



## COUNCIL

Wednesday 24 November 2010

## MINUTES

### *PRESENT:*

Sir Stephen Wall (*Chair*)

Professor David Attwell	Dr Bob Barber
Ms Anne Bulford ( <i>Treasurer</i> )	Mr Matthew Burgess
Mr Michael Chessum	Ms Philippa Foster Back
Professor Malcolm Grant	Mr Rob Holden
( <i>President and Provost</i> )	Mr Mark Knight
Ms Vivienne Parry ( <i>Vice-Chair</i> )	Ms Katharine Roseveare
Dr Benet Salway	Dr Gill Samuels
Dr Stephanie Schorge	Professor Nick Tyler

*In attendance:* Ms Karen Barnard (Head, UCL Careers Service); Ms Sarah Brant (Director of Human Resources); Mr Rex Knight (Vice-Provost (Operations)); Mr Nick McGhee (Academic Services); Mr Tim Perry (Secretary to Council); Mrs Alison Woodhams (Director of Finance); Professor Michael Worton (Vice-Provost (Academic and International)).

(Dr Tom Kennie and Mr Allan Schofield (Ranmore Consulting) observed the meeting.)

Apologies for absence were received from Ms Catherine Newman, Professor Chris Thompson, Baroness Warwick of Undercliffe and Professor Maria Wyke.

*Any member of Council who had (or who knew of a family member who had) a material, personal, financial or other beneficial interest in any item on the Agenda was requested to declare that interest at the beginning of the meeting in order that such declaration could be recorded in these Minutes.*

*Key to abbreviations used in these Minutes:*

AB	Academic Board
AC	Academic Committee
CSR	Comprehensive Spending Review
DLHE	Destination op92.Leav

<b>Preliminary Formal Business</b>
------------------------------------

29 **AWARDS TO UCL STAFF**

***Received***

mic commu-4(Dnity of 6(O)2( Usince the 226last\_\_)-7(\_).MEs.0008 T/MEs41097 meeting of Coun6(u

<b>Statutory and Formal Business – matters for formal approval</b>
--

32 **REGULATIONS FOR MANAGEMENT – AMENDMENTS**

***Received***

- 32.1 APPENDIX C 2/20 (10-11) – a note by the Secretary to Council, introducing a proposed amendment to UCL Regulations for Management.

***Noted***

- 32.2 Amendments to Regulations for Management approved by Council at its meetings on 25 March 2010 [*Council Minute 66, 2009-10*] and 6 July 2010 [*Council Minute 97, 2009-10*] were consequent on proposed amendments to the UCL Charter and Statutes, which had been agreed by Council but were subject to the subsequent approval of the Privy Council. The latter's approval of the proposed amendments to the Charter and Statutes had been confirmed at the meeting of the Privy Council on 10 November 2010. The consequent amendments to Regulations for Management would now be incorporated therein.

***RESOLVED***

- 32.3 **That Council approve the amendment to Regulation for Management 5.14, as set out in the attached document.**

**RESOLVED** – on the recommendation of Council officers

- 33.4 That Council approve the draft Corporate Planning Statement 2010 at APPENDIX C 2/21 (10-11), and that the Provost be authorised to approve any further amendments to the Statement as necessary before its submission to HEFCE.

34 **DISABILITY COMMITTEE – ANNUAL REPORT 2009-10**

[Council Minute 31, 2009-10]

**Noted**

- 34.1 Prior to its disestablishment with effect from 1 September 2010, the Disability Committee was charged by its terms of reference (*inter alia*):

To receive an annual report from the Chair of the Disability Committee and to forward it, with the Committee's observations, through the Academic Board, to Council.

**Received**

- 34.2 APPENDIX C 2/22 (10-11) – the Disability Committee's Annual Report 2009-10, endorsed by AB at its meeting on 20 October 2010.

**RESOLVED** – on the recommendation of Academic Board

- 34.3 That Council approve the Disability Committee's Annual Report for 2009-10 at APPENDIX C 2/22 (10-11).

