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UNIVERSITY OF
CAMBRIDGE

NOTICES

Calendar

- 8 June, *Friday*. End of third quarter of Easter Term.
 12 June, *Tuesday*. Discussion in the Senate-House at 2 p.m. (see below).
 15 June, *Friday*. Full Term ends.
 20 June, *Wednesday*. Congregation of the Regent House at 2.45 p.m. (Honorary Degrees).

Discussions (at 2 p.m.)	Congregations
12 June	20 June, <i>Wednesday at 2.45 p.m.</i> (Honorary Degrees)
19 June	27 June, <i>Wednesday at 10 a.m.</i> (General Admission)
26 June	28 June, <i>Thursday at 10 a.m.</i> (General Admission)
10 July	29 June, <i>Friday at 10 a.m.</i> (General Admission)
17 July	30 June, <i>Saturday at 10 a.m.</i> (General Admission)
	20 July, <i>Friday at 10 a.m.</i>
	21 July, <i>Saturday at 10 a.m.</i>

Discussion on Tuesday, 12 June 2018

The Vice-Chancellor invites those qualified under the regulations for Discussions (*Statutes and Ordinances*, p. 105) to attend a Discussion in the Senate-House on Tuesday, 12 June 2018 at 2 p.m., for the discussion of:

1. Topic of concern to the University: Grace 3 of 10 May 2018 (proposed University nursery building) (*Reporter*, 6507, 2017–18, p. 578).
2. Report of the Council, dated 21 May 2018, on the financial position and budget of the University, recommending allocations from the Chest for 2018–19 (p. 632).

Further information on Discussions, including details on format and attendance, is provided at <https://www.governance.cam.ac.uk/governance/decision-making/discussions/>.

Senate-House Yard and the University Combination Room: 20 June 2018

Both Senate-House Yard and the University Combination Room will be closed on Wednesday, 20 June 2018, on the occasion of the Honorary Degree Congregation. Access to the University Offices will be from Trinity Lane. Only those with admission tickets for the Congregation and other authorized persons will be allowed to enter the Yard during the closure.

Election to the Board of Scrutiny

31 May 2018

The following Notice provides information about an election to fill a vacancy on the Board of Scrutiny.

The University is committed to a proactive approach to equality, which includes supporting and encouraging all under-represented groups, promoting an inclusive culture, and valuing diversity. Nominations from groups that are under-represented on the Board of Scrutiny are welcomed.

Board of Scrutiny

The Vice-Chancellor gives notice of an election to a casual vacancy on the Board of Scrutiny in class (c)(ii) (a member of the Regent House) under Statute A VII, following the decision of Dr Morfoot to step down. The person elected would serve from 1 October 2018 until 30 September 2019, the remainder of Dr Morfoot's term.

The Board of Scrutiny consists of:

- (a) the Proctors;
- (b) the two Pro-Proctors nominated by the Colleges;
- (c) eight members of the Regent House elected by the Regent House.

Under the provisions of Statute A VII 4, no person may be a member of the Board of Scrutiny who is a member of the Council, the General Board, or the Finance Committee of the Council, or who holds any of the University offices of Chancellor, Vice-Chancellor, Pro-Vice-Chancellor, University Advocate, Deputy University Advocate, Registry, Assistant Registry, or Secretary of a School. The Statute further prohibits from membership holders of offices with primarily administrative duties designated by Ordinance: Directors and Deputy Directors in the Unified Administrative Service and Assistant Treasurers have been designated as such prohibited offices. A retiring member of the Board who has served for four or more consecutive years is not eligible to serve again as a member in class (c) until one year has elapsed after the end of her or his previous period of service.

If no nominations are received in accordance with the timetable below, the Council shall be asked whether it wishes to appoint a member to the vacant place or for another election to be held, in accordance with Regulation 3 of the regulations for the election of members of the Board (*Statutes and Ordinances*, p. 114).

Further information about the Board of Scrutiny can be found in the *Statutes and Ordinances* as noted above, on the Board's website (<http://www.scrutiny.cam.ac.uk/about>), and obtained from Mr Tim Milner (email: tnm22@cam.ac.uk), Chair of the Board.

Nomination procedure and election timetable

The nomination procedure and election timetable for the election is as follows.

In order to be eligible, a candidate for election must be nominated on a paper sent to the Vice-Chancellor at the Old Schools so as to be received not later than **12 noon on Wednesday, 13 June 2018**. The nomination paper must contain (a) a statement signed by two members of the Regent House, nominating the candidate for election and specifying the body and the class to which he or she is nominated, and (b) a statement signed by the candidate certifying that he or she consents to be so nominated. The candidate is also required to provide a statement of her or his *curriculum vitae* by the same date (see below).

The Vice-Chancellor would be obliged if nominations could be delivered to the Registry in the Old Schools during office hours. Documents which are submitted by fax to 01223 (3)32332 or scanned documents containing a signature or signatures sent to the Registry at Registry@admin.cam.ac.uk will also be accepted. Nominations will be published on the Senate-House Noticeboard as they are received; the complete list of nominations will be published in the *Reporter* on Wednesday, 13 June 2018.

In accordance with the regulations governing the elections (*Statutes and Ordinances*, p. 112), each person nominated for election is required to send to the Registry, not later than 12 noon on Wednesday, 13 June 2018, a statement of her or his *curriculum vitae* for distribution to members of the Regent House with the voting papers. It is suggested that such a statement should be of not more than 500 words in length, and that it should cover the following points:

- the candidate's present position in the University;
- previous posts held, whether in Cambridge or in other universities or outside the university system, with dates;
- the candidate's reasons for standing for election, and the experience and skills they would bring to the role;
- a note of the candidate's particular interests within the field of University business.

If more than one nomination is received for the vacancy by the deadline, an election will be conducted by ballot under the Single Transferable Vote regulations. Online voting will open at 10 a.m. on Friday, 22 June 2018 and close at **5 p.m. on Monday, 2 July 2018**. Hard-copy voting papers and supporting materials will be distributed not later than Friday, 22 June 2018 to those who opted by 2 November 2017 to vote on paper; the last date for the return of voting papers will be **5 p.m. on Monday, 2 July 2018**.

Dates of Congregations, 2018–19 and 2019–20

The Vice-Chancellor gives notice, in accordance with Special Ordinance A (i) 2, and the regulations for General Admission to Degrees, that Congregations will be held on the following days in the academical years 2018–19 and 2019–20.

CONGREGATIONS OF THE REGENT HOUSE

(on Saturdays unless otherwise stated)

2018–19:

MICHAELMAS TERM 2018	LENT TERM 2019	EASTER TERM 2019	LONG VACATION 2019
<i>Full Term:</i> 2 October – 30 November	<i>Full Term:</i> 15 January – 15 March	<i>Full Term:</i> 23 April – 14 June	
1 October (Monday), 9.30 a.m. ¹	26 January, 2 p.m.	27 April, 11 a.m.	19 July (Friday), 10 a.m.
20 October, 11 a.m.	23 February, 2 p.m.	18 May, 10 a.m.	20 July, 10 a.m.
24 November, 2 p.m.	23 March, 11 a.m.	19 June (Wednesday), 2.45 p.m. (<i>Honorary Degrees</i>)	
	30 March, 11 a.m.	26 June (Wednesday), 10 a.m. ²	
		27 June (Thursday), 10 a.m. ²	
		28 June (Friday), 10 a.m. ²	
		29 June, 10 a.m. ²	

2019–20:

MICHAELMAS TERM 2019	LENT TERM 2020	EASTER TERM 2020	LONG VACATION 2020
<i>Full Term:</i> 8 October – 6 December	<i>Full Term:</i> 14 January – 13 March	<i>Full Term:</i> 21 April – 12 June	
1 October (Tuesday), 9.30 a.m. ¹	25 January, 2 p.m.	25 April, 11 a.m.	17 July (Friday), 10 a.m.
26 October, 11 a.m.	22 February, 2 p.m.	16 May, 10 a.m.	18 July, 10 a.m.
30 November, 2 p.m.	21 March, 11 a.m.	17 June (Wednesday), 2.45 p.m. (<i>Honorary Degrees</i>)	
	28 March, 11 a.m.	24 June (Wednesday), 10 a.m. ²	
		25 June (Thursday), 10 a.m. ²	
		26 June (Friday), 10 a.m. ²	
		27 June, 10 a.m. ²	

¹ Vice-Chancellor's Address followed by the Congregation for the election and admission of the Proctors.

² General Admission (M.Eng., M.Math., M.Sci., Vet.M.B., B.A., and B.Th. Degrees only).

Consultation on student disciplinary procedure proposals: comments by 22 June 2018

A consultation on the proposed principles of a revised student discipline procedure has been initiated. Further information is available at: <https://www.studentcomplaints.admin.cam.ac.uk/consultation> and responses from all members of the University (staff and students) are welcomed.

REGULATIONS FOR EXAMINATIONS

Preliminary Examination for the Education Tripos

(*Statutes and Ordinances*, p. 260)

With effect from 1 October 2018

The General Board, on the recommendation of the Faculty Board of Education, has approved an amendment to the title of one of the papers listed in Section III of the Preliminary Examination for the Education Tripos as follows:

Regulation 2, Section III.

