

University of Cambridge

COUNCIL

Minutes of a meeting of the Council held in the Council Room, Old Schools at 10.15 am on Monday 14 December 2015.

Present: Vice-Chancellor (Chair); the Master of Corpus Christi, the Mistress of Girton, the Master of Jesus, the Provost of King's; Professor Anderson, Professor Davis, Professor Karet, Dr Oosthuizen; Dr Anthony, Dr Charles, Dr Glendenning, Dr Holmes, Dr Hutchings, Dr Padman; Mr Lewisohn, Professor Dame Shirley Pearce, Mr Shakeshaft, Ms Weller; Mr Allen, Ms Mensah, Mr Roemer; 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, the Pro-Vice-Chancellor (Education), the Pro-Vice-Chancellor (Institutional and International Relations), the Pro-Vice-Chancellor (International Strategy) and the Pro-Vice-Chancellor (Research).

Apologies were received from Mr Caddick and Dr Good.

The Senior and Junior Proctors were present.

The Vice-Chancellor welcomed the recently elected President of the Graduate Union, Mr Chad Allen.

He further noted that it was the last meeting for the Pro-Vice-Chancellors for International Strategy and Research. He thanked them for their exceptional contributions to the work of the Council and the wider University.

UNRESERVED BUSINESS

PART A: PRELIMINARY, LEGISLATIVE AND STRAIGHTFORWARD BUSINESS

30. Declarations of Interest

No personal or prejudicial interests were declared.

31. Minutes

The unconfirmed minutes of the meeting held on 23 November 2015 were received and approved subject to a minor amendment.

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

32. Procedure of the Council

(a) Arrangements for the chairing of agenda items

It was agreed that the Vice-Chancellor should chair the meeting for all items of unreserved business and reserved business except for the discussions about the

membership of the Advisory Committee for the Nomination of the Vice Chancellor (minute 41 refers) and the Remuneration Committee's consideration of a possible range of remuneration for the next Vice-Chancellor (minute 43(iii) refers). The Deputy Chair had to leave the meeting early and it was therefore agreed that the Chair of the Audit Committee should take the chair for these matters.

(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
29/15	20 November	30 November
30/15	27 November	7 December

33. Vice-Chancellor's Report

(a) The Vice-Chancellor had attended a Russell Group dinner to discuss the impact of research in Russell Group Institutions. There had been much discussion at a variety of Russell Group meetings and in Whitehall about the BIS Green Paper and the Nurse Review and, in particular, the way in which the proposals, if confirmed, might be implemented and delivered. There were likely to be legislative implications.

(b) The Chancellor of the Exchequer had delivered the Comprehensive Spending Review and Autumn Statement on 25 November 2015. He had announced that the government would invest £75 million in the Cavendish Laboratories.

(c) The Vice-Chancellor had visited the United States on University business between 29 November and 9 December 2015. There had been Campaign launch events in the Carnegie Hall in New York and the Ferry Terminal in San Francisco. A gift of £35m to Pembroke College from the estate of Ray Dolby had been announced. It was the largest gift to a Cambridge College in modern times. It was also the largest single gift to date to the current Campaign, taking the total towards £600m.

(d) The Varsity rugby matches had taken place on 10 December 2015. For the first time, the women's match had taken place on the same day as the men's. The women's team had beaten their Oxford rivals by a resounding 52-0 while the men's team had lost 6-12.

(e) The Registry reminded the Council that it had, at its Strategic Meeting on 22 September 2015, agreed that there should be a review of three specific areas of University governance (membership of the Regent House; balance between membership categories of the Council; and the process of Discussions) and that there should be a self-effectiveness review of the Council. There had been further discussions between the Deputy Chair of the Council and the Registry about the

timetable and the arrangements for these reviews. Proposals for the self-effectiveness review would be brought forward to the Council for discussion at its meeting on 18 January 2016. The review would then be undertaken during Lent Term. There would be the opportunity to discuss the feedback and findings at the Council's strategic meeting on 18 April 2016.

