

Council

Thursday, 21 November 2019 at 2:30pm

Minutes

Present Members:

Professor Michael Arthur; Mr Mintoo Bhandari; Mr Dominic Blakemore; Mr Victor Chu, Chair; Professor Lucie Clapp; Dr Alun Coker; Professor Annette Dolphin; Dr Andrew Gould; Professor Patrick Haggard; Ms Lindsay Nicholson MBE; Mr Turlogh O'Brien CBE; Ms Caroline Paige; Professor Helen Roberts; Lord Sharkey; Ms Ashley Slanina-Davies; Mr Philip Sturrock MBE; Mr Justin Turner QC; Baroness Valentine; Ms Sarah Whitney.

Attendees:

For Minutes 24 - 47: Dame Nicola Brewer, Vice-Provost (International)

Part I: Preliminary Business

22. Declarations of Interest

- 22.1. There was a new declaration of interest for Ms Sarah Whitney who had been appointed a Non-Executive Director of the JPMorgan Global Growth & Income Trust with effect from 1st January 2020. Council extended its congratulations on the appointment.

23. Minutes (2-17)

- 23.1. Council approved the minutes of the meeting held on 15th October 2019 [Minutes 1 – 21, 2019-20] subject to the removal of “it” before “had not” in minute 5.2 k and a change to the wording of minute 6.1 b ii, with the addition of the phrase “due to the number of eligible students”, at the end of the sentence.

24. Matters Arising

- 24.1. Arising from minute 4.1, Mr Phil Harding confirmed that the Universities Superannuation Scheme (USS) had established a working group to explore the impact of pari passu security measures on debt raising activity; however, it had not reached any conclusions yet. An update would be provided to the next meeting of Council.

Part II: Strategic Items for Discussion

25. Provost's Business

- 25.1. The Provost reported the following items to Council:

Admissions

- a. UCL had received 20,763 undergraduate applications by 15th October 2019. This represented a 3.8% increase compared to this point last year. There had been a 5% increase in home students, a 1.2% decrease in EU students and 9% increase in international students. The decrease in EU student applications was the first time it had occurred in recent years

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there had been no such occurrence. A complaint had been received
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Human Resources, the latter on operational matters. A FAQ webpage had been developed to support students which included information about drop-in sessions and other support for students.

- g. Strike pay would be deducted in the February 2020 payroll and would be used to support student learning. Staff had been advised that for action short of a strike, UCL reserved the right to deduct pay for partial performance. To support student learning, UCL planned to provide a fund that students could apply to with a view to this being a sufficiently adequate measure to satisfy the expectations of the OfS and the Office of the Independent Adjudicator for HE (OIA).
- h. Universities UK (UUK) was the negotiating body for the pension dispute and negotiations were currently taking place. While the offer made by UUK in the latest round of talks had been welcomed by UCU, UCU found the offer insufficient. It was likely that the pay dispute would not be addressed until the pension dispute was resolved. Not all institutions were experiencing strike action, which added an additional layer of complexity for UCL.

26. Annual Report and Financial Statements for year ended 31st July 2019 (Paper 2-18)

- 26.1. The Director of Finance and Business Affairs introduced the paper which set out the 2018-19 Annual Report and Financial Statements, accompanied by an Audit Results Report and a summary of amendments made following the final auditor review and internal circulation to the Senior Management Team as well as presentation at both Finance Committee and Audit Committee.

The Director of Business and Finance made the following points:

- a. There were two additional adjustments made following circulation of the paper. The first change was to note 7 on page 30; salary related disclosure. The President and Provost's basic salary was 9.5 times the median pay of staff instead of 9.0 times the median pay of staff. The President and Provost's total remuneration was 8.5 times the median total remuneration of staff rather than 8.1 times the median total remuneration of staff. There would be a lessons learned review of the pay sign-off to avoid these oversights happening again.
- b. The second change was in the consolidated accounts where there was a change in the accounting treatment of UCLB-held investments, the impact of the change was a decrease in the deficit reported under total comprehensive income.
- c. The Financial Review had been changed to provide more clarity on the underlying operating position and a more accessible explanation of the nature and impact of the £254.5m movement in the USS pension provision.

- d. These changes did not affect the conclusions of the audit which was an unqualified opinion.

26.3. In response to questions from Council members, the Director of Finance and Business Affairs made the following points:

- a. The difference in the surplus amount in forecasts and the financial statements was that Transforming Our Professional Services (TOPS) expenditure had been included in the financial statements.
- b. The 31% increase year-on-year of individuals earning over £100,000 was correct and was due to a number of factors. There had been a group of individuals who were just below the threshold of £100,000 in 2017/18 who had now crossed over it. There had also been an increase in part-time staff who must be scaled up to full-time equivalent for the purposes of the financial statements.
- c. The 15% increase in staff loss of role had been interrogated and did not appear to present any pattern.
- d. It would be explored in the future whether Finance Committee could see the changes made before they were submitted to Audit Committee.
- e. Work was continuing to address the deterioration in payment performance of UCL's National Health Service (NHS) partners.