By changing the title of the paper *from* ‘Experience of childhood and youth (also serves as Paper 3 of Part IB of the Education Tripos)’ *to* ‘Modernity, globalization, and education (also serves as Paper 3 of Part IB of the Education Tripos)’.

Education Tripos, New Regulations

(*Statutes and Ordinances*, p. 317)

With effect from 1 October 2018

The General Board, on the recommendation of the Faculty Board of Education, has approved the following amendments to the regulations for the Education Tripos:

PART IB

Regulation 14, Section II.

By amending the title of Paper 3 so as to read ‘Modernity, globalization, and education’.

Regulation 16.

By amending Regulation 16 to read as follows:

16. Papers 2, 3, 6, and 8 shall be examined by one three-hour written examination. Papers 4, 5, and 9 shall be examined by one two-hour written examination and the submission of coursework as specified by the Faculty Board from time to time. Details of the work required shall be published by the Faculty Board of Education not later than the beginning of the Michaelmas Term preceding the examination. Paper 10 shall consist of coursework as specified by the Faculty Board from time to time.

PART II

Regulation 17, Section II.

By amending the list of papers for Section II by (i) removing current paper ‘Statistics and methods’ from the list of papers offered in Part II of the Education Tripos and (ii) further retitling and amending the list of papers to read as follows:

- Paper 1* Experience of childhood and youth
- Paper 2* Social theory and education
- Paper 3* Play, creativities, and imagination
- Paper 4* Children’s literature (also serves as Paper 12 of the Education, English, drama, and the arts pathway in Section III of Part II of the Education Tripos)
- Paper 5* A dissertation in a topic relating to the pathway specialism

Regulation 18.

By amending Regulation 18 to read as follows:

18. Papers 1, 2, 10, 11, and 14 shall be examined by one three-hour examination. Papers 3, 4, and 13 shall be examined by one two-hour examination and the submission of coursework as specified by the Faculty Board from time to time.

NOTICES BY FACULTY BOARDS, ETC.**History of Art Tripos, Parts IIA and IIB, 2018–19: special subjects**

The Faculty Board of Architecture and History of Art gives notice of the special subjects for the History of Art Tripos, 2018–19. The Board shall have the power of subsequently issuing amendments if they have due reason for doing so, and if they are satisfied that no student's preparation for the examination is adversely affected (*Statutes and Ordinances*, p. 354, Regulation 11(b)).

Paper 1. Approaches to the history of art, with reference to works of criticism

This paper investigates the ways in which art has been written about through its history. It examines the philosophical arguments of classical antiquity; religious debates about images in the Middle Ages; approaches to art and architecture in the Renaissance; the birth of aesthetics in Europe; and the emergence of the history of art as a discipline in the eighteenth and nineteenth centuries. The second half of the course is devoted to more recent developments: twentieth-century contributions to the discipline, such as formalism, iconography, and the New Art History; the influence of broader intellectual trends, such as Marxism, Feminism, Psychoanalysis, and Postmodernism; and the future of the history of art in a changing academic landscape.

Paper 2. The display of art

Spread over two terms, this course explores the relationship between art and its various publics through a study of the ways in which art is collected, displayed, and experienced. The Michaelmas Term ('The Birth of the Museum') will focus on the evolution of the Western art museum up to the end of the 19th century. The Lent Term ('The Critique of the Museum') will focus on the 20th century, examining the avant-gardes' radical challenge to the museum and the ways in which the institution changed in response to such critique.

Paper 3/4. Drawing in Renaissance and Early Modern Italy, c. 1450–1600

The art and practice of drawing witnessed an unsurpassed explosion of creativity in Renaissance and Early Modern Italy, galvanized by the dramatic expansion of functions, media, and techniques. Within this process, artistic centres such as Florence, Rome, and Venice developed their own schools with idiosyncratic graphic practices and styles. Gradually, drawing in this period became emancipated from its role in the preparation of other types of art and acquired the characteristics of an independent art form. This special subject focuses on the protagonists of this 'revolution': Leonardo da Vinci, Raphael, Michelangelo, Titian, and their circles, extending to the Carracci in Bologna, who famously synthesized many of the regional styles. Including close study of original drawings in classes to be held in the Prints and Drawings Study Rooms of the Fitzwilliam Museum and the British Museum, this course embraces the practical and technical aspects of drawings, as well as the theories that informed this art.

Paper 5/6. Gothic art and architecture in France, 1100–1300

This special subject examines the exceptionally fertile period of French medieval art and architecture between the era of monastic reform and the end of the building boom at the end of the 13th century. Starting with Romanesque art in such areas as Normandy and Burgundy, it will examine the major sources of art comment in the 12th century including the writings of St Bernard and Abbot Suger. The Parisian art milieu c. 1150, including Saint-Denis, will act as a springboard to further consideration of the development of Gothic architecture in northern and eastern France (Notre-Dame, Paris, Laon, Soissons, Chartres, Bourges etc.). Developments in metalwork and portal sculpture will be considered, and also illumination. High Gothic (Reims, Amiens) will follow, with consideration of the portfolio of Villard d'Honnecourt. The Parisian milieu will then be returned to with examination of Gothic architecture and 'scholasticism', the Sainte-Chapelle and Court art under Louis IX, and the emergence of Rayonnant. Issues for discussion will include Gothic sculpture, theology and 'moralitas', the reception of French art and architecture in Western Europe more generally, and the loss of authority of French architecture to the geographical 'margins' from 1300.

Paper 9/10. Art and architecture in Paris from the First to the Second Empire, 1799–1870

Art and architecture in Paris from the rise to power of Napoleon Bonaparte to the defeat of Napoleon III has long been overshadowed by the Impressionist revolution and the break with the Academic tradition. In fact in this period many major French artists worked, from Géricault and Ingres to Delacroix and Courbet, or from Percier and Fontaine to Labrousse and Garnier. The art world and its institutions changed profoundly: the Académie lost its authority; the classical past was no longer accepted as the model for contemporary art and architecture; where the Louvre originally had been devoted to Western high art, the Expositions d'art industriel and the World Exhibitions introduced the public to high and low art, unique works, and mass-produced manufactures, from all over the world; the most influential voices in art criticism were no longer the members of the Académie or École des Beaux-Arts, but poets, novelists, journalists, and collectors such as Musset and Baudelaire, Stendhal, or the Goncourt Brothers.

This course will not rehearse existing overviews of this period in Paris. Instead it will reconstruct the art world and the visual culture as it developed in these years. It will reconstruct the object scapes that emerged after the major upheavals of 1799, 1815, 1830, 1848, and 1851, and the successor state behaviour that motivated official art politics, major art and architectural commissions, and the transformations of the Louvre and other major museums. The course is structured around a series of major ensembles: the Hôtel de Beauharnais, Dampierre, the completion of the Louvre, the Bibliothèque Sainte-Geneviève, the Maison Pompéienne and the Hôtel de la Païva. This enables us to see how the greatest artists, architects, and sculptors of the period – Percier and Fontaine, David, Géricault, Ingres, Hittorff, Labrousse, Duban, Gérôme, to name but a few – collaborated to create these monuments. But we will also look at a few major outsiders, such as the animal sculptor Barye and the visual work of Victor Hugo, and we will look at the art criticism produced by some of the greatest French writers.

Paper 11/12. Italian art and architecture in the age of Giotto

Italy's artistic culture underwent a revolution in the decades around 1300 – a seismic shift towards more naturalistic modes of representation most strongly associated with Giotto di Bondone (c. 1267–1337). This course disentangles the Florentine master from Vasarian myth and modern attribution debates, reassessing his achievements within the context of his own time. We consider Giotto alongside other leading painters (his Florentine compatriot Cimabue and the Siense Duccio, Simone Martini, and both Lorenzetti) as well as the architect-sculptor Arnolfo di Cambio, setting them against the dynamic backdrop of Tuscany's burgeoning urban centres (Florence, Siena, Pisa). We explore links between art and literature, especially through the poetry of Dante, and the emergence of pictorial allegory capable of communicating complex philosophical and political concepts. Beyond Tuscany, the course examines several other major artistic centres where Giotto worked: Rome, where the papacy energetically renewed the eternal city's early Christian past; Assisi, headquarters of the Franciscan Order and site of the peninsula's most intensive concentration of fresco cycles; Padua, where the university encouraged artists to engage with classical antiquity and the new science of optics; and Naples, whose Angevin kings refashioned their southern capital with Gothic architecture imported from France.

Paper 13/14. The poetics and politics of Surrealism

This course will cover the history of the Surrealist movement from its birth in Paris in 1924 to the dissolution of 'historical Surrealism' in 1969. It will focus on the developments of Surrealism during this fascinating period of French history and explore its revolutionary role in art, literature, and politics in France in the inter- and post-war years: from its birth in the aftermath of World War I, to its engagement with Marxism and psychoanalysis in the 1930s, to its exile in New York during World War II, to its post-war international exhibitions. Students will be encouraged to examine Surrealist art from a number of thematic perspectives – including desire, mythology, occultism, and utopianism, and to generally consider the relationship between Surrealist art and politics (gender, racial, and national) so that its successes and failures, and its legacy today, can be critically assessed.