35 **STUDENT ACCOMMODATION COMMITTEE – ANNUAL REPORT 2009-10**

[Council Minute 81b, 2009-10]

**Noted**

- 35.1 Prior to its disestablishment with effect from 1 September 2010 the SAC was charged by its terms of reference (*inter alia*):

To lay down the principles, conforming to any policy laid down by Council, by which the various units of student accommodation under the control of UCL shall be administered.

- 35.2 The SAC was further charged by its terms of reference to make an annual report to Council, via AB.

- 35.3 The Chair of AB, acting on behalf of AB, had endorsed the SAC's Annual Report to Council.

**Received**

- 35.4 APPENDIX C 2/23 (10-11) – the Annual Report 2009-10 of the SAC.

**RESOLVED**

36.6            **That the Council sub-group note the above matter raised by Governance Committee for consideration in due course.**

37            **UCL COMPLAINTS OFFICER – ANNUAL REPORT 2009-10**  
[Council Minute 54, 2009-10]

***Noted***

37.1            The UCL Centralised Complaints Procedure, originally approved by Council at its meeting on 22 June 1995 for implementation with effect from the start of session 1995-96, provided, *inter alia*, for the submission to Council of an annual report on the operation of the procedure.

**Statutory and Formal Business – matters for Information**



41 **CHAIRS OF UCL COMMITTEES 2010-11**

[Council Minute 36, 2009-10]

**Received**

- 41.1 APPENDIX C 2/29 (10-11) – a list of the Chairs of UCL standing committees in the current session, as received by Governance Committee at its meeting on 4 November 2010 and forwarded to Council.

42 **EXERCISE OF DELEGATED POWERS**

42a **Academic Committee**

**Noted**

- 42a.1 According to the agreed schedule of delegation of powers of Council:

The Academic Committee shall report to (i) the Academic Board and (ii) the Council by submission of the Minutes of each meeting of the Academic Committee to the officers of the Academic Board and the Council respectively. ...

**Received**

- 42a.2 APPENDIX \* C 2/30 (10-11) – the Minutes of the AC meeting held on 24 June 2010.

43 **REPORTS OF COMMITTEES TO COUNCIL**

[Note: Any matters arising from meetings of Academic Board or Audit Committee which required *discussion* or the *formal approval* of Council appear as separate items in these Minutes.]

43a **Academic Board**

**Noted**

- 43a.1 The Minutes of the meeting of Academic Board held on 20 October 2010 would be filed with these Minutes (as APPENDIX C 2/31 (10-11)).

43b **Audit Committee**

- 43b.1 The Minutes of the meeting of Audit Committee held on 17 June 2010 would be filed with these Minutes (as APPENDIX C 2/32 (10-11)).

43c **Other committees reporting to Council**

***Noted***

43c.1 The Council officers had also received Minutes of the following meetings of committees reporting to Council:

- Estates Management Committee (9 June 2010)
- Investments Committee (18 August 2010)

43c.2 In accordance with the UCL Committee Operations Code of Practice, the Chair had confirmed that the above Minutes did not contain any matters which needed to be brought to the attention of Council (other than any matters arising from these Minutes separately notified to the Council officers for consideration by Council).

44 **DATE OF NEXT MEETING**

***Noted***

44.1 The next meeting of Council was scheduled to take place on **24 March 2011 at 4.00 pm**. The Council/SMT away day would take place on 25 January 2011 *[see also Minute 45 below]*.

---

<b>Strategic and Management Business</b>
--

45 **COUNCIL / SENIOR MANAGEMENT TEAM AWAY DAY – 25 JANUARY 2011**

*[Council Minute 101, 2009-10]*

**Received**

- 45.1 An oral report by the Chair on the proposed agenda for the 25 January 2011 away day.

**Noted**

- 45.2 The away day would take place at the Royal Institute of British Architects, Portland Place, London W1. Further information about the arrangements for the day would be issued in due course.

