

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 14 July 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 Bampos, Mr Caddick, Dr Cowley, Dr Good, Dr Lingwood, Mr Du Quesnay, Dr Padman, Dr Oosthuizen; Mr Lewisohn, Dame Mavis McDonald (Deputy Chair), Professor Dame Shirley Pearce, Mr Shakeshaft; Ms van Gijn, Ms Hoogewerf-McComb, Mr Jones; with the Registry, the Head of the Registry's Office, the University Draftsman, the Academic Secretary and the Director of Finance; the Senior Pro-Vice-Chancellor, 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. Professor Gay is on sabbatical leave.

The Senior and Junior Proctors were present.

The Deputy Project Director for North West Cambridge was present for the item recorded as minute 135.

The reserved business under Part D (recorded as minute 138) was taken at the start of the meeting, chaired by the Deputy Chair and with the Registry in attendance. The Vice-Chancellor and the Head of the Registry's Office then joined the meeting for the business recorded as minute 139 which the Vice-Chancellor chaired. The student members and other officers joined the meeting thereafter for the remainder of the business.

**UNRESERVED BUSINESS**

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

**126. Declarations of Interest**

No personal or prejudicial interests were declared.

**127. Minutes**

The unconfirmed minutes of the meeting held on 16 June 2014 were received and approved.

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

## **128. Procedure of the Council**

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

It was proposed that the Vice-Chancellor should chair Parts A and B and the second item of reserved business and the Deputy Chair should chair Part C and the first item of reserved business, with the reserved business being taken at the start of the 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:

<b>Circular</b>	<b>Issue</b>	<b>Approval</b>
18/14	13 June	23 June
19/14	20 June	30 June
20/14	4 July	14 July

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

(a) The Congregation for the Conferment of Honorary Degrees had taken place on 18 June 2014.

(b) The Vice-Chancellor had hosted a Senior Gender Equality Network event, and a seminar on lessons from the UNESCO Education for All Global Monitoring Report, on 19 June 2014.

(c) The Vice-Chancellor had visited the USA from 22-29 June 2014 for a series of events organised by Cambridge in America.

(d) There had been a meeting of the Russell Group on 26 June 2014.

(e) The Pilkington Teaching Prize ceremony and dinner had taken place on 30 June 2014.

(f) There had been an MRC Institutional Visit on 1 July 2014.

(g) In separate meetings on 3 July 2014, the Vice-Chancellor had met Julian Huppert, MP for Cambridge, and Liam Byrne, Shadow Minister for Universities, Science and Skills.

(h) There had been a meeting of the Alumni Advisory Board on 11 July 2014.

## **130. 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 further draft was received. Any comments on this version should be sent to the Head of the Registry's Office. A final version would be circulated with the papers for the September 2014 meeting.

## **(c) Business Committee**

No meeting had been held on 7 July 2014.

## **(d) Standing Orders, Code of Practice, Statement of Primary Responsibilities and Statement of Corporate Governance**

A paper setting out the role of the Council and of individual Council members/trustees; the Statement of Primary Responsibilities, the Code of Practice, the Council Standing Orders, and the Statement of Corporate Governance was received. The Registry reported.

The Council, at its meeting on 22 October 2012 and on the recommendation of a Council working group, had approved significantly revised materials for adoption from 1 January 2013. The changes now proposed in the circulated materials were largely technical in nature: references to the Statutes had been updated as necessary and references to the Special Ordinances had been added. The Nolan principles had been revised in line with the current principles as published by the Committee on Standards in Public Life. The Committee of University Chairs (CUC) was still in consultation with the sector about proposed changes to the Governance Code of Practice; it was anticipated that a revised version would be issued early in 2015. It would be necessary, at that stage, to review the Council's materials to take account of changes to the CUC Code.

It was agreed that procurement and other contractual arrangements should be reviewed and consideration given to whether there should be a more explicit statement of the Nolan principles.

The Council agreed to re-adopt the documents for incorporation into the January 2015 edition of the Handbook.