Paper 15/16. Painting and patronage in Imperial Russia

From the reign of Peter the Great (1682–1725), artistic practice in Russia underwent a period of remarkably accelerated development, complementing the long-standing tradition of icon painting with a wealth of experimentation in secular art. At the same time, the country acquired art collections of international repute, thanks to the activities of patrons as ambitious as Catherine the Great. This course examines the vibrant visual culture which resulted, from the imposing portraits of the eighteenth-century court, to the iconoclastic antics of the pre-Revolutionary avant-garde. By focusing both on painters unfamiliar in the West and on works as canonical as Malevich's Black Square, the course will challenge standard interpretations of the modernist mainstream, and consider the role which Russia played in the wider development of Western European art.

Paper 17/18. Vision and representation in contemporary art

This course explores the changing status of the art object from the mid-1980s to the current day, considering how vision and representation took centre stage. While the optical had been fundamental to the Modernist project, with the rise of Minimalism and Conceptualism in the 1960s and 1970s these concerns had been displaced. By the 1980s artists and theorists influenced by political breakthroughs in the decades before, returned to the visual field to explore the limits of representation in a changing world. Beginning with appropriation and moving through to recent returns to image-making in post-internet art, as well as queer experiments with alternative forms of portraiture, we will trace the politics of looking and being looked at. This course will also address changes in technology, exploring artists' investigations of digital and analogue media and the range of theoretical interests this has supported from Hito Steyerl's discussion of the 'poor image', to Tacita Dean's fetishization of film, and Ryan Trecartin's experiments with mimesis. More broadly, this course will provide a framework to consider Contemporary Art in our work as art historians. We will not only address the history of art-making over the last thirty years, but also to think through how we might approach the unstable and changing world of contemporary practice.

Paper 19/20. British architecture in the age of enlightenment, industry, and reform

The century from c. 1750 to c. 1850 was one of almost unprecedented development in British architecture. New relationships with the ruined buildings of the ancient Graeco-Roman world emerged in response to the effects of the Grand Tour and of the incipient science of archaeology, while an indigenous antithesis was represented by surviving or revived Gothic forms. The ideologies of the Picturesque and of Romanticism incorporated both classicism and medievalism, as well as more exotic forms of architecture inspired by Britain's trading links with the Far East. This was also the period in which Britain emerged as the world's first industrial nation, leading not just to new building materials and building types but also to rapid expansion of cities. In this Special Subject, the architectural effects of changing political and social imperatives in the late eighteenth and early nineteenth centuries will be studied against the background of longstanding British traditions in building and landscape design.

Paper 21/22. Collecting Islamic art

This course offers a broad examination of the emergence and development of the field of Islamic art from the nineteenth to the twenty-first century. It begins with an exploration of the rich artistic output of individuals like Owen Jones and Jules Bourgoïn whose borrowings of patterns from sites like the Alhambra almost instantaneously sparked global interest in Islamic ornament and architecture. The course will go on to examine the effects of these discoveries of ‘medieval’ artisanship worldwide and their role in major global movements such as the Arts and Crafts and Art Nouveau. It will navigate through the rooms of collectors like Frederic Leighton and Albert Goupil, look closely at the Orientalist oeuvre of artists like Jean-Léon Gérôme and his one-time disciple Osman Hamdi Bey, and cast a critical eye on modern modes of displaying Islamic art in exhibitions and museums. Through these examples, participants will have the opportunity to discuss such concepts as Orientalism, Occidentalism, Colonialism, Postcolonialism, and Islamic Aniconism and look in depth at the complicated history of archaeology and the circulation of objects that affected the formation of the field. The course will include visits to the Fitzwilliam Museum, British Museum, and Leighton House to study its Islamic art collections onsite. This academical year, the course will also feature a non-mandatory trip to Granada and Cordoba in the Easter Term.

Examination in Economic Research for the M.Phil. Degree, 2018–19

The Faculty Board of Economics and the Degree Committee for the Faculty of Economics give notice, with the approval of the Student Registry and the General Board, that in the academical year 2018–19 the subjects for the examination in Economic Research for the degree of Master of Philosophy will be as listed below.

Core modules

R100:	Microeconomics	Two-hour written examination
R101:	Microeconomics II	Three-hour written examination
R200:	Advanced macroeconomics I	Three-hour written examination
R201:	Advanced macroeconomics II	Two-hour written examination
R300:	Advanced econometric methods	Three-hour written examination
R301a:	Econometrics II: Time series	Two-hour written examination
R301b:	Econometrics II: Cross-section and panel data	Two-hour written examination

Specialist modules

S140:	Behavioural economics	Two-hour written examination
S170:	Industrial organization	Two-hour written examination
S180:	Labour: search, matching, and agglomeration	Two-hour written examination
S500:	Development economics	Two-hour written examination
S600:	Topics in macroeconomic history	Project
S610:	British industrialism	Project
S620:	Institutions and economic growth in historical perspective	Two-hour written examination
F300:	Corporate finance	Two-hour written examination
F400:	Asset pricing	Two-hour written examination
F500:	Empirical finance	Project
F510:	International finance	Two-hour written examination
F520:	Behavioural finance	Two-hour written examination
F530:	Venture capital in the innovation economy	Project
F540:	Topics in applied asset management	Project

Further information on the form and conduct of examination papers for the M.Phil. in Economic Research is available at <https://www.vle.cam.ac.uk/course/view.php?id=138501§ionid=1852281>

Examination in Economics for the M.Phil. Degree, 2018–19

The Faculty Board of Economics and the Degree Committee for the Faculty of Economics give notice, with the approval of the Student Registry and the General Board, that in the academical year 2018–19 the subjects for the examination in Economics for the degree of Master of Philosophy will be as listed below.

Core modules

E100:	Microeconomics	Two-hour written examination
E101:	Applied microeconomics	Two-hour written examination
E200:	Macroeconomics	Two-hour written examination
E201:	Applied macroeconomics	One-and-a-half-hour written examination and project
E300:	Econometric methods	Three-hour written examination

Specialist modules

S140:	Behavioural economics	Two-hour written examination
S170:	Industrial organization	Two-hour written examination
S180:	Labour: search, matching, and agglomeration	Two-hour written examination
S301:	Applied econometrics	Two-hour written examination
S500:	Development economics	Two-hour written examination
S600:	Topics in macroeconomic history	Project
S610:	British industrialism	Project
S620:	Institutions and economic growth in historical perspective	Two-hour written examination
F300:	Corporate finance	Two-hour written examination
F400:	Asset pricing	Two-hour written examination
F500:	Empirical finance	Project
F510:	International finance	Two-hour written examination
F520:	Behavioural finance	Two-hour written examination
F530:	Venture capital in the innovation economy	Project
F540:	Topics in applied asset management	Project
Paper 1:	Development economics (from the Centre of Development Studies)	Project
Paper 4:	Globalization, business, and development (from the Centre of Development Studies)	Project

Further information on the form and conduct of examination papers for the M.Phil. in Economics is available online at <https://www.vle.cam.ac.uk/course/view.php?id=138501§ionid=1852281>

Examination in Finance and Economics for the M.Phil. Degree, 2018–19

The Faculty Board of Economics and the Degree Committee for the Faculty of Economics give notice, with the approval of the Student Registry and the General Board, that in the academical year 2018–19 the subjects for the examination in Finance and Economics for the degree of Master of Philosophy will be as listed below.

Core modules

F100:	Finance I	Two-hour written paper
F200:	Finance II	Two-hour written paper
F300:	Corporate finance	Two-hour written paper
F400:	Asset pricing	Two-hour written paper
R100:	Microeconomics	Two-hour written paper
E300:	Econometric methods	Three-hour written paper

Specialist modules

F500:	Empirical finance	Project
F510:	International finance	Two-hour written paper
F520:	Behavioural finance	Two-hour written paper
F530:	Venture capital in the innovation economy	Project
F540:	Topics in applied asset management	Project
S140:	Behavioural economics	Two-hour written examination
S170:	Industrial organization	Two-hour written examination
S301:	Applied econometrics	Two-hour written examination
E101:	Applied microeconomics	Two-hour written examination
E200:	Macroeconomics	Two-hour written examination
E201:	Applied macroeconomics	One-and-a-half-hour written examination and project

Further information on the form and conduct of examination papers for the M.Phil. in Finance and Economics is available at <https://www.vle.cam.ac.uk/course/view.php?id=138501§ionid=1852281>

Examination in Economics for the Certificate of Postgraduate Study, 2018–19

The Faculty Board of Economics and the Degree Committee for the Faculty of Economics give notice, with the approval of the Student Registry and the General Board, that in the academical year 2018–19 the subjects for examination for the Certificate of Postgraduate Study in Economics will be as listed below.

