Minutes of the meeting held on Wednesday 6 July 2011.

Present: The Vice-Chancellor in the Chair, Dr Clark, Ms Coutu, Mr Downer, Mr Du Quesnay, Professor Hopper, Professor Lizieri, Mr Summers and Professor Young with the Registrary, the Academic Secretary, the Director of Finance, the Director of Estate Management and the Head of the Registrary’s Office.

Apologies: Mr Chote and Mr Johnston.

PART A: INTRODUCTORY

51. Procedure of the Committee – Declaration of Interest

Dr Clark, as an inventor with IP managed by Cambridge Enterprise, declared an interest in respect of the matter recorded as Minute 56 (Cambridge Enterprise). Mr Summers, as Bursar of a College with involvement in the NIAB project, declared an interest in the matter recorded as Minute 57 (North West Cambridge Project). Otherwise, no personal or prejudicial interests were declared.

52. Finance and Resources

Initiated Graces on Fees, Funding and Students Finance

The Committee was reminded that it had received, by circulation, an invitation to comment on the financial aspects of the initiated Graces on fees, funding and student finance. (FC(11)55) There would now be a ballot on a series of Graces, including one promoted by the Council.

53. Minutes

The Minutes of the meeting held on 4 May 2011 were approved.
54. **Straightforward and reported business: agenda items starred as straightforward**

A paper listing straightforward and reported business was received.

It was noted that the Planning and Resources Committee, at its meeting on 15 June 2011, had agreed to support a request to the Finance Committee from the Judge Business School for a £12m loan to support the development of Keynes House on the Old Addenbrooke’s site to provide enhanced teaching accommodation for the executive education programme. The Committee agreed to approve the loan.

The Committee approved the other matters for decision contained in the confirmed list of straightforward or reported business, and received the other material.

55. **Future business and work plan**

The following Papers were received and approved:-

- Paper FC(11)65 Updated statement for 2010-11
- Paper FC(11)66 Proposed workplan for 2011-12
PART B: SUBSTANTIVE BUSINESS

Cambridge Enterprise

Professor Gladden, Pro-Vice-Chancellor (Research) and Mr Richard Jennings (Interim Chief Executive, Cambridge Enterprise) attended for this item.

Review of Cambridge Enterprise

The following papers were received:-


Paper FC(11)68 Response by the Chairman of the Board of Cambridge Enterprise.

Professor Gladden introduced the paper. A statement of criteria to evaluate performance had been agreed when Cambridge Enterprise was established in June 2006. It was, at that stage, anticipated that there would be a review after Cambridge Enterprise's first five years of operation against a series of agreed metrics. That review had been brought forward by a year in order to address concerns about the reporting structures by which the University maintained oversight of Cambridge Enterprise's activities. The Review Committee had met formally on three occasions: in December and January to consider written and oral evidence; and in March to consider a draft report. The Review Committee had unanimously agreed three broad conclusions and 23 detailed recommendations.

The Committee noted that the success of Cambridge Enterprise was widely recognised within the sector and beyond. It had achieved excellent results in a very difficult market climate and had played a vital role in furthering the University’s academic mission. It was unfortunate, particularly given the current search for a new director, that the report was so muted in its recognition of the achievements of Cambridge Enterprise, under the leadership of Ms Willey, over the past five years. The Committee, for its part, congratulated Cambridge Enterprise on its achievements.

In the course of discussion, the following points were made:
- The report had been produced for the Finance Committee which was, therefore, its initial audience. It would, however, be published and, at that point, be available to a wider audience. It was important, therefore, that the Council’s formal response and the response of the Chair of the Board of Cambridge Enterprise should be published with the report.
- It was difficult, so early in Cambridge Enterprise’s existence, to assess income against expenditure because a proportion of current income
resulted from patents filed prior to the establishment of Cambridge Enterprise. It would be important to continue to monitor trends.

The Committee then considered each of the recommendations and agreed actions and responses as follows:

Recommendations 1, 3, 4, 5 and 16 were accepted without comment.

2. The Committee noted that there was no robust data by which to measure the extent of entrepreneurial activity across the University. The volume of such activities was not systematically recorded or reported and there was no requirement on academic staff to register IP.

