014, setting out recommendations were received.

Dr Padman, as Chair of the working group on electronic voting, reported. The working group had been asked to consider the question of whether to develop the Basic Online

Ballots (BOB) software further for use in ballots of the Regent House or whether to revisit its decision about the choice of provider and instead outsource online voting services to Electoral Reform Services (ERS). The working group had decided to recommend the ERS proposal; it was now clear that only a small number of voters were planning to vote on paper and this had brought the costs of the ERS proposal down. Following the working group's meeting, the officers had met with the two computer officers who maintained the BOB software, who did not think that the working group's conclusions were unreasonable, but pointed out that (i) any software implementing the University's version of single transferable voting would need to be audited and tested; and (ii) the use of open source software in online voting, whether the BOB system or other software, did not necessarily mean that there would be no costs involved in its implementation or maintenance. The first point had been discussed with ERS at the working group's meeting, when ERS had described their testing regime. The decision to recommend ERS did not indicate any immediate concern about the use of the BOB system in student elections, but the working group had suggested that the student unions might wish over the longer term to review the voting system used.

The Council agreed to endorse the working group's recommendation that Electoral Reform Services be offered a three-year commitment for the provision of online services in ballots of the Regent House, to commence from a date to be agreed with ERS.

Action: University Draftsman

117. Membership of the Board of Scrutiny

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.

The Council noted that no person had been nominated in the election for a 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), during the Easter Term 2013. The Council had decided to re-open nominations rather than making an appointment. No nominations were forthcoming and the Council made an appointment to the Board at its meeting on 16 December 2013. A vacancy arose during the Lent Term in respect of the second member in this category. Again, no nominations were forthcoming.

The Council was asked whether it wished to suggest names for consideration at its meeting on 14 July or to re-open nominations, and agreed to re-open nominations.

Action: University Draftsman

118. General Board

The minutes of the General Board's meeting held on 30 April 2014 were received. In answer to a question about Minute C5 concerning the operational arrangements for the REF 2020, it was confirmed that the arrangements were provisional because the guidance on the arrangements for the REF 2020 were not yet available.

PART B: MAIN BUSINESS

119. University Finance Planning and Resources

The meeting of the Planning and Resources Committee scheduled for 21 May 2014 was cancelled. The next meeting would be held on 25 June 2014. The minutes would be brought to the July meeting of the Council.

120. Audit Audit Committee

The minutes of the meeting held on 8 May 2014 were received.

Mr Shakeshaft, as Chair of the Audit Committee, drew attention to the work by the Committee on the development of internal audit both for the University and the changes being introduced by Cambridge University Press.

121. Cambridge University Press

Sir David Bell (Chair of the Press Syndicate) and Mr Peter Phillips (Chief Executive, CUP) attended for this item. The Council received a presentation.

Sir David Bell noted that the Press continued to make pleasing progress in a number of areas. The new governance arrangements had been in place for a year and were working well under the new Board, with revised audit arrangements under the oversight of the Audit Committee chaired by Professor Worthington. The Press had met its REF targets on time and the publishing groups were taking a significantly more strategic view in determining the focus of their operations. He was particularly proud of the revival of the Graduate Training Programme, with this year's recruitment concentrating on the digital revolution.

Mr Phillips reminded the Council that he had spoken last year about the rapid and radical changes in the publishing market and the highly competitive environment in which the Press operated, and this was still the case. In English language teaching (ELT) competitors such as Pearson and the British Council were adopting more integrated approaches to content and assessment, and in journals Elsevier had launched many open access titles alongside its subscription business. The main task for the Press was to make the transition from a publisher of printed books to a provider of content and content-related products and services whilst remaining true to its purpose of advancing knowledge, learning and research. The Press's approach was to concentrate on four touchstones: maintaining quality; a greater focus on those areas in which the Press had a competitive edge; the ability to respond rapidly to the changing environment; and better financial management. During the REF the Press had managed to deliver important contributions that had been turned around rapidly. The collaborations with Cambridge Assessment and new developments such as the MOOC for GCSE Computing were examples of the Press playing to its strengths. In terms of its international operations, the Press was integrating local operations with global products and marketing in Asia and shifting resources to places such as Mexico which provided more opportunity for growth.