The Council was invited to consider whether the governance review should be undertaken in tandem with the self-effectiveness review or whether the self-effectiveness review should take place first in order that its findings could (where relevant) inform the governance review.

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

- There was a variety of views about the timetable for the two reviews. It was agreed that, on balance, there was some merit in progressing the two simultaneously. It was agreed, however, that it would be important to retain some flexibility around the terms of reference for the governance review in order to be able to accommodate the findings from the self-effectiveness review.
- It was noted that issues around membership of the Regent House were inextricably linked to the question of membership categories of the Council. The two matters could not, therefore, be considered separately.

In conclusion, it was agreed that a paper setting out proposals for the self-effectiveness review should be brought back to the Council for discussion at the meeting on 18 January 2015 together with outline terms of reference and a structure for the governance review.

Action: Registry, Deputy Chair

34. Council, legislative and comparable matters

(a) Council Work Plan 2015-16

The updated Work Plan was received.

(b) Business Committee

No meeting had been held on 7 December 2015.

(c) Membership of Council committees and similar bodies, from 1 January 2016

The minutes of the meeting of the Advisory Committee held on 27 November 2015 were received. It was noted that the recommendations had first been notified to the nominees by means of the circulation of the minutes. The meeting had, for various reasons, been poorly attended. This was, of course, unfortunate; however, there was no formal quorum for the Committee. The Council approved the recommendations.

35. General Board

The unconfirmed minutes of the General Board's meeting on 2 December 2015 were received together with a paper setting out the proposed approach to the University's response to the Higher Education Green Paper, *Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice*. The paper took account of comments from individuals and Faculty Boards which had been received.

The Pro-Vice Chancellor (Education) reported. The General Board, at its meeting on 2 December 2015, had received and discussed the paper setting out key information to be included in the University's response to the Green Paper. The research-related aspects of the Green Paper had been considered by the Research Policy Committee at its meeting on 26 November 2015 and the Education Committee had discussed the teaching-related proposals at its meeting on 9 December 2015. There had also been discussions at the Admissions Forum and the Undergraduate Admissions Committee. There would be a meeting of Heads of House on 16 December 2015 to discuss the Green Paper with a view to producing a single response from the Collegiate University. The deadline for responses was 15 January 2016. A draft response to the specific questions in the consultation would be circulated early in the new year and formally approved by the General Board at its meeting on 13 January 2016.

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

- It was important that the University took the opportunity, in its response to the Green Paper consultation, also to comment on the proposals in the Nurse Review. It was likely that the main changes to the research landscape would be driven by the recommendations in the Nurse Review and the implications for the University were significant. In particular, the retention of the dual funding system for research income and the unhypothecated QR funding was essential. Indeed, the proposed transfer of QR funding represented possibly the greatest single threat to the sector; it was important that the University robustly challenged the proposal in its response. If the transfer did go ahead, it would be vital that the QR funds were protected by law to ensure that they were not removed or diluted. It was noted that there was a lack of clarity about the future ownership of the REF.
- It was unclear what proportion of the proposed 'common research fund' to support cross-cutting activity across the Research Councils would be retained in responsive-mode. There was some risk that this fund might be subject to government intervention and used, for example, to fund research institutes.
- The Green Paper proposed a separation between teaching and research for funding and regulatory purposes. Research-led teaching and the continuum between teaching and research was fundamental to the University's mission and values and to the quality of its provision. The Green Paper focussed primarily on undergraduate students; it was not clear, within the current proposals, where responsibility for graduate students might lie nor was there an appreciation of the difference between the PGT and PGR cohorts. The response should emphasise that the University considered PGR students to be an important part of the research community and to make a vital contribution to the research base. The proposed changes to higher education architecture

and to the funding and regulatory arrangements were not appropriate for research-intensive Universities.