**Reported**

- 45.3 The away day would focus predominantly on a discussion of UCL's future strategy *[see also Minute 50 below]*. It had initially been intended that the findings of the effectiveness review of Council undertaken by Ranmore Consulting would also be a substantive item for discussion at the away day. It was now intended that a brief presentation of the findings of the review would be made but without extensive discussion taking place. The Chair envisaged that, shortly after the away day, a small sub-group of Council members, which he proposed should be chaired by the Vice-Chair of Council, would discuss with Dr Kennie and Mr Schofield issues raised by their review. The full findings of the review, with an initial report by the sub-group, would then be considered at the Council meeting on 24 March 2011. The sub-group would thereafter be asked to develop firm proposals for approval at the Council meeting of 6 July 2011.

46 **AUDIT COMMITTEE - ANNUAL REPORT TO THE PROVOST AND COUNCIL**

**Noted**

- 46.1 The terms of reference of the Audit Committee provided for the presentation of an annual report to the Provost and to Council, the annual report thereafter to be forwarded to the Higher Education FD 26 ber147 TNr9rov2281w 0 -1.1nd M.

- 46.3 At its meeting on 23 November 2010, the Audit Committee received, for forwarding to Council: (i) the Committee's draft Annual Report; (ii) the Annual Report of UCL Internal Audit Services; and (iii) the Annual Report of the Risk and Efficiency Committee.

**Received**

- 46.4 APPENDIX C 2/33 (10-11) – the Audit Committee's Annual Report for the year ended 31 July 2010 with:
- APPENDIX C 2/34 (10-11) with Annexes 1-2 – the Internal Audit Services Annual Report for the year ending 31 July 2010;
- APPENDIX C 2/35 (10-11) – the Risk and Efficiency Committee's Annual Report 2009-10.
- 46.5 An oral report by Mr Mark Knight, as Chair of Audit Committee.

**Reported**

- 46.6 At its meeting on 23 November 2010 the Audit Committee had endorsed the three reports, subject to one textual amendment in the Audit Committee's Annual Report<sup>3</sup>.
- 46.7 The current contract for external auditing services at UCL was due for renewal in the next financial year and tenders had been invited. While Audit Committee was in no sense dissatisfied with the current internal audit arrangements at UCL, the Committee also proposed to market test the arrangements for internal audit and invitations to tender had been sent to putative providers. The Audit Committee would receive presentations from prospective providers of both internal and external audit services during December 2010.
- 46.8 The outcomes of audits carried out by UCL's Internal Audit Services (IAS) were graded by levels of assurance. Mr Knight drew Council's attention to the fact that in the case of two audits included in the latest IAS Annual Report there was a 'No Assurance' outcome. The two audits in question concerned 'Property Maintenance' and 'Donations to Departments'. In respect of the former, an action plan had been agreed with the Director of Estates and Facilities and Audit Committee had confirmed at its meeting on 23 November 2010 that it was content with progress. In respect of the latter, there had been concerns both that UCL could be losing potential Gift Aid, and that there was no

overview of whether donations were being used in accordance with donors' wishes. Here too an action plan had been agreed, with the Directors of Finance and Development & Corporate Communications, and progress was judged satisfactory.

- 46.9 Mr Knight drew Council's attention to the revised approach to risk management which UCL was now developing, noting that the nature of the risks considered by Audit Committee was changing too. Whereas these used to be generalised in scope and time, they now focused more closely on the consequences of UCL failing to achieve strategic goals.
- 46.10 Mr Knight wished to place on record the Audit Committee's appreciation of the excellent support provided to the Committee by Peter McCarroll, who would retire as Director of Internal Audit Services at the end of 2010, after 25 years in the role.