In considering the question of ‘reward’, it was noted that there were differences between Schools as to the extent to which account was taken of entrepreneurial activity in considering, say, applications for academic promotion. It was agreed that the Vice-Chancellor should raise this matter at a future meeting of Heads of Schools.

6, 7, 9 The Committee agreed that there was a lack of clarity about Cambridge Enterprise’s reporting lines. The company currently reported to the Finance Committee, the Resource Management Committee and the Research Policy Committee. This structure was both cumbersome and potentially conflicting. It was suggested that finance and strategy should be reported only through the Finance Committee. The Research Policy Committee, as at present, would be responsible for academic stewardship. It was noted, however, that this new structure was contingent on resolving the current funding issues surrounding the Chest subsidy of patent costs. It was agreed that the reporting structure and the Memorandum of Understanding should be reviewed by a working party chaired by the Senior Pro-Vice-Chancellor which would report back to the Committee in Michaelmas Term. The Research Policy Committee would also be asked for views.

8, 17, 18, 19, 21 It was agreed that it was appropriate that those parts of the Cambridge Enterprise budget which related to services provided to the University by Cambridge Enterprise should form part of the budget of the Unified Administrative Service. However, it would be inappropriate for the UAS to hold a budget for supporting the filing of patents. It was agreed that this matter, together with the recommendations concerning the distribution policy (17); percentage proceeds to inventors (18); and the Chest/departmental share (19) should be referred to the working party for further consideration.
It was noted that appropriate arrangements were already in place to ensure coherence between Cambridge Enterprise and the academic mission of the University. The Director of Cambridge Enterprise was a member of the Research Policy Committee and the Pro-Vice-Chancellor (Research) was on the Board of Cambridge Enterprise.

It was important to have an effective interface between Cambridge Enterprise and the Cambridge Research Office (CRO) in negotiating industrial contracts. A joint Cambridge Enterprise/CRO working group had been set up to establish a common policy. In the interim, all prospective industrial contracts were discussed at meetings involving the PI, the Pro-Vice-Chancellor (Research) and representatives from Cambridge Enterprise and CRO.

This recommendation required no action as the provision was already clearly set out in Ordinances.

It was already the case that an individual inventor could self-finance a patent application through Cambridge Enterprise. However, the proposal that departmental funds might be used to buy such services raised entirely different accountability and transparency considerations. Further, it would be impossible to plan and budget for such an operation. The Committee agreed to reject the recommendation.

It was noted that a number of charity and non-profit organisations did not contribute to the costs of IP protection while requiring it to be in place. The Committee supported the recommendation but recognised that it would not always be enforceable. The costs should, therefore, 'where possible, [be] recovered from the funders of research.'

It was noted that the recommendation stated only that the Board of Cambridge Enterprise should consider asking the University for a loan in the event that financial constraints prevented Cambridge Enterprise from protecting commercially desirable assets. On that basis, the Committee accepted the recommendation.

The Committee expressed concern about issuing strong guidance to departments about financial matters in the context of local accountability and devolved budgets. The Committee therefore rejected the recommendation while agreeing, as set out under recommendation 2, that the question of differential practices in such matters should be raised with Heads of Schools.
21, 22, 23 It was agreed that all of these recommendations were met by means of the Finance Committee’s scrutiny of Cambridge Enterprise’s business plan and budget and through the annual planning round.

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

### Annual Budget Review

The following paper was received

Paper FC(11)69 The Annual Budget for Cambridge Enterprise Limited for 2011-12 as required by the Memorandum of Understanding.

It was noted that, while the budget funding from the University for 2011-12 was consistent with the Allocations Report, the figures for the following years were not. The Senior Pro-Vice-Chancellor’s working group would review the business plan for 2012-13 and following and report back to the Committee.

The Committee approved the budget for 2011-12.

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

### 57. North West Cambridge

Professor White, Pro-Vice-Chancellor (Institutional Affairs), and Mr Roger Taylor, North West Cambridge Project Director, attended for this item. The Committee received the following Papers:-


Papers FC(11)71 and 72 Minutes of meetings of the West & North West Cambridge Project Board held on 23 May and 20 June 2011.

It was emphasised that the Phase 1 Feasibility Report was commercially sensitive and provided in confidence. Its circulation would be restricted to members of this Committee, Council members, the Pro-Vice-Chancellors and relevant officers. It would probably be necessary in due course for members of the Committee, and members of the Council, to sign Non-Disclosure Agreements, to permit commercially confidential information to be communicated to them.