PWC had recognised the progress that had been made over the last two years in tightening up the Press's financial management.

Around 90 per cent of the Press's business was located outside the UK and therefore its results had been adversely affected by the significant strengthening of sterling against the major currencies in which the Press operated, particularly over the last year. If exchange rates had remained constant over recent years, its average annual growth would have been 7 per cent, rather than 4 per cent as reported. Whilst the underlying growth in ELT and Education was strong, Academic sales were broadly flat. The Press's accounts and hence its surplus for the year were not yet finalised, but those factors meant it might be behind its budget for 2013-14. The new three-year plan was based on tougher exchange rates, placed less reliance on Academic sales, and anticipated greater cost-saving measures.

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

- The significant progress made in the areas of financial management, collaboration with Cambridge Assessment and ELT's profitability, which had been turned around and was now in surplus, was encouraging. The governance structures supported these developments, and there was much shared understanding about the Press's goals at senior levels within the organisation; the challenge was achieving the consequent transformation of the whole organisation.
- The Press had successfully used digital developments to raise the profile of the brand; for example, it had made its dictionaries available free online and in terms of Google's rankings these were now ahead of Oxford's offering and dictionary.com, and a free app had been offered in Spain to support the learning of phrasal verbs, which had generated significant publicity about the range of products offered by the Press.
- The Press operated in low cost locations where it was cost-effective to do so; as an example, it had an IT development team in the Philippines where the wages were lower than those paid in the UK. However, in such cases the Press took care to ensure that working conditions were good, and employees were offered pensions and competitive salaries for the area, to secure the best staff.

After Sir David Bell and Mr Phillips had left the meeting, Mr Jones suggested that thought be given to initiating a scheme of graduate scholarships, modelled on the Clarendon Fund Scholarships offered at the University of Oxford which were funded by Oxford University Press.

Action: Registry

122. Cambridge Assessment

Mr Simon Lebus (Chief Executive, CA) attended for this item. The Pro-Vice-Chancellor for Education (Chair of the Local Examinations Syndicate) was also present. The Council received a presentation.

Professor Rallison reported that the Syndicate had recently expressed its confidence in the organisation as a well-managed and energetic enterprise. CA was broadly divided into three parts: Cambridge International Examinations (CIE) and Cambridge English, which were international operations, and Oxford Cambridge and RSA (OCR), which served the domestic market. OCR had experienced turbulent conditions, dealing with both regulatory

compliance and changes in curriculum. Nevertheless, 2012-13 had been a successful year for CA.

Mr Lebus reported. CA's performance as a group over the last four years had been on a steady upward trajectory, although the picture for OCR had been more mixed. The gross margin and fixed costs as percentage of revenue over the same period had remained constant, and salary costs were increasing, largely as a result of recruitment in the areas of overseas operations and increased complexity of operation. The trading surplus, at 15 per cent, was better than expected. In terms of investment, total capital expenditure amounted to £19m (6 per cent of revenue), but the figure was closer to £32m if £13m of project cost that had been taken into the revenue account was included. Over the coming year, increased capital expenditure was anticipated, with £13m for a new warehouse at Papworth, £33m for the CUP site, and £6m for CA's share of the Data Centre on the West Cambridge site. Four new offices had opened in Indonesia, Brazil, India and South America to ensure that CA had people on the ground in expanding markets. Collaboration with CUP, for example, the joint product initiative Cambridge Exams Publishing, continued apace and showed encouraging results. Key business developments included: the appointment of a new Chief Executive for Cambridge English, who had previously been Head of Worldwide Learning at the BBC; the acquisition of OET, a new medical English test; and the establishment of a presence in the USA for CIE, where CIE could capitalise on its experience in dealing with the introduction of common core standards. Plans to consolidate on fewer sites, including the development of the (former CUP) Triangle site, would enable CA to save on overheads. CA continued to invest in technology to enable its operations to grow; the approach to the implementation of SAP had been changed, with more focus on in-house delivery, and the use of CCMS to store exam question data.