### **Discussion**

- 46.11 The IAS Annual Report also reported on an audit of the UCL Bloomsbury Theatre, which had resulted in a 'Partial Assurance' outcome. Dr Barber noted from the Annual Report that £40,000 in takings had been lost from the Theatre bar during the financial year 2008-09. Dr Barber expressed concerns about the implications of this loss and suggested that it raised questions about how the Audit Committee was discharging its responsibilities. In Dr Barber's view, the events in the UCL Bloomsbury were evidence that, contrary to the opinions expressed by the Director of IAS and the Chair of the Audit Committee in the Audit Committee's Annual Report, the internal audit framework was neither reliable nor effective.
- 46.12 In response to Dr Barber's comments, Audit Committee members and officers advised as follows. The Audit Committee viewed very seriously indeed any incidents of the kind that had occurred at the UCL Bloomsbury. The Committee recognised that no system of internal control was infallible: the auditing process was about giving reasonable but not absolute assurance to the Provost and the Council on internal control arrangements. The level of incidents of financial fraud at UCL, according to the concept of materiality and the authoritative external guidance for the HE sector, was not out of line with national averages for organisations of comparable size and complexity, nor with other HEIs. It was important to note too that the function of internal control was to ensure that internal processes were effective and that the issues that had arisen in the UCL Bloomsbury and in respect of property maintenance had come to light through such processes.
- 46.13 The financial implications of putting the internal audit function out to tender were not yet known. Financial considerations would naturally be a factor in the selection process; the decision to tender for internal audit services was not, however, either an exercise in cost-saving nor a reflection of the quality of the current internal audit service.

- 46.14 Mr McCarroll's exceptional length of service as Director of IAS had been noted by Audit Committee on a number of occasions. On each occasion, the Committee had acknowledged that this length of service was very unusual but concluded that Mr McCarroll's continuing in the role was acceptable and was helpful in view of the complexity of UCL.

**RESOLVED** – on the recommendation of Audit Committee

- 46.15 **That Council approve:**
- **the Audit Committee's Annual Report for the year ended 31 July 2010;**
  - **the Internal Audit Services Annual Report for the year ended 31 July 2010;**
  - **the Risk and Efficiency Committee's Annual Report 2009-10.**

#### 47 **ANNUAL FINANCIAL STATEMENTS 2009-10**

**Noted**

- 47.1 The draft audited Financial Statements for 2009-10 had been considered by Finance Committee at its meeting earlier on 24 November 2010.

**Received**

- 47.2 APPENDIX C 2/36 (10-11) – the draft audited Financial Statements for 2009-10;

APPENDIX C 2/37 (10-11) – a commentary on the Financial Statements by the Director, Financial Control and Analysis;

APPENDIX C 2/38 (10-11) – the report to the Audit Committee from External Auditors Deloitte & Touche;

APPENDIX C 2/39 (10-11) – the External Auditors' management letter, setting out the accounting and major audit issues arising from their audit of the UCL Financial Statements.

- 47.3 Oral reports by the Treasurer and Mrs Alison Woodhams, Director of Finance.

**Reported**

- 47.4 FC had recommended the Financial Statements for approval by Council, subject to the incorporation of additional detail in the Operating and Financial Review section, including some expansion of the commentary on the USS pension scheme.

Treasurer congratulated the Director of Finance and her team on producing a full set of accounts and the completion of the audit process by the due date. The Treasurer noted the excellent progress that was continuing to be made in enhancing UCL's financial performance and reporting processes.

- 47.6 The Director of Finance drew Council's attention to the following points in the Financial Statements:

48.2 An oral report by the Director of Finance.

**Reported**

48.3 The first full Financial Update would be produced for the Finance Committee in January 2011. In the meantime, the first count of student numbers had taken place and School finance teams had completed a high-level review of their operating budget. Student numbers and tuition fee income were higher than forecast in the budget. Research income and costs were in line with the budget. An offer of 0.4% for the annual pay settlement, compared with the 1% budgeted for, was currently on the table. The staff recruitment controls currently in place were being maintained.

49 **FINANCIAL FORECASTS**

**Noted**

49.1 In the past, the HEFCE requirement had been that five-year Financial Forecasts should be submitted with an HEI's Annual Financial Statements by 30 November each year as part of the 'Single Conversation' accountability returns. HEFCE had recently announced that, in the current year, the submission of Financial Forecasts could be deferred until April 2011 when the outcomes of the Comprehensive Spending Review (CSR) and the Browne Review [*see also Minute 50 below*] were known in more detail. However, HEIs were still required to submit immediately a forecast for 2010-11 and a summary of the scenario planning they were undertaking in relation to the forecast period.