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

## **(e) Board of Scrutiny, Nineteenth Annual Report, 2013-14**

It was reported that the Nineteenth Annual Report to the Regent House would be circulated with the papers for the Council's meeting on 22 September 2014.

### **131. Report of the Council on the process for the nomination and election of the Chancellor: Notice in response to remarks made in Discussion**

The Business Committee had agreed that the Notice in response to remarks made in the Discussion of the Report of the Council on the process for the nomination and election of the Chancellor should be referred to the full Council for discussion. The draft Notice, as received for approval by circulation by the Business Committee, was received together with the remarks made in Discussion and the original Report.

The Warden of Robinson and Mr Lewisohn, as members of the working group, reported. The working group believed that the Nomination Board, which had been established in 1953, remained necessary as a mechanism to ensure that at least one credible nomination was published on its own authority. The working group was, however, also very mindful of the need to avoid setting up or promoting an 'establishment' candidate. It was agreed that the Nomination Board should, in conducting its business, be particularly minded of this latter point.

The working group did not propose a review at the current time of the use of the Single Transferable Vote System for these purposes.

The Council signed the Notice and approved the Notice and Graces for publication.

**Action:** Draftsman (publication)

## **132. General Board**

The minutes of the General Board's meeting on 4 June 2014 were received.

The Council particularly considered the minute of the discussion at the General Board's meeting on 4 June 2014 of the Strategic Plans of the Schools of Arts and Humanities, the Humanities and Social Sciences, and Technology. The following is a summary of the points made in discussion:

- The minutes set out both the opportunities and the challenges and threats which the Schools faced. It was important that all of these matters were taken seriously and kept under active review.
- It was important that the academic mission and activities of the University were not distorted or disproportionately impacted by financial considerations. It was fully accepted that the RAM redistribution model was not perfect, particularly when devolved to a sub-School level. However, it had provided stability and transparency over a number of years. It was dependent on a collegiate approach by the Heads of Schools and a commitment to the wider interests of the University.
- Students at every level benefited from being taught by world-leading researchers. Research was not subsidised from teaching income.
- The School of Technology was mindful of the need to ensure that activities in the Judge Business School resonated with the core teaching and research activities of the wider University.

The Council received and approved for publication the Report of the General Board on the establishment of the University offices of Lecturer (teaching) and Senior Lecturer (teaching), which had been considered by the General Board at their meetings on 4 June and 2 July 2014 and approved and signed on 2 July 2014. It was agreed, as publication of the Report would fall within the Research Period, a further Notice by way of reminder about the Report should be published at the start of the Michaelmas Term.

**Action:** Draftsman (publication)

## PART B: MAIN BUSINESS

### 133. Finance, Planning and Resources (a) Planning and Resources Committee

The minutes of the meeting of the Planning and Resources Committee held on 25 June 2014 were received. The Senior Pro-Vice-Chancellor reported. The Committee had received and approved fee rates for various courses for 2015-16 and a supporting analysis of the cost of an undergraduate education. The outcome of the agreed calculation for 2012-13 was an average cost per student of £16.6K. This represented an increase from £15.1K in 2011-12; there had been an increase in both the University and the College component. This was attributable, in part, to a reduction in undergraduate student numbers to which the figures were sensitive.

It was noted, with regard to minute 1647 ('Uni4 Bus'), that the Uni4 bus was an essential element in the University's estate plan and travel strategy. It was also a key component in the S106 agreement for North West Cambridge. The University subsidy of the service was therefore considered to be necessary and appropriate.

It was noted, with regard to minute 1645(v) ('Capital Projects Group and other CPP documents') that the Committee had approved a CPP Registration for the relocation of the Department of Engineering to West Cambridge. The move was unlikely to take place for a number of years; the building work which had been undertaken in the current accommodation would serve the Department well in the meantime. It would be important for the Department to consider its academic and intellectual direction and shape over the next 10-20 years.

The Council approved for publication the Notice and Grace concerning the 2015-16 fee rates, together with the analysis of the cost of an undergraduate education.