The Pro-Vice-Chancellor (Institutional Affairs) reported. The Regent House had now approved the submission of the masterplan and the constitution of the Syndicate. The Project Board now proposed that work should commence on Phase 1 of the project recognising that, should a resolution to grant outline
planning consent not be secured by January 2012, the programme for Phase 1 would need to be reviewed.

There were six overarching principles for Phase 1:
- To provide residential accommodation to attract and retain staff at every level but, in particular, early career academics.
- To provide sufficient, appropriate and high quality facilities in order to create a fully integrated community.
- To provide market housing to create a mixed community and produce financial returns for the University.
- To establish a College. It was noted that the paper produced by the working group chaired by Lord Wilson had recommended the establishment of one or more Colleges with a focus, initially, on accommodation and community for post-doctoral researchers.
- To provide more accommodation for graduate students.
- To undertake enabling work, to include a district heating system, a public transport system and landscaping.

The Director of the North West Cambridge Project provided an update and commentary on the financial appraisal.

In the course of discussion, the following points were made:
- Significant work had been undertaken on the financial modelling for the project. The Committee now considered that the figures were robust and was reassured, on the basis of current assumptions and costings, that a financial case had been made.
- Financial considerations notwithstanding, strategic and academic need were the main drivers for the project and the basis, ultimately, on which any decision to proceed would be made.
- While the phasing allowed the University to stop the development, for whatever reason, at the end of any phase, a complete coherence would be achieved only by completing the project as a whole.
- The proposal for a College for post-doctoral researchers was welcomed. Work would be undertaken over the summer to establish the costs assuming no support from the Colleges but framed in such a way as to facilitate extension should additional support become available. The paper produced by Lord Wilson’s working group would be considered by the Colleges’ Committee at its meeting on 9 July 2011. Further work would be undertaken thereafter to establish College interest and on what terms. A proposal would be brought back to the Committee in September.
- The Committee also welcomed the possibility of providing accommodation for postgraduate students, particularly in the context of recent discussions about the need to increase graduate student numbers. Work would be undertaken over the summer to incorporate plans for a minimum of 200 rooms.
- There was a strong emphasis on sustainability and in achieving environmental excellence in Phase 1 and throughout the project.
The Committee approved interim funding of £400k to progress activities (including those set out above) in respect of Phase 1 of the project in advance of the Council’s strategic meeting at the end of September.

**Action:** Registrary, Director of the North West Cambridge Project

58. **Pensions**

**CU Assistants’ Contributory Pension Scheme (CPS)**

The Committee received and approved the following papers:

- Paper FC(11)73 Final draft CPS Employee Consultation Pack.
- Papers FC(11)74 and 75 Minutes of the meetings of the Pensions Working Group held on 19 May and 27 June 2011.

59. **Accounts**

**Management Accounts 2010-11**

The Committee received the Management Accounts (Paper FCBC(11)28) for the third quarter 2010-11 which had been considered in detail by the Business Sub-Committee on 1 June 2011, together with a summary statement to May 2011 (Paper FC(11)76).

60. **Financial Statements**

The following papers were received:

- Paper FC(11)77 Paper on the accounting policies to be applied for the 2010-11 financial statements.
- Paper FC(11)78 Paper on International Financial Reporting Standards

The Committee approved the accounting policies for the 2010-11 financial statements.

61. **Insurance**

**Renewal 2011**

The Committee received and approved proposals for insurance renewal (Paper FC(11)79).
62. **Deposit Account**

The University’s Cash Balances and Authorised Investment Limits

(i) The Committee received (as Paper FC(11)80) the current report on the University’s cash balances and authorised investment limits.

(ii) The Committee agreed to approve the proposed Authorised Investment Limits policy as set out in Paper FC(11)81.

63. **Finance Committee**

Membership

The Committee received the CV of Dr Richard Foster (Paper FC(11)82) and agreed to his co-option as a member of the Committee from 1 October 2011 to 31 December 2012.

64. **Financial Strategy**

The Committee noted that a meeting of the Financial Strategy Steering Committee would follow the Finance Committee. A report would be brought to a future meeting of the Finance Committee.

Vice-Chancellor

14 September 2011
Finance Committee 6 July 2011: Straightforward and reported business submitted for decision or report

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