26.4. Council:

- a. Noted the Audit Results Report.
- b. Noted the amendments made following circulation to Finance Committee and Audit Committee.
- c. Approved the Annual Report and Financial Statements for the year ended 31st July 2019 for signature and submission to the Office for Students (OfS).

27. Office for Students Annual Accountability Return (2-19)

27.1.

risk management, control and governance;
economy, efficiency and effectiveness (VFM);
management and quality assurance of data submitted to the OfS and
sector bodies.

27.4. In reaching this opinion, the Audit Committee relied on reports from KPMG, the internal auditors. KPMG also provides a 'Head of Internal Audit opinion', which was one of significant assurance with minor improvement opportunities. It was confirmed that the Audit Committee would monitor management responses and progress closely for the twelve reviews that took place during the year ended 31st July 2019.

27.5. Financial Forecasts including Financial Commentary

The Director of Finance and Business Affairs set out the Financial Forecasts including Financial Commentary.

27.6. Compliance with the Research Concordat

Council considered the completed return on compliance with the Research Concordat.

27.7. Prevent Update and Prevent Annual Accountability Statement

The Students' Union members of Council left the room for the Prevent Update and Prevent Annual Accountability Statement due the Students' Union UCL's policy not to engage with the Prevent agenda. The Registrar and Head of Student and Registry Services introduced the Prevent Update which reported on UCL's implementation of the Prevent Duty and the accountability statement.

~~27.8~~ Council:

- a. Approved the completed Annual Accountability Return for submission to the OfS.
- b. Approved the Audit Committee Annual Report for submission to the OfS.
- c. Approved the Financial Forecasts including Financial Commentary for submission to the OfS.
- d. Approved the completed Accountability Return on compliance with the Research Concordat for submission to the OfS.
- e. Approved the Prevent Update and Prevent Annual Accountability Statement, the latter for submission to the OfS.

28. Governance and Compliance Committee (2-20)

~~28.1~~ The Chair of Council introduced the discussion paper on the establishment of a Governance and Compliance Committee as a standing committee of Council. The key points arising from the presentation were:

- a. There was a real need for the Governance and Compliance Committee due to the increased complexity of the external environment and

increased oversight. There was not enough airtime at Council to consider the issues arising and this was affecting the quality of discussions; UCL needed a governance framework that was worthy of the 21st century.

- b. It was important that the membership and remit were given due consideration and this was why the Chair had asked that a discussion paper rather than a recommendation paper be brought to Council at this stage. A further proposal would be developed in the light of the discussion.

28.2 The following points were raised in discussion:

- a. It was queried whether the establishment of the Governance and Compliance Committee should wait until the Council Effectiveness Review had been completed.
- b. It was suggested that the Governance and Compliance Committee should be a joint committee of Academic Board (AB) and Council. However, the Chair of Council noted that Council was ultimately responsible for the effective governance of the institution and this could not be jointly held with AB. This, however, did not prevent collaboration on specific pieces of activity.
- c. It would be important to de-couple the Governance and Compliance Committee which was about standard-setting and best practice from the periodic activity of the Council Effectiveness Review.
- d. UCL was an innovator and needed to benchmark to best practice for governance and compliance to ensure it caught up with its competitors as at present UCL was very much behind the curve with some aspects of its governance arrangements over 40 years old.
- e. One member expressed an uneasiness that the proposed terms of reference for the Governance and Compliance Committee covered both governance and compliance as this might lead to a risk of conflating both areas and expressed a view that compliance should not dictate changes to governance.

28.3. Council

- a. Agreed to discuss the establishment of the Governance and Compliance Committee at the next meeting of Council informed by an updated paper, drawing on this discussion.

29. Council Effectiveness Review (2-21)

29.1. Exempt from publication, please see confidential minutes.

29.2. Exempt from publication, please see confidential minutes.

~~29.3.~~ Exempt from publication, please see confidential minutes.

30. Financial Strategy Funding Proposal (2-22)

- 30.1. Exempt from publication, please see confidential minutes.
- 30.2. Exempt from publication, please see confidential minutes.
- 30.3. Exempt from publication, please see confidential minutes.