Compulsory component

PhD40:	How to do economics	Not examinable
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Ph.D. modules

PhD10:	Economic theory	Two-hour written examination
PhD12:	Empirical microeconomics	Project and class presentation
PhD20:	Firms and sectors in the macroeconomy	Project
PhD21:	Computational methods	Project
PhD30:	Topics in advanced econometrics	Project
PhD31:	GMM	Project

M.Phil. modules

R100:	Microeconomics	Two-hour written examination
R101:	Microeconomics II	Three-hour written examination
R200:	Advanced macroeconomics	Three-hour written examination
R201:	Advanced macroeconomics II	Two-hour written examination
R300:	Advanced econometric methods	Three-hour written examination
R301a:	Econometrics II: Time series	Two-hour written examination
R301b:	Econometrics II: Cross-section and panel data	Two-hour written examination
S140:	Behavioural economics	Two-hour written examination
S170:	Industrial organization	Two-hour written examination
S180:	Labour: search, matching, and agglomeration	Two-hour written examination
S301:	Applied econometrics	Two-hour written examination
S500:	Development economics	Two-hour written examination
S600:	Topics in macroeconomic history	Project
S610:	British industrialism	Project
S620:	Institutions and economic growth in historical perspective	Two-hour written examination
F300:	Corporate finance	Two-hour written examination
F400:	Asset pricing	Two-hour written examination
F500:	Empirical finance	Project
F510:	International finance	Two-hour written examination
F520:	Behavioural finance	Two-hour written examination
F530:	Venture capital in the innovation economy	Project
F540:	Topics in applied asset management	Project

Research seminars/workshops

Microeconomic theory
Applied microeconomics
Macroeconomic
Econometrics

Further information on the form and conduct of examination papers for the Certificate of Postgraduate Study is available at <https://www.vle.cam.ac.uk/course/view.php?id=138501§ionid=1852281>

Advanced Diploma in Economics, 2018–19

The Faculty Board of Economics and the Degree Committee for the Faculty of Economics give notice, with the approval of the Student Registry and the General Board, that in the academical year 2018–19 the subjects for examination for the Advanced Diploma in Economics will be as listed below.

Paper 1:	Microeconomics
Paper 2:	Macroeconomics
Paper 3:	Econometrics

Papers 1 and 2 will each be examined by means of a three-hour written examination, while Paper 3 will be examined by means of a two-hour written examination (60% of the marks) and a project (40% of the marks).

REPORTS

Report of the Council on the financial position and budget of the University, recommending allocations from the Chest for 2018–19

The COUNCIL begs leave to report to the University as follows:

Overview

1. Recent years have seen major upheaval in political and economic environments resulting in a prolonged period of uncertainty marked by extensive change.

2. The most significant of the uncertainties and changes affecting the higher education sector are addressed in the opening paragraphs of this Budget Report. Although there can only be limited confidence in what the future might hold, the University must continue to develop and commit to strategies for excellence in education and research, and make assumptions about the financial environment in which it is – and will be – operating. This is reflected in this year’s Budget Report, and the financial forecasts that underpin it.

Uncertainty and change

Brexit

3. The UK’s withdrawal from the European Union (‘EU’) is under way, but protracted Brexit negotiations and continued political disagreement are delaying clarification of the nature of the UK’s future relationship with the EU and the medium- to long-term consequences.¹ Details are only beginning to emerge about the transitional arrangements that will apply from March 2019. This indeterminate future makes planning very challenging, particularly with respect to EU student numbers and fees and EU-derived research funding; it also makes our success in recruiting and retaining the best staff difficult to predict.²

4. Representatives from Cambridge are actively engaging with the government on these and other issues, including providing expert testimony to the House of Commons Select Committee on Exiting the EU.³ The University is also developing strategies for education and research in an attempt to mitigate the risks.⁴ These strategies include implementation of defined plans for undergraduate and postgraduate recruitment, and the rolling out of the University’s People Strategy in recognition of the fundamental importance of both academic and non-academic staff to the continued success of the University.⁵

5. The University is strengthening its external relationships at this crucial time, and continues to seek and establish collaborations that span international, national, and regional initiatives. Recent international examples include the Nanjing Centre of Technology and Innovation,⁶ the Max Planck-Cambridge Centre for Ethics, Economy, and Social Change,⁷ a new social sciences research partnership with Sciences Po,⁸ a biomedical collaboration between the School of Clinical Medicine, Sunway Medical Centre in Malaysia, and Papworth NHS Foundation Trust,⁹ five new collaborative research projects under the Global Alliance initiative,¹⁰ and Cambridge co-leadership on the international Deep Underground Neutrino Experiment.¹¹ The University is also exploring the scope for closer relationships with a small number of leading European higher education institutions.

6. Nationally Cambridge is a partner in the Dementia Research Institute, the Alan Turing Institute, and the Rosalind Franklin Institute and, over the last two years, has absorbed four Medical Research Council Units. The Centre

for Digital Built Britain, which is supported by a £6.6m grant from Innovate UK, is a partnership between the Department for Business, Energy, and Industrial Strategy (BEIS) and Cambridge ‘to deliver a smart digital economy for infrastructure and construction for the future, and transform the UK construction industry’s approach to the way we plan, build, maintain, and use our social and economic infrastructure’.¹² The new Cavendish Laboratory¹³ will also support new national collaborations by giving researchers across the UK access to a national facility comprising infrastructure and facilities that are of the quality, specification, capacity, and scale required for modern cutting-edge research. Researchers and students from universities throughout the UK will be able to share ideas, be exposed to new research techniques, build wide academic networks, and in so doing, enhance knowledge exchange, augmenting the prospects of economic benefits through employment and skills development throughout the UK.

7. On a regional level, the University, local councils, and businesses form the Greater Cambridge Partnership, which is the local delivery body for a City Deal with central government, bringing investment worth up to £1 billion over fifteen years to improve infrastructure, support and accelerate the creation of new jobs, build new homes, and create new apprenticeships. The University works closely with regional partners, including Cambridge University Hospitals NHS Foundation Trust, Cambridge and Peterborough NHS Foundation Trust, and Royal Papworth Hospital NHS Foundation Trust, individually and through Cambridge University Health Partners. The University looks forward to the continued expansion of the Biomedical Campus as a result of the relocation of the Royal Papworth Hospital later this year. These partnerships and co-location with major pharmaceutical companies such as AstraZeneca and GlaxoSmithKline will contribute to a thriving community of academics, businesses, and clinicians combining world-class research with efficient translation.¹⁴ The University is also leading a new regional skills partnership called Accelerate EAST,¹⁵ involving businesses, and further and higher education providers, which seeks to harness and develop the skills and talent across the eastern region workforce as part of a strategy to drive regional economic prosperity and growth. In addition, the University is actively engaging with the Combined Authority, both through the Cambridge and Peterborough Independent Economic Review and the shadow business board.

8. By nurturing international, national, and regional relationships Cambridge should be well-placed to continue to prosper in a post-Brexit era.

Student funding

9. The future of tuition fees is uncertain. Increasing concerns over levels of student debt,¹⁶ the level of remuneration of senior university leaders,¹⁷ and the quality and ‘value for money’ of courses¹⁸ have led to the announcement of a major ‘Review of Post-18 Education and Funding’.¹⁹ The review will be wide-ranging covering choice, accessibility, skills, and value for money including a

particular focus on the funding system. It is not possible, at this point, to determine the extent to which the outcome may lead to wide-reaching reforms of funding for higher education.

10. In the meantime, after one year of inflation-related increases in undergraduate Home tuition fees, they are now frozen once again, for at least one further year, at £9,250 per annum. The impact of this at Cambridge will be a widening of the deficit between the cost of an undergraduate education and the support for it from student fees and government grants. The Cambridge teaching model is distinctive and highly successful, but costly to deliver. The most recent calculation showed that the average annual cost of an undergraduate education borne by the University and Colleges per Home undergraduate student is £18,500.²⁰ The collegiate University must maintain a focus on delivering the highest quality of educational provision while continuing to explore ways to manage the deficit by operating as efficiently as possible.

Regulatory environment

11. Fundamental changes to the regulation of the Higher Education sector have been realized in accordance with the Higher Education and Research Act 2017.

12. The Office for Students (OfS) has been operational since 1 April 2018. It takes a student-centred approach to regulation focusing on choice, quality, and the delivery of value for money for students and taxpayers.²¹ The OfS will implement its new regulatory functions in full from 1 August 2019. Until then, a transitional period is under way; all providers wishing to access student support and public funding from 1 August 2019 must register with the OfS in 2018–19.²²

13. The OfS will be responsible for the Teaching Excellence and Student Outcomes Framework (TEF). The University of Cambridge secured a Gold rating in TEF2 in 2017 and was commended for its supervision system, opportunities for undergraduates to undertake research projects alongside world-leading academics, the provision of facilities that provide a world-leading learning environment, the rigour and stretch of courses, the inclusive and individualized support services for disadvantaged groups of students, and a Careers Service that allows students to tailor work experience to their needs.²³ An independent review of the TEF is taking place during academical year 2018–19 and will inform the assessment framework for 2019–20.²⁴ The framework is expected to include the first year of a subject-level TEF and a pilot is already underway. Fifty providers, including the University of Cambridge, were selected to participate.²⁵ The University's participation will ensure that it is in a strong position to influence and shape the future direction of subject-level TEF.²⁶

14. UK Research and Innovation (UKRI) came into legal existence on 1 April 2018 and comprises the seven research councils, Innovate UK, and Research England, which will oversee UKRI's England-only functions in relation to university research and knowledge exchange.^{27,28} The UKRI Board²⁹ controls a budget of over £6 billion and advises the Secretary of State on the allocation of funding between research disciplines and the balance of funding under the dual support system.³⁰ Priorities for UKRI include achieving greater collaboration across the research base, delivering more support for multi- and inter-disciplinary research, and improving collaboration between businesses and researchers.³¹

15. Cambridge continues to build its cross-disciplinary activity and will be well-placed to respond to future priorities as determined by UKRI. Eight Interdisciplinary