**Action:** Draftsman (publication)

### (b) Finance Committee

The minutes of the meeting of the Finance Committee held on 2 July 2014 were received together with the Financial Forecasts to 2015-17 for submission to HEFCE and the minutes of the Investment Board.

It was agreed, with reference to the Financial Forecasts, that an additional bullet point should be added to the section about financial uncertainties and risks setting out the potential risks inherent in the increased expectations in terms of teaching and the overall student experience of both undergraduate and graduate students. Subject to that amendment, the Council approved the Financial Forecasts to 2016-17 for submission to HEFCE.

**Action:** Director of Finance

The Council warmly welcomed and approved the appointment of Sir Keith O'Nions as a Director and as Chair of the Board of Cambridge Enterprise Ltd with effect from 1 September 2014.

#### **134. Audit Committee**

The minutes of the meeting of the Audit Committee held on 3 July 2014 were received. Mr Shakeshaft, as Chair of the Committee, reported. The Committee had approved a revised structure and approach to internal audit. There would be an increased focus on priority risk areas; an increase in input from specialists and at a senior level; and greater emphasis on self-assurance by Schools, Faculties, Departments and Institutions. It was anticipated that this approach would result in broader audit coverage.

#### **135. North West Cambridge Project**

A paper giving a progress report to the Council on activities and issues since October 2013 was received together with a commercially sensitive and therefore confidential paper received by the Finance Committee at its meeting on 2 July 2014, which had been circulated to members of the Council and officers in attendance only. A paper with illustrations of the masterplan as a whole and of its component parts and setting out a timeline for Phase 1 was tabled.

The Pro-Vice-Chancellor (Institutional Strategy) reported. There continued to be good progress on all aspects of the project. The Department for Education had confirmed its support for the primary school, which would be the first primary-level University Training School in the country. There would be links with the Faculty of Education for teaching and research purposes and for teacher training. The trust and the governing body had been established and was chaired by the Pro-Vice-Chancellor (Education). The school would open in September 2015. The Community Centre would be a joint venture between the University and the City Council. Planning permission had been received. The protracted negotiations with the supermarket supplier had been completed and contracts had been exchanged. There had been considerable interest in the hotel and senior care facilities; the bidding process was ongoing. Negotiations with commercial developers for the market housing were at an advanced stage and were proving to be positive. Applications for planning permission for Lots 1, 3, 5, 7 and 8 had been approved unanimously at the Joint Development Control Committee. Tenders for Lots 1, 3 and 5 were currently being examined in detail: the emerging costs were broadly in line with those in the financial appraisal. The project team was now based at Gravel Hill Farm: co-location with the contractors was proving to be beneficial.

The Finance Committee, at its meeting on 2 July 2014, had agreed to recommend to the Council that there should be a temporary increase to £280m of the loan available to the Syndicate in order to facilitate deferred payments by developers for land sales. The Committee had further agreed to recommend an extension of Phase 1 of the North West Cambridge Development and had invited the Council to publish an urgent Notice to the Regent House informing it of the proposal and its support for it, and indicating that it would be publishing a Report with a Grace early in the Michaelmas Term 2014.

The Finance Committee had also considered a request from the Syndicate for a budget of £4m to undertake scoping work on Phase 2. The Finance Committee had agreed that the paperwork as presented did not adequately set out the benefits of proceeding with Phase 2 immediately after Phase 1 and had asked the project team and the Syndicate to come back with a more detailed case in October 2014. It was noted that there were benefits inherent in undertaking the scoping work for Phase 2 while the current project team and Syndicate remained in place.

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

- Permitting developers to defer payments over a two year period improved the financial appraisal from a University perspective and had no impact on the repayment period for the loan.
- Consideration might be given, as with the primary school, to the extent to which the senior care facility might be used as a teaching and research resource.

The Council, for its part, strongly supported the completion of Lot 2 in Phase 1 and, therefore, the temporary increase in the borrowing limit.