49.2 At its meeting on 24 November 2010 Finance Committee had accordingly received a note which set out the current position with respect to recent statements on changes to Higher Education funding and attempted to quantify the likely impact on UCL. The note also described the modelling which had been undertaken on various actions under consideration by UCL and set out a high-level forecast of the financial position using a set of current forecast assumptions which were considered reasonable, based on the information available at the current time. These forecasts would be updated periodically to reflect further information as it became known, and decisions as they were made, to form the basis of the Financial Forecasts to be submitted to HEFCE in April 2011.

**Received**

49.3 APPENDIX C 2/40 (10-11) with Annexe 1 – the above-mentioned note received by Finance Committee on 24 November 2010.

49.4 An oral report by the Director of Finance.



**Reported**

- 49.5 The high-level financial forecast at Annexe 1 to APPENDIX C 2/40 (10-11) was a summary of the extensive and detailed modelling work that had been undertaken by UCL. The Director of Finance drew Council members' attention to, in particular, the predicted impact of cuts in the HEFCE T-grant and the fEC contributions rate in the light of the Wakeham review (which had proposed that indirect cost recovery rates should fall by 15%), and to real terms reductions in QR and HEIF funding. An adjustment to superannuation costs had been incorporated as it was no longer proposed that employer contributions would rise in the current financial year.

*[see also Minute 50 below]*

**RESOLVED** – on the recommendation of Finance Committee

- 49.6 **That the Council approve the note for submission to the HEFCE.**

50 **FUTURE FUNDING FOR HIGHER EDUCATION FOLLOWING BROWNE REVIEW AND THE COMPREHENSIVE SPENDING REVIEW**  
*[Council Minute 24a, 2010-11]*

**Received**

- 50.1 APPENDIX C 2/42 (10-11) – a note by the Provost and the Vice-Provost (Operations).
- 50.2 APPENDIX C 2/43 (10-11) – a note by Council member Mr Michael Chessum.
- 50.3 Oral reports by the Provost and the Chair.

**Reported**

- 50.4 While the maintenance of the current science budget in cash terms announced in the Comprehensive Spending Review (CSR) meant that the outlook was markedly less bleak than at the time of the previous Council meeting, the Provost underlined the serious financial challenges still facing UCL and noted that the HE sector as a whole had never before known such a level of financial uncertainty. It was not yet clear what conditions an HEI would be required to satisfy in order to move between the 'soft' £6,000 student fee ceiling and the 'hard' £9,000 ceiling proposed. It was not clear either whether this would be resolved by the time of the House of Commons vote on tuition fees, due to take place before the end of the year. The Government proposed to release HEIs from their current access would be 22 Tw ybligpe



- 50.10 The proposals to increase fees had important implications in respect of the student experience and there was consensus among Council members that this was a particularly serious area of concern. Increased fees would lead to increasing student expectations. Reducing staff costs would tend to make it more difficult to meet such expectations and limit the potential for increasing student numbers. Extra staff time devoted to teaching and examining would necessarily reduce the time available for research.
- 50.11 It was suggested that greater transparency in terms of the breakdown of staff costs between academic, research and support staff would give Council a better understanding of the options available for reducing this major area of expenditure. It would also be useful for Council to receive, to inform discussion at the January 2011 away day, more detailed information regarding the kind of models outlined in Annexe 1 to APPENDIX C 2/40 (10-11), including ranges of values rather than 'spot points'.
- 50.12 The view was expressed that Council, rather than concentrating on the financial implications for UCL, should take a wider view about the threats posed by the Government's proposals to the UK higher education system generally and to the futures of young people, especially those from lower socio-economic groups.
- 50.13 Mr Chessum summarised the main points made in the paper he had submitted to Council and urged Council publicly to oppose the proposals to change the arrangements for university funding, particularly in respect of student fees. He suggested that direct action, in the form of student protests, resulted from the sense of a crisis of legitimacy, stemming from disillusionment amongst students, many of whom had supported the Liberal Democrat stance on university funding during the General Election campaign.
- 50.14 The Chair reminded Council that its essential role – as laid down in the Charter and Statutes and the 'Statement of Primary Responsibilities' issued to all incoming Council members – was 'to oversee the sound management and administration of the property and finances of UCL and, subject to the powers of the Academic Board, the conduct of UCL's affairs'.
- 50.15 The large majority of Council members agreed that, as a means of influencing government policy, private lobbying was potentially more effective than adopting a public stance, and allowed greater room for manoeuvre in the event of circumstances changing. It was suggested that the flat cash settlement in respect of the science budget announced in the CSR had resulted from effective private lobbying. The timing of decisions was also of great significance. It was important to guard against making decisions prematurely, given that there seemed still to be much to play for politically. It was equally important to research the options available to avoid being rushed into last-minute decisions.