Research Centres (IRCs) have been established in the University along with a further seven Strategic Research Initiatives with the potential to develop into IRCs in due course.³² Joint degrees are also being developed to attract high quality applicants and, by supplementing existing single-subject Triposes, enrich the intellectual environment of participating Schools. This year saw the introduction of the Modern and Medieval Languages and History Tripos, and the History and Politics Tripos.³³

16. The University is taking steps to ensure that it can take advantage of opportunities emerging from the implementation of the government's industrial strategy³⁴ and has benefited from additional HEIF funding for this purpose. The allocation for Knowledge Exchange includes a £475k recurrent uplift. Knowledge Transfer Facilitators are engaged in activities to increase collaborative research between the University and industry. Workshops organized around defined research challenges for industry and other external stakeholders are helping to stimulate collaborative research ideas and potentially create funding opportunities.³⁵

Leadership

17. Government ministerial teams have changed in recent months. Damian Hinds is Secretary of State for Education,³⁶ and Sam Gyimah is a joint Minister for Higher Education at both the Department for Business, Energy, and Industrial Strategy, and the Department for Education.³⁷

18. Changes have also taken place in the University's senior leadership team. Professor Stephen Toope was inaugurated as the new Vice-Chancellor in October 2017. Anthony Odgers has completed his first year as Chief Financial Officer of the University with responsibility for the University's financial and commercial assets including those of the wider University group. As a result of this appointment and of Professor Maskell leaving the University to take up a new appointment as Vice-Chancellor at the University of Melbourne, the role of Pro-Vice-Chancellor for Planning and Resources has been replaced by the new role of Pro-Vice-Chancellor for Strategy and Planning, which comes into effect from 1 August 2018 and will be filled by Professor David Cardwell. He will work closely with Heads of Schools, Pro-Vice-Chancellors, the Chief Financial Officer, and academic leaders in supporting and strengthening the academic mission of the University, including overseeing the distribution of resources. Other developments in leadership teams include the appointment of Emma Rampton as Registry and the appointment of David Hughes as the University's new Director of Finance following the retirement of Andrew Reid. Recruitment is underway for a new Director of the Fitzwilliam Museum following the appointment of Tim Knox as Director of the Royal Collection.

Capital

19. As highlighted in previous Budget Reports, the University's capital programme is ambitious and, if all projects were to be taken forward, would require capital expenditure over the next 15–20 years of over £4 billion. University resources alone cannot deliver development on this scale.

20. In recognition of this, a prioritization and scoring mechanism has been developed over the last twelve months to support the Planning and Resources Committee (PRC) in its prioritization of projects and overall decision-making.³⁸ This tool tests the feasibility of delivering individual projects in the next five years and at five-yearly intervals thereafter, and assesses the potential academic impact of individual projects across a range of categories.³⁹

21. Phase 1 of the North West Cambridge (NWC) development, which is managed as a ring-fenced project and lies outside 'little U' financials,⁴⁰ is externally financed and underpinned by the University's balance sheet. The 2018–19 budget for NWC assumes minimal residual capital expenditure on Phase 1. Rentals from NWC flow through the University Group income and expenditure, and cash flow.⁴¹

22. A fixed-rate bond was issued in 2012, and interest payable also flows through the University Group income and expenditure, and cash flow. Subject to Grace of the Regent House, the Council is considering authorizing a second bond issue of up to £600m to fund revenue-generating projects.⁴² With the very low interest rates currently available, by investing the proceeds of borrowing in projects that produce revenue, the intention is to generate, over time, a net surplus. Any net surplus would then be available to support the core strategic mission of the University, to the benefit of future generations. The bond issue, if authorized, is expected to be long-term (50–60 years). Up to £300m of the issue could be an amortizing CPI-linked bond where the interest payable is low, but the bond principal increases with CPI. The amount of any index-linked issue would be determined by the attractiveness of terms that can be obtained. The remaining amount would be in the form of a fixed-rate bond with principal repayable on maturity. Pending investment in revenue-generating projects, the proceeds of the bond would be invested by the Investment Office in a low-risk asset portfolio. It is anticipated that a significant proportion of any proceeds raised would be invested in NWC Phase 2, if this should be approved (perhaps in early 2019). The potential bond issue has not been included in the projections of this Budget Report.

PLANNING ROUND 2017

Outlook

23. Last year's Budget Report forecast that the Chest would remain in deficit over the planning period, at levels of £21m in 2017–18 to £6m in 2020–21. The Report observed that operating with a Chest deficit, for the short term, enabled the University to maintain momentum and invest in areas of strategic academic importance, and provide administrative services that are fundamental to the core operation of the University. In the long term, the Report observed the need for strategies to support the generation of new and additional income to the Chest, and constrain and reduce expenditure.

24. This year's Budget Report reaffirms that message. A Chest deficit of £25.2m is forecast in 2018–19 improving slightly to £15.0m by 2021–22. The position is a deterioration compared to last year's Budget Report due largely to provision for new costs associated with the University's People Strategy, higher forecast allocations for utilities, University Scholarships for UK and EU postgraduate students, Widening Participation, Examiner Fees, funds to implement the recommendations of the Research Administration Review, and increases in allocations to the Schools and Non-School Institutions (NSIs). These are described in more detail in paragraphs 45 and 46.

25. Improving the long-term financial sustainability of the University will be informed by a new 10- to 15-year high-level financial model, which is currently in development under the oversight of the Chief Financial Officer. A further piece of work is under way to explore the fixed, stepped, and variable costs of educational provision

to determine the marginal cost of additional undergraduate or postgraduate students. The findings will enable a better understanding of the income generated, and costs incurred, of long-term growth in student numbers.

26. In the medium term, the Joint University and Colleges Working Group on Postgraduate Student Numbers has agreed a collective target of 13.1% growth in the total population of full-time postgraduate students over five years. This equates to a target of *c.* 7,400 full-time postgraduate students on 1 December 2021, an increase of approximately 860 students. The University and Colleges have agreed that this overall growth target is the priority, but have also expressed a wish to see an increase in the proportion of Doctoral to Masters students from the current 60:40 to 62:38.

27. Schools have responded to the growth target and submitted proposals in this planning round for expansion in existing postgraduate courses and for the introduction of new taught Masters courses commencing 2019–20. Progress towards the overall target is being overseen by the Postgraduate Admissions Committee. Actual figures will be closely monitored each year and will inform the development of incremental plans in successive planning rounds.

28. The operation of a new Income Incentivization Model, which has been endorsed by the Resource Management Committee (RMC), will ensure that Schools receive a share of additional income generated from growth in postgraduate numbers. The key principle of the Income Incentivization Model is to maintain recurrent baseline allocations from the Chest,⁴³ but to supplement these on an annual basis by cost-neutral distributions based on year-on-year changes in certain streams of gross Chest income. The model is initially piloting three streams of income: postgraduate fees, the Chest share of overheads recovered on Research Grants and Contracts, and Research Degree Programme Supervision funding. In each case, the chosen funding streams complement University-level academic priorities: growth in postgraduate student numbers, an improvement in the rate of recovery of indirect costs of research, and an increase in the proportion of Doctoral students to Masters students.

29. The Income Incentivization Model will be introduced in Planning Round 2018 and will inform allocations in and from 2019–20. The next task for the RMC is to propose how the model will apply to the NSIs. Growth in the University, continual change in the regulatory environment, increasing external risks, and the introduction of new legislation place new resource requirements on the NSIs, particularly those service-related institutions such as the UAS and the UIS. While all efforts are made to absorb additional costs within existing baselines, the scope for efficiency gains is ultimately limited. Through the operation of the Income Incentivization Model a share of any income growth generated by Schools and institutions will be retained centrally, and it is proposed that a proportion of this could be made available to supplement baseline allocations for the NSIs where there is urgent need. Through this mechanism, increases in allocation would also be available for NSIs to the extent that there is income available to fund them.

30. Alongside a focus on generating new income, the RMC will continue to review the Resource Allocation Model focusing in particular on expenditure and the net position of Schools and NSIs.

Planning guidance

31. In June 2017, the PRC considered the Planning Guidance for Planning Round 2017 and agreed that Chest allocations for 2018–19 and provisional allocations thereafter should remain at the levels forecast in Budget Report 2017. This approach allowed for a 1% inflationary uplift to Chest allocations for 2018–19 over 2017–18 and for each year thereafter. It also allowed for increases to Chest allocations in or from 2018–19 based on requests for funding that had already been endorsed, in principle, by the PRC during the Planning Round 2016 process. The impact of these increases had already been built into the consolidated forecasts of the previous Budget Report. The PRC recognized that this approach would be capable of flexing to support critical priorities if this were to prove absolutely necessary. The forecasts for Chest allocations were considered at a joint meeting of the PRC and RMC in March 2018, and a number of increases were supported. These are described in more detail in paragraph 45 and are summarized in the Allocations Table found later in this Report.

32. For the purposes of this Report, allocations to Schools and NSIs are assumed to be fully spent even if a balance is carried forward to the next year. This is the mechanism by which Chest-derived reserves accumulate.

Assumptions

33. Assumptions about future pay awards are a key area of sensitivity in the financial projections of this Budget Report. Increases in pay inevitably lead to significant, additional recurrent costs. A central contingency is set aside to mitigate the risk for Chest-funded posts for a period of time, but the risk of extra costs remains. For modelling purposes, the pay award assumed in the planning guidance was 2% per year during the planning period.