- The risks to the University associated with the proposed ‘single route of entry’ into the higher education sector for new providers were unlikely to be immediate or direct. However, the potential dilution of quality and the increasing marketisation of higher education had significant implications for the reputation of the sector as a whole both nationally and internationally. In particular, the proposals for speeding up the entry and exit arrangements for new providers were potentially damaging particularly to the interests of students. The University’s response should reflect these concerns. Indeed, the concept of ‘a level playing field’ for all providers with degree awarding powers was inappropriate in the context of a very diverse sector. There was a risk of reducing quality to the lowest common denominator. It was noted, in this regard, that the provision of small group undergraduate teaching, differentiated the University from many other HEIs and alternative providers.
- It was important for the response to state the need for a broad and consistent regulatory and statutory framework across all HE providers, rather than focusing on Freedom of Information as a specific issue in itself.
- It was important that the response was suitably robust in challenging those aspects of the proposals in both the Green Paper and in the Nurse Review which the University considered either to be misguided in principle or unworkable in practice.
- CUSU would be submitting a response to the Green Paper consultation. The University’s proposed response was consistent with the points that CUSU intended to make.

In conclusion, members of the Council were invited to submit any further comments to the Pro-Vice-Chancellor (Education) and the Academic Secretary by 3 January 2016. A draft response to the consultation would be circulated thereafter.

Action: Pro-Vice-Chancellor (Education),
Academic Secretary

PART B: MAIN BUSINESS

36. Finance, Planning and Resources Planning and Resources Committee

The minutes of the meeting of the Planning and Resources Committee held on 25 November 2015 were received. The Senior Pro-Vice-Chancellor reported.

The Committee had approved the registration of four MRC Units: Mitochondrial Biology; Biostatistics; Cognition and Brain Sciences Unit; and the Toxicology Unit. The transfer process would be managed by a project board.

There were ongoing delays with the planning process for the new biomedical facilities building; negotiations with the local authority had been raised to leadership level.

These timetable delays meant that the costs were now forecast to exceed the budget by c.£15-18m; each further month of delay would add inflationary costs.

The Committee had considered and approved a number of changes to the Capital Planning processes which would improve the quality of the information in the Capital Plan and tighten the conditions for admitting projects into the green zone.

37. Audit

(a) Audit Committee

The minutes of the meeting of the Audit Committee held on 19 November were received. The Chair of the Audit Committee reported.

As discussed at the Council's meeting on 23 November 2015, the Committee had received the Reports and Financial Statements for 2014-15; the external audit report; and the engagement letter. The audit process had gone smoothly across all parts of the University Group; there were no major accounting issues and no significant audit matters to report.

(b) CUEF financial statement: 2014-15

The audited CUEF financial statements for 2014-15 and the draft auditor's report were received. The Director of Finance reported. The CUEF was an Alternative Investment Fund and new regulation required that the audited financial statements be submitted within six months of the balance sheet date. The Council, as the trustee of the CUEF, was asked to approve the financial statements on behalf of the University and authorise their signature by the Vice-Chancellor.

The Council commended the Investment Office on its exceptional management of the fund and approved the financial statements for signature.

38. Risk

Risk Steering Committee

The Annual Report of the Risk Steering Committee for 2014-15, which included the annual Review of the Key Risk Register, was received together with the unconfirmed minutes of the Risk Steering Committee's meeting on 30 October 2015. The Senior Pro-Vice-Chancellor reported.