scheme for monitoring of student attendance being piloted by the Faculty of Laws for the LLB degree programme and hoped it might be possible to implement a similar scheme across UCL.

- 51.6 There had initially been resistance to the development of UCL's personal tutoring arrangements, which were perceived to represent an unacceptable increase in the level of monitoring students in response to the requirements of the points-based immigration system. Opinion on this was changing, however, and the value of the new personal tutoring strategy in strengthening student support, and enhancing the UCL student experience, was becoming more widely appreciated. It was noted that the new scheme represented a further addition, albeit a modest addition, to staff workload.
- 51.7 Opportunities to make more widespread use of the services offered by the UCL chaplains, much of whose work with students related to welfare rather than faith issues, were continuing to be explored.

52 **UCL CAREERS SERVICE**  
*[Council Minute 14, 2010-11]*

***Received***

- 52.1 APPENDIX C 2/45 (10-11) – a note for Council by the Head of the UCL Careers Service.
- 52.2 An oral report by Karen Barnard, Head of UCL Careers Service.

***Reported***

- 52.3 The issue of employability was increasingly important. The Government was considering obliging universities to release information about the first destinations and salary levels of its graduates. Prospective students could be expected to use this information to determine their choice of university.
- 52.4 The Careers Service sought to support students in four main areas relating to employability:

graduates to use the Service. This was an important service in light of the 7% downturn in vacancies experienced by the graduates of 2010.

- 52.6 There were plans for the creation of a website that would act as a central hub of employability-related information at UCL, which would include information on developing skills while at UCL. Attention was drawn to the work of UCL Advances, UCLU's Volunteering Services Unit (VSU) and other mentoring services available. The Careers Service was also investigating how it could support the provision of placements in UCL departments, and would be carrying out a feasibility study on the development of a 'talent pool' which would enable employers to match UCL graduates to their vacancies.
- 52.7 In common with all other UK HEIs, UCL invited all UK/EU undergraduate and postgraduate students who had completed a full-time or part-time programme of study to take part in the Destination of Leavers (DLHE) survey six months after completion of their studies. Latest DLHE data showed the unemployment rate amongst UCL graduates having risen from 3.9% in the 2008 cohort to 5.7% in the 2009 cohort. This higher figure still compared favourably with the national average of 7.6%.
- 52.8 The Careers Service gathered feedback from a range of sources. Latest feedback from student users indicated that around 90% were satisfied overall with the Service. The Careers Service was transparent in responding to suggestions for changes to the Service, making clear on its website whether such suggestions were followed up and explaining why in some cases it was not practicable to implement suggestions.

### **Discussion**

- 52.9 In response to a question, Ms Barnard confirmed that the Careers Service refused to publicise 'internship' appointments that did not comply with minimum wage legislation. It was suggested that the issue of internships was one that required a joined-up approach across national HE bodies and that UCLU should consider investigating further.
- 52.10 It was suggested that such programmes as the Careers Service-UCLU Skills4Work initiative should be more widely publicised to potential applicants to UCL. The acquisition of skills relating to employability would be recorded in the new HEAR system.
- 52.11 The Chair, on behalf of Council, thanked Ms Barnard for her report.

53     **SARAH BRANT**

***Reported***

53.1           The Chair noted that this was the last meeting of Council to be