**136. University Employment  
Human Resources Committee**

The minutes of the meeting of the Human Resources Committee held on 30 June were received.

**PART C: UNRESERVED PRINCIPAL BUSINESS**

**137. Vice-Chancellor's Report 2013-14 and the Council's priorities for 2014-15**

The Deputy Chairman took the chair.

The Vice-Chancellor reported. It had been a positive year. The University's short term financial position was reasonably sound. Returns from the CUEF consistently outperformed the market. The University was reliant on this income and on funds from Cambridge Assessment and (to a lesser extent) CUP. It would be important to continue to diversify the University's income streams.

Philanthropy would be increasingly important. The Collegiate University was entering a new age of perpetual fundraising. The Code of Practice for a Collaborative Fundraising Model for Collegiate Cambridge was already delivering closer alignment between College and University fundraising activities and a better shared understanding of mutual and respective needs. There had been important work across Schools and Non-School Institutions to identify the University's academic fundraising priorities for the next campaign and to identify and endorse campaign flagship initiatives. There had been good progress towards rebuilding the new Development and Alumni relations team. The new campaign would be socialised within and beyond the University as part of a 'soft launch' over the next year with a formal public launch in the summer or autumn of 2015.

The University continued to attract applicants of the highest calibre to courses at every level. The paucity of funding for postgraduate study for UK students was a significant cause for concern. The University's results in the Postgraduate Taught Experience Survey continued to be disappointing; there were, potentially, reputational issues and implications for the University's league table position. It would be important to ensure that the quality of the provision on postgraduate taught courses matched that on undergraduate courses.

The Office of Postdoctoral Affairs had made good progress in reviewing and developing provisions and support for postdoctoral researchers. It would be important, in the course of the coming year, to explore the possible form, structure and operation of a postdoctoral

academy on the North West Cambridge Site. Such an academy might be susceptible to donor funding.

There had been a significant growth in research income both in terms of volume and diversity. It continued to be a matter of serious concern that overhead recovery rates remained low. There had been successful RPIF bids in the course of the year. It would be important to continue to invest in capital projects and research infrastructure; philanthropy was likely to be increasingly important in this regard.

The Cambridge phenomenon continued to enhance the University's reputation and visibility and to contribute to the regional and national economy. The University had a strong regional identity and networks: the City Deal and its implication for transport, housing and schools were all vital in this regard. The University's national and international reputation remained strong.

The forthcoming year would be challenging from a political perspective. It would be important for the University to engage fully with the political agenda on all sides in the run-up to the 2015 General Election. The University was considered to be in a leadership position in discussions about the future of Higher Education and more widely: there was therefore the opportunity to influence the debate. However, such discussions would need to be carefully managed and balance the best interests of the University with those of the sector as a whole. It was likely that the undergraduate fees debate would be re-opened. As noted earlier in the meeting, the average cost of an undergraduate education in Cambridge was calculated to be £16.6K. There was therefore already a loss of c.£6.6K per student on the basis of a £9K fee which would be worsened should an incoming government reduce the fee level without (as seemed likely) providing funding by another means to make up the shortfall. It was noted, in this context, that other institutions were able to deliver an undergraduate education within the £9K fee. The future of the Student Loans Company was likely to be the subject of debate. The mechanism for the distribution of research and capital infrastructure funding would also be a focus for discussion: the University, with other research intensive HEIs, would wish to make the case for an increased concentration of research funding.

Negotiations about the future of the USS were also likely to be difficult.

In general, however, the University was in a strong position from which to debate and determine its future strategy and direction. It also enjoyed considerable financial and political autonomy.

The following is a summary of the points made in discussion and in answer to questions:

- The work which was already underway to improve the quality of postgraduate taught courses (PGT) was important. Colleges, as well as Faculties and Departments, had a vital role to play in this regard. It was, however, also important to ensure that applicants were provided with detailed and accurate information about courses so that they knew exactly what to expect by way of teaching, support and the student experience more widely. Templates for the provision of such information had been developed. It was noted that the majority of students on PGT courses were from overseas; it was important to understand the quality and comparability of standards in institutions internationally.
- The burden of reporting and accountability on the University as a whole and, by extension, on Schools, Faculties, Departments and individual academics was considerable and increasing. It was important to ensure that administrative



responsibility was devolved appropriately and to the right level and that there was no proliferation of bureaucracy.