The three highest ranking risks in the previous annual report remained in the top four ranked risks this year as follows: Government HEI Policy, Financial Health, and Research Funding. Government policy was likely to remain a significant risk for some time given uncertainties around the Green Paper, the Nurse Review and the outcome of the EU referendum. Information Security had been incorporated as a standalone risk for the first time and was ranked second. The Administrative Systems and Business Processes risk had seen the most significant fall since 2014. This reflected a more settled structure in University Information Services and work to improve

aspects of information delivery and management across the University. The Key Infrastructure risk had risen five places since 2014 with its status upgraded from green to amber. A comprehensive review of IT infrastructure would be undertaken. As a result of increased residual risk scores, North West Cambridge and the Student Experience risks had risen in rank. This reflected, respectively, the current audit review of financial reporting and controls in the NWC project and student survey scores and delays in the complaints process. Governance had moved up in rank with an increased residual score and its status had been upgraded from green to orange. In addition to the new Information Security risk, a risk on international activity /tax and compliance risk overseas was included for the first time. This reflected increasing international activity across the University Group and the associated risks inherent in co-ordinating compliance requirements.

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

- The North West Cambridge Project had risen up the risk register, reflecting the issues around financial reporting and controls which had been identified early in the summer. However, mitigation measures were in place and the audit review process was ongoing. This explained why the Risk Steering Committee and Audit Committee considered the risk should be graded as amber and not as red. The North West Cambridge Project was only one element in the University's capital activities.
- It was noted, with regard to the Research Funding risk, that the follow-up actions arising from the review of the University's REF2014 results would be taken forward through the Strategic Research Reviews which were underway. This discipline-specific review process would map onto the REF structure but would not be driven by it. The General Board would monitor progress of the implementation of the recommendations from these reviews. It was suggested that the risk should reference this process.
- The question of the ownership of the North West Cambridge Project risk would be considered as part of the Audit Group's report.
- Schools and Non-School Institutions were required to include a Risk Register in their Planning Round submissions.

39. North West Cambridge

The Vice-Chancellor reported that the process of recruiting a Chair for the West and North West Cambridge Syndicate and a Project Director for the North West Cambridge Project was well underway. It was important, in the meantime, to maintain momentum. Ms Weller had agreed to serve as interim Chair of the Syndicate and the Advisory Committee for Committee Membership and External Nominations recommended her appointment for the Council's formal approval. The Council approved and welcomed this appointment.

The Director of Finance reported. The interim Finance Director for the North West Cambridge Project, with the Project Team, was working to re-baseline costs and revenues and to bring forward a revised financial appraisal. This would be presented to the Syndicate at its meeting on 21 December 2015, to the Finance Committee at its

meeting on 6 January 2016 and to the Council at its meeting on 18 January 2016. A refined appraisal would then be brought back to the Finance Committee's Business Sub-Committee at its meeting on 10 February 2015.

He reminded the Council that the adjudication decision concerning an element of the site wide infrastructure had been received and all but one of the declarations had been in the University's favour. Most significantly, the contract itself had not been questioned and it had been determined that the risks for the design sat with the contractor and not with the University. The University had three months in which to respond to the one Compensation Event arising from the adjudication.

The specialist firm which had been engaged to review and strengthen project controls continued to provide risk reporting to the Syndicate. Work was also underway to improve contemporaneous records to ensure robust evidence against any future contractor claims.

There continued to be progress on site although there were some delays in the delivery of certain Lots. The primary school would be completed on time and on budget by the end of 2015. Negotiations with a supermarket provider were ongoing. The supermarket sector was currently very unsettled: most operators were deferring new initiatives and capital investments. It was still hoped that negotiations could be concluded satisfactorily; however alternative options were being explored.

It was noted, in the course of discussion, that there were two elements to the site-wide infrastructure contract. The current phase was deep work; the second phase was landscaping. A fixed price had been agreed with the site-wide infrastructure contractor for both elements of the work. External lawyers (with additional specialist advisors) had been engaged to assist in the management of the dispute with the contractor and would be working with the University and its consultants to manage the relationship and consider remedies.

It was noted that the Annual Report of the West and North West Cambridge Syndicate would be brought to the Council at its meeting on 18 January 2015.

40. University Employment Human Resources Committee

The Committee met on 10 December 2015. The minutes would be circulated for the Council's January meeting. The Pro-Vice-Chancellor (Institutional and International Relations) reported that the Committee had discussed the proposed 'People Strategy' and had agreed various workstreams.