31. Promoting Race Equality and Tackling Discrimination at UCL (2-23)

- 31.1. The Provost introduced the paper which set out a draft Statement on Race and a request to adopt the International Holocaust Remembrance Association (IHRA) working definition of antisemitism and the All Party Parliamentary Group on British Muslims definition of Islamophobia. The key points made were:
 - a. Council had previously considered the IHRA working definition of antisemitism in March 2019 and had tasked the Senior Management Team with coming up with a comprehensive plan to tackle the issues involved.
 - b. AB had been consulted in February 2019 about the antisemitism definition and mixed views had been expressed on its adoption. AB had been consulted in May 2019 on the Statement on Race and there had been widespread support for the adoption of the statement. An online consultation with all staff and students, but particularly focussed on AB, took place over the summer soliciting opinion on the use of definitions of faith-based discrimination. The consultation had received 133 responses with a slim majority supporting the adoption of the definitions.
 - c. The Statement on Race and the definitions of antisemitism and Islamophobia were being put forward for consideration as it was important to recognise and name the challenge in order to tackle it. Antisemitism and Islamophobia were active issues on UCL campus and needed to be addressed.
 - d. There were external pressures to adopt the IHRA working definition of antisemitism. Two letters had been received from the Minister for Universities, Science, Research and Innovation requesting the adoption of the definition.
- 31.2. Professor Ijeoma Uchegbu, the Provost's Race Equality Envoy, introduced the draft UCL Statement on Race. The key points made were:
 - a. UCL acknowledged the fact it faced the challenge of institutional racism. Black, Asian and Minority Ethnic (BAME) staff at UCL were less likely to be promoted to senior positions, and UCL had an awarding gap (% achieving a first class or second class upper degree) between White and BAME students of 4%.

around the globe. This could be achieved by including the phrase “in the UK” after the word “Racism” in the second sentence of the statement.

- I. It was clear that Council had to occupy a leadership role in tackling discrimination and racism.

31.6. Council following an overwhelming majority vote:

- a. Approved the adoption of a Statement on Race developed by UCL’s Race Equality Steering Group subject to the second sentence being amended with the inclusion of the phrase “in the UK” after the word “Racism”.
- b. Approved the adoption of the working definition of antisemitism in full, with two additional caveats recommended by the Home Affairs Select Committee in 2016.
- c. Approved the establishment of a working group to examine Islamophobia and Muslim student and staff experience and recommend actions and activities, including bringing forward a statement on Islamophobia that is supported by UCL’s Muslim community.

32. UCL School of Management Expansion One Canada Square, Canary Wharf (2-24)

32.1. Exempt from publication, please see confidential minutes.

32.2. Exempt from publication, please see confidential minutes.

32.3. Exempt from publication, please see confidential minutes.

33. Transforming Our Professional Services (TOPS) Update (2-25)

Exempt from publication, please see confidential minutes.

33.2. Exempt from publication, please see confidential minutes.

33.3. Exempt from publication, please see confidential minutes.

34. UCL Campaign Update (2-26)

34.1. Exempt from publication, please see confidential minutes.

34.2. Exempt from publication, please see confidential minutes.

Exempt from publication, please see confidential minutes.

Part III: Other Business for Approval or Information

35. Appointment: Interim Director of the Institute of Education (2-27)

- 35.1. On the recommendation of the Provost, Council approved the appointment of Professor Sue Rogers as the Interim Director of the Institute of Education from 10th January 2020 until a permanent Director and Dean was appointed and took up the role.

36. UCL Institute of Neurology and Dementia Research Institute Infrastructure (2-28)

- 36.1. Exempt from publication, please see confidential minutes.

37. Nominations Committee Recommendation (2-29)

- 37.1. On the recommendation of Nominations Committee, Council approved the appointment of Mr Minto Bhandari to the UCL Finance Committee as an external member.

38. Revision of Student Complaints Procedure (2-30)

- 38.1. Council approved the Student Complaints Procedure. It would apply to student complaints made from 1st January 2020.

39. Honorary Degrees and Fellowships Committee Recommendations (2-31)

- 39.1. Exempt from publication, please see confidential minutes.
- 39.2. Exempt from publication, please see confidential minutes.

40. Office for Students (OfS) Regulatory Framework: Council Oversight and Reportable Events (2-32)

- 40.1. Council received the report on the Office for Students Regulatory Framework: Council Oversight and Reportable Events.

41. UCL Health and Safety Annual Report 2018/19 (2-33)

- 41.1. Council received the UCL Health and Safety Annual Report 2018/19.

42. UCL Health and Safety Policy 2019/20 (2-34)

42.1. Council received the UCL Health and Safety Policy 2019/20.

43. Annual Quality Assurance Report (2-35)

43.1. Council received the Annual Quality Assurance Report as assurance of UCL's adherence to the OfS ongoing conditions of registration B1 – B5 and the relevant part of the terms and conditions of funding.

44. Action Taken by the Chair (2-36)

44.1. Council received a report on action taken by the Chair on behalf of Council since the last report to Council. The decision was as follows:

- a. Approval of the appointment of a Tribunal in accordance with Statute 18. Paragraph 16.

45. Missed Deadline: Office for Students (2-37)

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