34. Apart from National pay awards, all additional pay costs arising from promotions, increments, and regrading are normally absorbed within existing allocations to the Schools and other NSIs except where separate provision is made.⁴⁴ However, recent pay and reward initiatives proposed under the University's People Strategy are forecast to result in significant additional recurrent costs. Schools and institutions are unlikely to be able to absorb these without corresponding increases to Chest baselines. Current forecasts indicate the required increase to Chest allocations would be £5m in 2019–20 increasing to £11m per annum by 2021–22.⁴⁵

35. A default inflation assumption of 2% has been used for non-pay inflation in all years unless there have been compelling reasons to adopt an alternative assumption for specific classes of non-pay expenditure.

36. There remains significant uncertainty about the nature and cost of the Universities Superannuation Scheme (USS) pension provision from April 2019. The Joint Negotiating Committee (JNC) of the USS has rescinded the proposals for benefit change that it had set out in January 2018. A joint expert panel, with equal number of members being appointed by the University and College Union and Universities UK, is being established with a remit to review the valuation and make proposals on benefit changes from April 2019, while also examining long-term sustainable solutions. In the meantime, the USS Trustee is taking forward the automatic cost-sharing provisions under USS rule 76.4, whereby existing defined benefits are maintained and the increased cost is shared 65% by employers and 35% by employees. While there are a number of detailed elements to the implementation of this rule, the current estimate is that employer contributions

would increase from 18% to *c.* 24%.⁴⁶ The expectation is that the changes that flow from rule 76.4 are likely to be replaced by a new determination of the JNC following the work of the joint expert panel, but this cannot be guaranteed. It is estimated that an increase of 1% of salary as a USS pension cost will have a *c.* £2m cost to the 'little U' group with the exact amount depending on the ability to pass on additional costs to research funders. The potential increase in employer contributions has not been budgeted for in this Report, but would be met by the Chest in 2018–19 pending a more sustainable budgetary solution for 2019–20, once the outcomes are known.

Financial forecasts*Fees and HEFCE funding*

37. The OfS and UKRI receive a guidance letter from the government every spring. This sets out the teaching and research funding budget, and details policy areas that should be prioritized along with any conditions of funding that should apply. This year's guidance letters to the OfS and Research England (which oversees UKRI's England-only functions) were received on 20 February 2018 and 31 March 2018 respectively. The announcements of grants for each institution funded by the OfS and Research England were made available, under embargo, on 9 May 2018.⁴⁷

38. Appendix 5 describes OfS and Research England funding in 2018–19. The University's allocation of funding for teaching has increased marginally by 0.9% to £18.1m. However, this includes additional funding for the continuing expansion of the School of Clinical Medicine.⁴⁸ If the additional funding for medical students is deducted, there is an underlying decrease of 3.8% in the OfS grant for teaching.

39. The University's allocation of funding for research has increased by 2.2% from £121.7m in 2017–18 to £124.4m in 2018–19. This comparison incorporates an adjustment to the 2017–18 figure to exclude £3.3m of Global Challenges Research Funding from mainstream quality-related research funding. From 2018–19, this stream of funding is being reported separately, and the allocation for 2018–19 will not be announced until later this year.

40. The allocations in the grant letters are provisional since the academic and government financial years differ. If there were to be a government budget cut in 2019–20 this might result in a 'claw-back' from the 2018–19 allocations.

Actual 2016–17 and forecast for 2017–18

41. The actual Chest out-turn for 2016–17 is provided in Table 1 of this Report (p. 642). The overall position on the Chest was a deficit of £2.1m compared to one of £3.3m forecast in Budget Report 2017. Although there were decreases in both fee income and the Chest share of indirect costs recovered on research grants and contracts, the effect was more than compensated for by reductions in actual expenditure in central administered funds.

42. Table 2 summarizes the forecast out-turn for the Chest in 2017–18. In the 2017 Budget Report this was anticipated to be a deficit of £21.4m. The forecast is now for a deficit of £15.5m due primarily to an uplift in Global Challenges Research Funding, an increase in operating income, and a reduction in forecast expenditure on administered funds.⁴⁹

43. Activities funded outside the Chest (excluding Cambridge University Press, Cambridge Assessment, and the Cambridge Trust) were previously forecast to result in a deficit of £16.0m in 2017–18 after making a contribution

to the Chest for central costs. This component of the budget is difficult to predict with precision but there is currently no reason to expect a significantly different out-turn by the end of the year.

Forecasts in 2018–19 including allocations from the Chest

44. Forecast Chest income for 2018–19 is £471.1m compared to £466.2m assumed in Budget Report 2017. Although there is a reduction in forecast fee income from Home undergraduates, there is also an increase in forecast fee income from overseas students driven by higher forecast numbers overall and an increase in fee rates.⁵⁰

45. A breakdown of the forecast for 2018–19 is shown in Table 4 (p. 644). Forecast expenditure includes a number of increases in Chest allocation for Schools and NSIs over and above those that were already built into the previous Budget Report (see paragraph 31). These new increases were considered and recommended at a joint meeting of the PRC and RMC in March 2018 and are summarized in the Allocations Table below. The Allocations Table shows only those new increases approved in this planning round.⁵¹ It summarizes the uplift in 2018–19 and tracks the cumulative impact of this increase – and any other new increases that are forecast to occur in later years – over the remainder of the planning period.

Allocations table

Additions to allocations resulting from PR2017	Additions £k			
	2018–19	2019–20	2020–21	2021–22
<i>University-wide initiatives</i>				
Internal relativities review	3,800	3,800	3,800	3,800
In-year pay/reward costs	2,100	2,050	2,100	2,100
CamBens and Voluntary Living Wage accreditation	741	620	630	640
Subtotal	6,641	6,470	6,530	6,540
Digital Teaching and Learning (in UIS)	660	675	691	708
TOTAL University-wide initiatives	7,301	7,145	7,221	7,248
<i>Schools</i>				
School of Arts and Humanities	0	0	0	0
School of the Humanities and Social Sciences	0	0	0	0
School of the Physical Sciences	180	180	180	180
School of Technology	175	175	175	175
School of the Biological Sciences	11	178	178	178
School of Clinical Medicine	392	584	784	994
TOTAL Schools	758	1,117	1,317	1,527
<i>Non-School Institutions (NSIs)</i>				
<i>Unified Administrative Service (UAS)</i>				
UAS new recurrent posts (including posts in the Disability Resource Centre and Counselling Service)	288	250	252	256
UAS Soft-funded posts to baseline	365	739	958	968
UAS Research Administration Review	700	707	714	721
UAS subtotal	1,353	1,696	1,924	1,945
University Information Services (UIS)	224	923	1,130	1,364
Cambridge in America (CAm)	57	58	59	60
Institute of Continuing Education (ICE)	287	287	287	287
TOTAL Non-School Institutions	1,921	2,964	3,400	3,656
TOTAL RECURRENT FUNDING	9,980	11,226	11,938	12,431
<i>Non-recurrent grants</i>				
Public Engagement and the Festivals	43	44	0	0
Review of Sports	39	80	90	0
West Cambridge Catering	30	0	0	0

University-wide initiatives

- (i) The most substantial increase in allocation is for University-wide initiatives under the People Strategy. The forecast cost in 2018–19 is £6.6m. This is considered to be the upper limit of what will be required in 2018–19, and work is still underway to determine the final figure. The forecast includes the Internal Relativities Review,⁵² and revised Pay and Reward schemes including Academic Career Pathways, the Professorial Pay Review, and Contribution reward systems for non-academic staff.⁵³ The current forecasts only reflect the in-year costs of the Pay and Reward schemes (see paragraph 34).⁵⁴ The overall sum of £6.6m will be held in the central contingency administered fund pending clarity on the final sums to be distributed to Schools and NSIs.
- (ii) New allocations to University-wide initiatives also include the Lecture Capture service, which is part of a well-established project to support the delivery of teaching, modernizing the University's facilities to bring them into line with other leading higher education institutions.⁵⁵ This sum is added to the UIS baseline.

Schools

The overall increase in Chest allocation to the Schools in 2018–19 is £0.8m increasing to £1.5m by 2021–22. This includes:

- (i) an allocation split between the Schools of Clinical Medicine, and the Biological Sciences of 75% of the forecast additional income resulting from HEFCE's award of 21 additional places each year for Graduate Home students;
- (ii) an increase in the forecast allocation to the School of Clinical Medicine to meet the funding shortfall resulting from the gradual withdrawal of the NHS Clinical Academic Reserve;⁵⁶
- (iii) allocations under the Resource Distribution Model. This mechanism is being replaced by the Income Incentivization Model, which will inform allocations to Schools from 2019–20 (see paragraphs 28–29).