- There was not a widespread understanding within the University that both home undergraduate teaching and research were currently loss-making activities. It was particularly important that every effort was made to improve the recovery of indirect costs on research grants. Investment in research capital and infrastructure was necessary in order to retain the University's international competitiveness.
- There was a need for caution about explicit political canvassing: there were likely to be some matters on which the best interests of the University would be at variance with the best interests of the sector. There had been no recent national substantive review of the long term agenda for Higher Education.

## **PART D: RESERVED BUSINESS**

### **138. The Vice-Chancellor's appraisal and review of salary, 2014**

The Deputy Chairman took the chair. The Registry was in attendance.

#### **(a) Appraisal**

The Deputy Chair reported on the outcome of the appraisal of the Vice-Chancellor which had followed a similar pattern to the appraisal process of previous years, as approved by the Council. She read out the objectives for the Vice-Chancellor approved by the Council and the text of the letter that she intended to send to the Vice-Chancellor which had been agreed with the Remuneration Committee. The Council approved the outcomes of the appraisal and the text of the letter. The Deputy Chair noted the scope and range of the responsibilities of the Vice-Chancellor which he performed at a very high level.

The Master of Christ's proposed that the Council should consider whether it would wish to recommend any changes to the structure of the senior leadership team or other support arrangements for the Vice-Chancellor well in advance of the inception of the search for the Vice-Chancellor's successor, especially if these would require legislative changes. A similar discussion had been held before embarking on the last search. Such a discussion might be held in the summer of 2015. The Registry undertook to arrange an informal meeting of the members of the Council for this purpose.

**Action:** Registry

#### **(b) Biennial review of salary**

The Deputy Chair reported the recommendation of the Remuneration Committee that, in view of his exceptional performance since the last salary review, the Vice-Chancellor be awarded three contribution points (each worth 3% of stipend) with effect from 1 October 2014. The effect of this would be unlikely to place Cambridge within the top decile of Vice-Chancellor salaries from an analysis carried out by the Remuneration Committee. The Council was supportive of the recommendation given the very high level of contribution that the Vice-Chancellor continued to make to the University. The Council therefore approved the recommendation but with some reservations expressed by some members about the absolute level of Vice-Chancellor salaries in the sector. There would be a need for a statement by the University of the reasons for this decision when it became public

through the published accounts, with reference made to the context of the University's performance and scale. Dr Cowley wished to record his objection to the proposal. He recognized the significant contribution made by the Vice-Chancellor but to award three points to any member of staff in the University was very exceptional and inappropriate in this case given the recent pay award and the level of salaries more generally in the University. He felt that two points should have been the absolute maximum of any award by the Council.

**139. University Officers  
Office of Pro-Vice-Chancellor**

The Vice-Chancellor joined the meeting and took the chair. The Registry and the Head of the Registry's Office were in attendance.

Under the provisions of Statute C III 16 appointments and reappointments to the office of Pro-Vice-Chancellor were made by the Council, following consultation with the General Board and on the recommendation of a Nominating Committee. The Nominating Committee had met on 19 June 2014 to interview candidates for the office of Pro-Vice-Chancellor for Planning and Resources on whom the Vice-Chancellor would also confer the title of Senior Pro-Vice-Chancellor. The Committee had brought forward a unanimous recommendation for appointment.

The General Board had been consulted at its meeting on 2 July 2014 and had supported the recommendation of the Committee.

The Council approved the appointment of Professor Duncan Maskell to the office of Pro-Vice-Chancellor for Planning and Resources for three years in the first instance with effect from 1 August 2015 and supported the conferral by the Vice-Chancellor of the title of Senior Pro-Vice-Chancellor.

Vice-Chancellor  
22 September 2014