



COUNCIL

Tuesday 9 July 2013

MINUTES

PRESENT:

Sir Stephen Wall (*Chair*)

Professor David Attwell

Dr Bob Barber

Ms Philippa Foster-Back

Mr Mark Knight

Mr Simon Melliss (*Treasurer*)

Ms Katharine Roseveare

Dr Stephanie Schorge

Professor Chris Thompson

Mr Ven Balakrishnan

Mr Edwin Clifford-Coupe

Professor Sir Malcolm Grant

(*President and Provost*)

Ms Vivienne Parry (*Vice-Chair*)

Dr Gill Samuels

Dr Sarah Snyder

Professor Nick Tyler

Preliminary Formal Business

Matters for discussion

94 **FINANCIAL UPDATE**

Received

- 94.1 APPENDIX C 7/76 (12-13) – an updated forecast for 2012-13.
- 94.2 An oral report from Mr Phil Harding, Director of Finance and Business Affairs.

Reported

- 94.3 The forecast surplus, which was unchanged at £10.1m, now incorporated the downward adjustment to the HEFCE teaching grant noted at a previous meeting [*Council Minute 67.4, 2012-13*] as well as the impact in the current year of additional staff recruitment ahead of the census date for REF 2014.
- 94.4 Academic areas were forecasting a £5m shortfall on budget, mostly on non-core activities. Research grant income was £24m above budget, with a slight fall in overheads. Professional Services were showing a small favourable variance. Cash was £34m above target but a £14m cash outflow, subject to capital expenditure and the rate of debt recovery, was anticipated across the year. The NHS debt position continued to improve. Nevertheless, the surplus was proving resistant to attempts to move it back towards the target of £19m that had been set prior to the change of accounting treatment for the receipt of HEFCE capital funds to cover investment in the Francis Crick Institute. There was some cause for optimism, however, in respect of marginal improvements in the latest figures on overhead recovery and in the financial performance of Professional Services.

Discussion

- 94.5 Noting that Finance Committee had requested additional information on UCLB at its most recent meeting, a Council member suggested that it would be useful in particular to receive information on the number of approaches made to UCLB, and the rate of conversion of approaches into projects. It was confirmed that UCLB had been asked to address this area at the next FC meeting with a paper giving context to the figures in the financial update.
- 94.6 Council noted the high interest rates payable on some historical debt, and the lessons this suggested, given the strength of the balance sheet.

95 **UCL BUDGET 2013-14**

Received

- 95.1 APPENDIX C 7/77 (12-13) – the UCL Budget proposal for 2013-14.
- 95.2 An oral report from Mr Phil Harding, Director of Finance and Business Affairs, and the Treasurer (on behalf of Finance Committee).

Reported

- 95.3 The budgeted surplus was £30.5m, which represented an underlying surplus (net of income from the sale of two properties) of £16.7m – approximately 1.7% of income.
- 95.4 The budget had been set within the context of projected improvements in the surplus towards a target level of 5-6% over the next 3-4 years. Work on an implementation plan to achieve that improvement was under way. The financial year 2013-14 would carry extra costs of approximately £3m in respect of staff appointments ahead of the REF, as the anticipated QR return on that investment would not be received until the year 2015-16, together with an additional £3m depreciation.

Discussion

- 95.5 The Treasurer reported that Finance Committee, at its meeting on 19 June, had approved the budget with some reluctance. The Committee would have preferred to see a larger budgeted surplus which reflected more closely the scale of UCL's ambition to invest and expand. Finance Committee had also noted that the timetable for approval of the budget constrained the Committee's ability to influence significantly the development of the budget. The Director of FBA had been asked to look at developing a timetable for future years which would enable FC to discuss the principles of the budget at an earlier stage in the annual cycle. The Treasurer also reported that FC had requested additional detail on the financial strategy that would bring about the necessary improvement in UCL's financial performance.
- 95.6 The settlement announced in the Chancellor's Comprehensive Spending Review statement on 26 June had been broadly positive for the HE sector, and included a stronger element of capital funding than might have been expected.
- 95.7 In response to queries on specific details of the budget, the Director of FBA confirmed that contribution targets were set using the TRAC methodology of apportioning central costs to academic areas, and that the budgeted 1% salary increase reflected the anticipated outcome of negotiations at a national level in respect of cost of living, and was not adjusted for promotion and incremental pay rises.