NSIs

The total increase in Chest allocation to the NSIs is £1.9m in 2018–19 increasing to £3.6m in 2021–22. This includes the following:

Unified Administrative Services

- (i) A recurrent uplift of £0.3m is forecast from 2018–19 to support new posts. This includes a group Data Protection Officer to meet the requirement of the EU General Data Protection Regulations.⁵⁷ It also includes a commitment to underwrite £0.1m towards new posts in the Disability Resource Centre and the Counselling Service.⁵⁸ A corresponding contribution to these posts is being made by the Colleges.
- (ii) A further increase to the UAS baseline from 2018–19 will provide recurrent funding for critical posts that are currently being funded from reserves. The cost is £0.4m in 2018–19 increasing to just under £1.0m by 2021–22. Baselineing these essential posts will ensure that there is greater transparency of total expenditure on administrative services in the UAS. This, in turn, will enable a more rigorous assessment of recurrent expenditure on administrative services throughout the University, including the UAS,

Schools, and institutions. This is an essential step in providing the clarity required to assist the assessment of what the future size and shape of the administrative service should be, taking into account all sources of data including the UniForum benchmarking data.

- (iii) A recurrent uplift of £0.7m is forecast from 2018–19 to support the implementation of the recommendations of the Research Administration Review. The result will be a redesigned pre-award research administration function, which will be embedded in Schools and their Departments. The service will also deliver significant improvements in post-award and contracts support and result in a more seamless and integrated service for Principal Investigators. A key objective of the new service will be to deliver a sustained improvement in cost recovery from funders and it is anticipated that this will contribute to the cost of the new service.
- (iv) Non-recurrent grants are supporting Public Engagement and the Festivals, and enabling the completion of important work to review and register University sports clubs.⁵⁹

University Information Services

- (i) A recurrent funding increase of £0.2m is forecast in 2018–19 to meet increasing costs of subscriptions to Oracle, JISC, and Microsoft. Current forecasts show this increasing to £1.4m by 2021–22 due to a change in the charging basis for the Microsoft license fee. The University will be participating in sector-wide negotiations about the changes being imposed.

Other NSIs

- (i) The RMC has supported a new funding mechanism for the Institute of Continuing Education such that it will receive all attributable income received through the OfS and Research England. An increase of £0.3m is forecast from 2018–19.
- (ii) The modest increase to Cambridge in America is driven by the need to cover adverse exchange rate movements between the US dollar and the pound.⁶⁰

Administered funds

46. The allocations to centrally-held administered funds are reviewed each year by the RMC. The total allocation to administered funds in 2018–19 is £198.1m compared to £194.7m in Budget Report 2017.⁶¹ Forecast allocations to the administered funds are broken down into different categories as follows:

	Forecast annual allocations £m			
	2018–19	2019–20	2020–21	2021–22
<i>Administered funds</i>				
Teaching and research	116.6	124.0	127.0	126.1
Contingency and strategic funds	10.4	10.8	10.8	10.2
Estates	58.2	60.4	61.4	63.0
Human resources	2.2	3.0	3.5	4.0
Operational	4.4	4.6	4.7	4.9
General expenditure	6.3	6.2	6.2	6.2
TOTAL Allocation	198.1	209.0	213.6	214.4

(i) *Teaching and research*

£116.6m of the allocation to the administered funds in 2018–19 is in direct support of teaching and research activity. This includes funds that are held centrally initially, but are subsequently distributed, such as payments to Colleges⁶² (£73.1m), payments to University Partner Institutions (£1.3m), departmental shares of Charity Support Funding (£9.9m), and Knowledge Exchange⁶³ (£4.4m). It also includes Chest allocations to support the Cambridge Trusts (£8.8m), bursaries and studentships (£5.5m), the Journals Coordination Scheme (£5.9m), Widening Participation (£1.9m),⁶⁴ Examiner and Supervisor fees (£1.8m), Researcher Development (£1.2m), and preparation for REF 2021 (£1.5m).

(ii) *Contingency and strategic funds*

The total forecast for 2018–19 is £10.4m. This includes allocations to strategic funds such as the Strategic Planning Reserve Fund, the VC Strategy Fund, and the non-recurrent grant fund. It includes a centrally held contingency to support potential increases in pay awards as described in paragraph 33.⁶⁵ The contingency also holds the funding set aside in support of University-wide initiatives and the Research Administration Review described in paragraph 45.

(iii) *Estates*

Estates-related activity accounts for £58.2m of the forecast allocation to the administered funds in 2018–19. This is largely for costs associated with buildings maintenance (£16.6m), utilities (£21.0m), rates, rents, and other running costs (£7.8m), capital equipment (£5.0m), facilities management (£1.6m), and minor works (£2.5m).

(iv) *Human resources, operational, and general*

Remaining expenditure includes human resources expenditure totalling £2.2m such as in-year costs of existing pay and reward schemes,⁶⁶ operational costs totalling £4.4m such as insurance costs, bank fees, and audit fees, and general expenditure totalling £6.3m including funding for Cambridge Enterprise, Cambridge University Health Partners, and projects overseen by the Information Services Committee.

Forecasts for 2019–20 to 2021–22

47. The forecasts for the Chest continue to show a deficit across the planning period.

48. Tuition fee income beyond 2018–19 is based on current expectations for the composition of the student population, and anticipated fee structures (but see paragraph 9).

49. Projections of expenditure beyond 2018–19 have been built up from the detailed plans at School and NSI level submitted in December 2017.

50. Pay awards have been assumed to be 2% per annum across the planning period. A contingency is set aside to allow for some level of variation in actual pay awards.

CONCLUSIONS

51. Prolonged uncertainty is damaging, and significant regulatory change is adding further complexity. The University must respond in turn and be ready to adapt where necessary. The future direction of the University will be informed by the findings of a University-wide consultation undertaken earlier this year.⁶⁷ This consultation explored how Cambridge can best pursue its Mission, strengthen relationships and partnerships, and continue to attract world-leading talent including students and staff.

52. The strategies for education and research that emerge from these deliberations can only be delivered if the University can move to a more financially sustainable position. This will require raising new sources of income, controlling costs – while recognizing that crucial investment must be continued – and maintaining a strong balance sheet. These measures will ensure that Cambridge is in a strong position to respond effectively to the changing environment in the years ahead.

RECOMMENDATIONS

53. The Council recommends:

I. That allocations from the Chest for the year 2018–19 be as follows:

(a) to the Council for all purposes other than the University Education Fund: £129.1m.

(b) to the General Board for the University Education Fund: £367.2m.

II. That any supplementary grants from the OfS and UKRI (through Research England), which may be received for special purposes during 2018–19, be allocated by the Council, wholly or in part, either to the General Board for the University Education Fund or to any other purpose consistent with any specification made by the OfS or UKRI, and that the amounts contained in Recommendation I above be adjusted accordingly.

21 May 2018	STEPHEN TOOPE, <i>Vice-Chancellor</i>	DAVID GREENAWAY	JEREMY MORRIS
	ROSS ANDERSON	JENNIFER HIRST	SUSAN OOSTHUIZEN
	RICHARD ANTHONY	NICHOLAS HOLMES	MICHAEL PROCTOR
	R. CHARLES	ALICE HUTCHINGS	JOHN SHAKESHAF
	STEPHEN J. COWLEY	DARSHANA JOSHI	SUSAN SMITH
	DAISY EYRE	FIONA KARET	SARA WELLER
	ANTHONY FREELING	UMANG KHANDELWAL	MARK WORMALD
	NICHOLAS GAY	MARK LEWISOHN	JOCELYN WYBURD

Endnotes

¹ The UK aims to reach a final exit deal with the EU by October 2018, after which the agreement will be subject to a vote by Parliament.

² Some clarity has emerged over the status of EU nationals currently resident in the UK. See <https://www.gov.uk/guidance/status-of-eu-nationals-in-the-uk-what-you-need-to-know>. The University's Compliance Team in HR and the International Student Team are available to advise staff and students on all matters concerning residency, immigration, and visas.

³ The session focused on the implications of Brexit for research and science including future access to EU Research and innovation programme funding. A transcript of the session is available at <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/exiting-the-european-union-committee/the-progress-of-the-uks-negotiations-on-eu-withdrawal/oral/77371.pdf>

⁴ The Council has introduced broad strategies to guide work across the University's activities. Detailed studies are being conducted and reported under the General Board's Education and Research Policy Committees. See <https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6489/section2.shtml>

⁵ <https://www.hr.admin.cam.ac.uk/people-strategy>. Measures are being introduced to attract and retain the best staff, support personal and professional development, implement sustainable reward and benefit strategies, and promote equality, health, and well-being.

⁶ <https://www.cam.ac.uk/news/cambridge-and-nanjing-launch-strategic-collaboration>

⁷ This collaboration was launched in March and involves the Department of Social Anthropology. The University, the Isaac Newton Trust, and the Max Planck Society have contributed funding to support six postdoctoral fellows for four years each working on issues of ethnical and economic change around the world.

⁸ The agreement between the two institutions covers an initial three-year period with matching funds being provided for academic workshops, travel grants, short research visits, and visiting professorships at both Institutions.

⁹ The collaboration, supported by the Jeffrey Cheah Foundation, will establish a joint programme between the University's School of Clinical Medicine and Sunway University supporting regular academic visits and exchanges, and offering scientific and clinical training opportunities at Cambridge for outstanding postgraduates from Sunway. Sunway Medical Centre will establish a Clinical Research Centre that will become a regional site partner for the University of Cambridge. State of the art research space on the Cambridge Biomedical Campus will be provided in the Jeffrey Cheah Biomedical Centre.