41. Advisory Committee for the Nomination of the Vice-Chancellor

At its last meeting on 23 November 2015, the Council had considered under reserved business a slate of names proposed by the Chair of the Committee, Professor Ian White, to form the membership of the Advisory Committee. The Council had voted to

approve the slate. Subsequent to the meeting, Professor White had confirmed the acceptance of the proposed members of the Committee who were not members of the Council. The membership of the Advisory Committee was therefore as follows:

Professor Ian White (Chair)
Professor Dame Ann Dowling
Professor Sir Malcolm Grant (Chair, NHS England)
Dr Nicholas Holmes
Professor Fiona Karet
Professor Martin Millett
Professor Dame Shirley Pearce
Professor Michael Proctor
Professor Anna Vignoles

There remained one vacancy for an individual from outside the United Kingdom. Members of the Council were invited to submit suggestions to the Chair of the Advisory Committee by 16 December 2015. Once the final list was confirmed, a Notice would be published in *The Reporter*.

PART C: RESERVED BUSINESS

Officers other than the Registry and the Head of the Registry's Office withdrew.

42. Honorary Degrees Honorary Degree Committee

A strictly confidential paper containing recommendations by the Honorary Degree Committee, which met on 24 November 2015, was received. The Council noted the arrangements for approval of nominations by vote set and approved the nominations with one exception which was referred back to the Honorary Degree Committee for further discussion.

43. Remuneration Committee

A report was received. Ms Weller, as Chair of the Committee, reported. The Committee had considered three separate issues: the arrangements for approving market pay; remuneration arrangements and bonus payments in the North West Cambridge Project Office and the Cambridge Investment Office; and a possible range of remuneration for the next Vice-Chancellor.

(i) The arrangements for approving market pay

In most cases where it was necessary to agree market pay for recruitment or retention purposes, immediate action was required. The current arrangements, whereby the Remuneration Committee was required to recommend such supplements greater than 10%, did not facilitate such timely action. The Committee therefore proposed changes to its terms of reference such that the threshold be raised to 50% or £50K (whichever was the smaller) of basic salary. The Committee intended, in the interests of

transparency, to enhance the arrangements for reporting market pay to include, *inter alia*, an analysis by institution and gender. It was also proposed that the Pro-Vice-Chancellor (Institutional and International Affairs) should establish a working group to look at wider issues around the pay framework.

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

- It was vital, in an intensely competitive international market (and particularly in some areas of academic activity), that the University was in a position to attract and retain staff of the highest quality.
- The market pay mechanisms were engaged with some regularity. This suggested that the existing salary scales were no longer appropriate or sufficient. The proposed wider review of the pay framework was, therefore, welcomed.
- The data about market pay published annually in *The Reporter* was important for the purposes of transparency. The proposed additional analysis would further enhance this transparency.
- The 10% threshold had been specifically identified in the *Joint Report of the Council and the General Board on amendments to the pay and grading scheme for non-clinical staff implemented following the Second Joint Report of 25 July 2005*. It would, therefore, be necessary to publish a further Report to the University seeking approval for this change to the threshold and giving delegated power to the Council to review the threshold annually.

(ii) Bonus payments

The Committee had considered and approved recommended bonus payments for staff in the Cambridge Investment Office and the North West Cambridge Project Office. The Council approved the Committee's decisions.

The Vice-Chancellor withdrew and Mr Lewisohn took the Chair.

(iii) Remuneration range for the next Vice-Chancellor

The Committee had given preliminary consideration to a possible range for remuneration for the next Vice-Chancellor taking account of Vice-Chancellors' (or equivalents') salaries nationally and internationally. It would be important to be clear about the various components of the package, including relocation and pension arrangements. It was noted that the pensions landscape had changed considerably and that the arrangements would therefore require careful consideration in order to ensure equity with other posts in the University.

Vice-Chancellor
18 January 2016