RESOLVED – on the recommendation of Finance Committee

- 95.8 **That the 2013-14 Budget be approved.**

96 **ESTATES AND FUNDING STRATEGY**

Received

- 96.1 APPENDIX C 7/78 (12-13) – an update on progress in developing the Estates and Funding Strategy.
- 96.2 An oral report from Mr Phil Harding, Director of Finance and Business Affairs.

Reported

- 96.3 The paper set out the scale of UCL's ambition for investment in the estate, including a budget of £280m for development of a new university quarter and a full schedule of other capital projects currently under consideration. Although it was beyond UCL's means to realise every project on the list, an investment of approximately £1.2bn over the coming decade was feasible if a higher level of operating performance could be achieved. Benchmarking suggested that a target surplus of 5-6% over the period was not unrealistic. The strategy also envisaged borrowing of approximately £250m, commencing in 2014-15.

Discussion

- 96.4 The paper included a list of criteria to be considered in prioritising proposed capital projects, though these were not given in order of preference. Noting that there were two major capital projects for consideration elsewhere in the papers [*see Minutes 107 and 108 below*], Council members suggested that they were not currently in a position to take an informed view on the relative importance of the various projects. In order to do so further detail would be required on the nature of those capital projects that were regarded as urgent or essential, and on UCL's strategic research priorities. It was noted that, in reaching the same conclusion, Finance Committee had also requested information on the nature of UCL's high margin activities. It was suggested that there would be value in establishing a working group to consider the potential scenarios over the coming decades to enable Council to evaluate each item in context. Members also requested a timeline of a number of related workstreams, detailing key milestones.
- 96.5 It was noted that the list of projects in Annexe 1 to APPENDIX C 7/78 (12-13) was taken from the Bloomsbury Masterplan and was therefore in need of review; a process of checking these projects with the Schools concerned was ongoing.
- 96.6 Council was advised of plans for an increase in student residences

London, given UCL's lower expectations in terms of the financial return, were noted.

- 96.7 Council noted that UCL's student body was larger than that of several of its major international peers. UCL pursued growth not for its own sake but because it facilitated excellence and the ability to attract the best from around the world; it was important to remain alert, nevertheless, to the potential adverse consequences of growth, including diseconomies of scale, complexities of management, and, most important, effects on the student learning experience. It was noted, however, that a strategy along

discontinuation of the office of Dean of Students (Welfare). It was also noted that there were references to the Dean of Students (Welfare) in Regulation for Management 15, proposals for the revision of which had not been submitted to the current meeting. In response, the Registrar noted that the changes in question had arisen from the White Paper commitment to establish an independent student ombudsman, a review of the structure of UCL student support services, and a subsequent organisational change proposal. Consultation on the latter proposal had been conducted according to UCL's organisational change policy. The student body had not been formally consulted since the proposed change directly affected some staff posts, but the changes implemented as a result of the consultation had been noted in a number of committees with student members and an article had appeared in May 2013 in *The Week @ UCL*. It was intended that proposed amendments to the UCL Student Disciplinary Code and Procedure, and consequent amendments to Regulation for Management 15, would be brought to the next Council meeting. In the meantime, the Registrar's office would be consulting with UCLU on the proposed amendments to the Code and Procedure, in accordance with UCL's Statutes.

RESOLVED

- 101.4 **That the amendments to Regulation for Management as set out in the Secretary's note at APPENDIX C 7/82 (12-13) be approved.**

102 EXERCISE OF DELEGATED POWERS (FINANCE COMMITTEE) – TUITION FEES

Received

- 102.1 APPENDIX C 7/84 (12-13) – the proposed tuition fee rates to be charged for the Academic Year 2014-15.

Noted

- 102.2 This matter appeared on the Council Agenda as an item for formal approval but a request had been received from a student member of Council for the matter to be raised for discussion.

Discussion

- 102.3 A student member noted the UCLU's opposition to the rise in UK/EU

103 **LEAD OFFICER REPORTS**

Received

- 103.1 APPENDIX C 7/91 (12-13) – the annual Lead Officer reports on the Careers Service, Student Accommodation and Student Welfare.