There were a great number of digital developments in the classroom, and it was not clear what the impact of those developments was likely to be. The major challenges for CA's digital strategy were to identify and manage the opportunities, and keep in step with cultural shifts as, for example, user experience became more important to those taking exams. The market was highly competitive, with Pearson and the British Council developing their offerings. However, overall the outlook was optimistic and the five-year projections anticipated significant growth for CIE and Cambridge English and a modest increase for OCR.

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

- The brand was strong and there were significant opportunities for CA in supporting students in their journey towards qualification as well as providing the means for assessing their achievement, particularly in the international market.
- All portfolio qualifications were being replaced by 2018; CA was working closely with teachers on the development of new syllabi and materials for approval by the government and the regulator, but it was a high-risk programme and it would be difficult to know whether it had been successful until the first examinations had taken place in 2017.
- CA's half-year report to the Audit Committee had noted some marking errors in the 2013 summer examinations. These had been in two units, where manual marking processes had not been transferred to the online marking scheme. All affected scripts had been remarked.

123. North West Cambridge

The Pro-Vice-Chancellor for Institutional Affairs reported that a paper would be submitted to the Council at its meeting on 14 July, following evaluation of development partners and designs for the residential accommodation on the site. Proposals were being put to the Finance Committee on 2 July to complete one of the lots to provide key worker housing and to expand the space allocated on the site to the Office of Postdoctoral Affairs. The work off Madingley Road was continuing to plan.

124. University employment Human Resources Committee

The minutes of the meeting held on 24 April 2014 were received, together with a paper approved by the Human Resources Committee and the General Board proposing that members of the Boards of Electors and Appointments Committees complete a mandatory online Equality and Diversity training module.

The Council approved the recommendation that the Academic Division and the HR Division develop an implementation plan for the roll-out of the training as proposed in the paper.

Action: Academic Division and HR Division

125. Remuneration Committee

The Senior Pro-Vice-Chancellor and the Pro-Vice-Chancellor (Institutional Affairs) were not present for the discussion of this item.

The Deputy Chairman, who chairs the Committee, reported. The conferment of the title of Senior Pro-Vice-Chancellor had been approved by Grace 1 of 4 June 2014. That Grace had also given the Council power to authorise pensionable payments additional to stipend to the Pro-Vice-Chancellor holding that title. The report received by the Council recommended that a payment be made and that it be attached to the role and not the individual holding the title, and that the formula for setting the total remuneration of a Pro-Vice-Chancellor, as approved by Grace 1 of 31 October 2007, be applied in the case of a person holding the title of Senior Pro-Vice-Chancellor, but that the scale point of 87 (£115,775) for a Pro-Vice-Chancellor be 90 (£126,496) in the case of a Senior Pro-Vice-Chancellor.

In response to questions, it was reported that the stipend payable for the office of Pro-Vice-Chancellor had been agreed by the Council in 2007 following a HERA analysis of the role. The Committee had recommended a modest additional payment in recognition of the additional duties undertaken by the person granted the title of Senior Pro-Vice-Chancellor, taking as its starting point the stipend payable for the office of Pro-Vice-Chancellor. The Senior Pro-Vice-Chancellor was not equivalent to a Head of Department and therefore the scale of payments additional to stipend granted to Heads of Department was not considered appropriate in this case.

The Council approved the recommendations of the report. A Notice would be published indicating that this formula would be applied until further notice.

Action: Registry

Vice-Chancellor
14 July 2014