Reported

- 103.2 The Chair had requested that an updated Student Welfare report be submitted for discussion at the Council meeting of 7 October 2013.

Noted

- 103.3 This matter appeared on the Council Agenda as an item for formal approval but a request had been received from a student member of Council for the Lead Officer report on Student Welfare to be raised for discussion.

Discussion

- 103.4 A bid for two additional posts in Student Psychological Services with effect from 2013-14 had been submitted in the current budget round and an announcement of the outcome was expected shortly². Professor Chris Thompson agreed to be involved in reviewing issues arising from the Lead Officer report on Student Welfare in relation to student counselling support *etc* in advance of the next Council meeting.
- 103.5 A student member of Council expressed concern regarding the current situation with the Gower Place NHS Practice, whose lease on their current premises was due to expire in August 2014 and whose future location was uncertain. The student member concerned asked Council to confirm UCL's commitment to continuing to provide a health care service to UCL students; Council confirmed this unequivocally. The student member also proposed an extension of the lease until such time as suitable alternative premises had been identified. The Chair said that it was not for Council to dictate the course of negotiations between UCL management and the Gower Place Practice, but to assure itself that continuity of care would be provided. That assurance had been received from senior management and the negotiations would go forward accordingly. The student member concerned noted that, as a member of UCLU, he did not consider that he had obtained the assurance he had sought.

RESOLVED

- 103.6 **That the Lead Officer reports on the Careers Service, Student Accommodation and Student Welfare be approved on the understanding that an update on the Student Welfare report be submitted to Council at its next meeting on 7 October 2013.**

² It was subsequently confirmed that the bid for these two posts had been approved.

thanks, on behalf of Council, to Mr Mark Knight for his contribution to the work of Council and the life of UCL, notably through his work as Chair of the Audit Committee, and to the other departing staff and student members of Council – Dr Bob Barber, Dr Sarah Snyder, Mr Edwin Clifford-Coupe and Ms Natasha Gorodnitski.

116 DATES OF COUNCIL MEETINGS 2013-14

Noted

116.1 APPENDIX C 7/98 (12-13) – the Council meeting schedule for the academic year 2013-14⁴.

117 CHAIR'S ACTION ON BEHALF OF COUNCIL

Noted

117.1 APPENDIX C 7/99 (12-13) – details of action taken by the Chair on behalf of Council since the previous update provided on 15 May 2013.

118 MINUTES RECEIVED

Noted

118.1 APPENDIX C *7/100 (12-13)⁵ – a list of committee minutes received since the last meeting of Council on 15 May 2013.

119 APPOINTMENT OF NEXT CHAIR OF UCL COUNCIL

[Sir Stephen Wall withdrew for this item, which was chaired by Vivienne Parry, Vice-Chair of Council].

Received

119.1 APPENDIX C 7/102 (12-13), the process and timeframe for seeking a new Chair of Council, to succeed Sir Stephen Wall from the start of the academic year 2014-15.

Reported

119.2 The Vice-Chair proposed to consult Council members in due course on drawing up a list of the qualities required in the next Chair.

⁴ It was subsequently confirmed, and notified to Council members, that the last meeting of 2013-14 would take place on 8 July 2014.

⁵ An appendix or annexe reference preceded by an asterisk indicates that, for the sake of economy, the document was not issued with the Agenda but was available on request to the

Discussion

- 119.3 During the course of a discussion on the optimum size and composition of the appointment panel it was agreed that one student member, nominated by the incoming student members of Council, would be added to the proposed membership. It was also suggested that consideration be given to the addition of a non-Council member, perhaps a member of the Provost's SMT. Noting the importance to UCL of the Chair of Council role, Council took the view that a balance would need to be struck between ensuring an appropriate breadth of perspectives on the panel and avoiding the administrative complications which a large membership was liable to give rise to. The case for retaining a lay majority on the panel was noted. It was also noted that the panel's eventual recommendation would be put to the full Council for formal approval.
- 119.4 A student member of Council proposed that the position be elected. It was suggested, however, that this was impractical in view of the necessary confidentiality of the process.
- 119.5 Council agreed that the Vice-Chair of Council should reflect on the