¹⁰ The Global Alliance was formed in 2016 as a tripartite agreement between University of California, Berkeley, the University of Cambridge, and National University of Singapore. The Alliance is funding five collaborative research projects starting this year under three core themes of Precision Medicine, Cities, and Smart Systems.

¹¹ Professor Mark Thomson from the Cavendish Laboratory is currently co-leader of the international Deep Underground Neutrino Experiment (DUNE), in which the UK government is investing £65m as part of a long-standing science partnership with the US.

¹² <https://www.maxwell.cam.ac.uk/maxwell-community/member-groups/centre-digital-built-britain>; <https://www.cdbb.cam.ac.uk/>

¹³ The building will be named the Ray Dolby Centre in recognition of an £85m gift from the estate of Ray Dolby. The government, through EPSRC, is investing £75m in the project to deliver a new Laboratory, which will serve as a national facility for the benefit of UK physics.

¹⁴ <http://cambridge-biomedical.com/the-campus/>

¹⁵ <http://www.accelerateeast.org.uk/>

¹⁶ A study by the Institute for Fiscal Studies indicates that students graduate with average debts of £50,000, <https://www.ifs.org.uk/publications/9334>

¹⁷ The Committee of University Chairs has consulted on proposed guidelines on remuneration to determine how universities should approach senior pay. See <http://www.universitychairs.ac.uk/home/remunerationcodeconsultation/>

¹⁸ Issues around value for money have emerged in the wake of the findings of a survey of student attitudes by HEPI that indicates that only 32% of students in England think their courses represent good value for money. See p. 12, <http://www.hepi.ac.uk/wp-content/uploads/2017/06/2017-Student-Academic-Experience-Survey-Final-Report.pdf>. The equivalent figure for the Russell Group is 39%.

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/682348/Post_18_review_-_ToR.pdf

²⁰ The most recent calculation is from 2015–16. See <https://www.prao.admin.cam.ac.uk/fees/cost-undergraduate-education>

²¹ The OfS has a general duty to promote value for money and, under the Higher Education and Research Act 2017, has the ability to conduct efficiency and effectiveness studies on registered providers.

Endnotes continued

²² https://consult.education.gov.uk/higher-education/higher-education-regulatory-framework/supporting_documents/C%20Regulatory%20Framework%20consultation%20transition%20FINAL%2018%20October.pdf, p. 3.

²³ See the Annual Report of the General Board to the Council for the Academic Year 2016–17, <https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6489/section3.shtml>, section 2.

²⁴ Under the new regulatory arrangements for the sector, participation in TEF will be an ongoing registration condition for all Approved and Approved (fee cap) providers with more than 500 undergraduate higher education students.

²⁵ Two models are being tested. Model A, in which the University is participating, is a ‘by exception’ model giving a provider-level rating and giving subjects the same rating as the provider where metrics performance is similar, with fuller assessment (and potentially different ratings) only where metrics performance differs. Model B is a ‘bottom-up’ approach to give subject-level ratings that feed into the provider-level assessment and rating. Participating universities are listed in <http://www.hefce.ac.uk/lt/tef/participants/subject/>. Also see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629976/Teaching_Excellence_Framework_Subject-level_pilot_specification.pdf

²⁶ GBEC Minutes from 8 November 2017. See <https://www.governance.cam.ac.uk/committees/gbec/08-11-2017/MeetingDocuments/Confirmed%20-%20Minutes%20531.pdf>

²⁷ Each organization has an Executive Chair and details can be found on <https://www.ukri.org/about-us/our-people/>. Mark Thompson, Professor of Experimental Particle Physics at Cambridge, is Executive Chair of the Science and Technology Facilities Council.

²⁸ The responsibilities of Research England include providing grant funding to English universities for research and knowledge exchange activities, developing and implementing the Research Excellence Framework in partnership with the UK Higher Education funding bodies, overseeing the sustainability of the Higher Education research base in England, and overseeing both the £900 million UK Research Partnership Investment Fund and the Higher Education Innovation Fund (HEIF). See <http://re.ukri.org/>

²⁹ UKRI is an independent organization, supported by an independent Board whose members are appointed by the Secretary of State for Business, Energy, and Industrial Strategy. The UKRI Chair is Sir John Kingman. Sir Mark Walport is the Chief Executive.

³⁰ Some academic communities have expressed concerns about the extent of ministerial influence on UKRI and whether individual research councils might lose autonomy to UKRI in determining how resource is spent.

³¹ <https://www.ukri.org/about-us/>, and <https://www.ukri.org/files/ukri-narrative/> pages 1–4. An immediate priority for the UKRI is to develop a research and innovation infrastructure roadmap. The intention here is to identify the UK’s existing infrastructure and understand its future needs in order to inform investment priorities in the long term. A final report is anticipated in Spring 2019. The infrastructure roadmap will feature large scientific facilities and major equipment, collections, archives and scientific data, e-infrastructures such as data and computing systems, and communications networks. See <https://www.ukri.org/news/infrastructure-roadmap/> and <https://www.gov.uk/government/news/industrial-strategy-boost-for-uk-medicines-with-70-million-of-funding-to-help-develop-new-treatments>

³² See <http://www.cam.ac.uk/research/research-at-cambridge/interdisciplinary-research-centres> and <http://www.cam.ac.uk/research/research-at-cambridge/strategic-research-initiatives-networks>

³³ <https://www.admin.cam.ac.uk/reporter/2015-16/weekly/6403/section5.shtml#heading2-19>

³⁴ The strategy focuses on a series of grand challenges that promote research and innovation across artificial intelligence and big data, clean growth, the future of mobility, and the needs of an ageing society. See page 23, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf. The Industrial Strategy Challenges Fund is providing £725m of strategic investment over the next four years and will promote greater collaboration between researchers and businesses to drive innovation and enhance economic prosperity across the UK.

³⁵ See Research Policy Committee papers RPC 954, page 1 and RPC 955 Appendix B, page 4 (from the meeting on 25 January 2018).

³⁶ <https://www.gov.uk/government/people/damian-hinds>

³⁷ <https://www.gov.uk/government/people/sam-gyimah>

³⁸ The tool does not make decisions, but provides information designed to support decision-making.

³⁹ The University’s Capital Plan is to be re-developed to model more effectively the gross cost of projects and the anticipated cashflow, and to include informed assessments of the potential for external funding including philanthropy. Any remaining funding requirement must be considered alongside the prioritization tool and an assessment of overall affordability for the University. This will inform which projects are taken forward over the short- to medium-term.

⁴⁰ Excludes Cambridge Assessment and Cambridge University Press.

⁴¹ Bond interest is included in Table 5 of this Report.

⁴² <https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6502/section8.shtml#heading2-14>

⁴³ Core allocations would not change from year-to-year other than for any agreed inflationary uplift. There may, however, be periodic reassessments of the baseline allocation, as part of a three- or four-year cycle of strategic reviews.

⁴⁴ The in-year cost of the contribution reward and progression schemes for Chest-funded academic, and academic-related and assistant staff is met non-recurrently via the relevant central administered fund. Normally, the recurrent costs are managed within existing Chest baselines thereafter (but see footnote 45).

⁴⁵ When it met in April, the PRC agreed not to make provision in this Budget Report for recurrent allocation to meet forecast recurrent costs from 2019–20 resulting from pay and reward initiatives under the University’s People Strategy. A more robust assessment of the financial impact is being produced by the Human Resources Division of the UAS. It should be feasible to pass on some of the costs to research grants and contracts, although a substantial proportion will remain as a recurrent commitment on the Chest. The PRC agreed that an optimal solution will be to re-baseline Chest allocations for Schools and NSIs in order to eradicate forecast Chest deficits. The PRC observed that this would be timely, and would coincide with other discussions about the future direction and size of the University (see paragraph 51). Even so, the resources necessary to revise Chest baselines will rely on a combination of new and additional income, a reduction in activities, and an increase in efficiency in administrative services. The PRC agreed that these considerations will feed into a revised approach for planning, which is under consideration by the Chief Financial Officer and Director of Finance, and will be informed by the incoming Pro-Vice-Chancellor for Strategy and Planning.

⁴⁶ <https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6502/section8.shtml#heading2-14>, see paragraph 5.

⁴⁷ The embargo for the OfS grant letter was lifted on 11 May 2018, and for Research England, on 15 May 2018.

⁴⁸ This includes extra funding for 80 additional clinical students on the standard course and 21 additional students to be admitted to the Graduate Course.

Endnotes continued

⁴⁹ The reduction in expenditure includes an updated forecast for the total contribution to Colleges in respect of the University's Graduate Fee.

⁵⁰ The fee income forecasts also include a £2m reduction in the central provision to de-risk ambitious projections of student numbers.

⁵¹ The Allocations Table does not show increases already endorsed last year and built into the forecasts of Budget Report 2017.

⁵² The objectives of the Internal Relativities Review are to identify and address any situations where equal pay requirements are not being met, and to ensure that equal pay is properly considered in all future activity.

⁵³ The People Strategy also includes the continuation and extension of the current employee benefits scheme 'CamBens' and the continuation of Personal and Professional Development, both of which provide benefits to staff across all grades. More information is available at <https://www.hr.admin.cam.ac.uk/pay-benefits/cambens-employee-benefits>. Also included are costs that will be incurred as a result of the University seeking full accreditation as a Voluntary Living Wage employer.

⁵⁴ Central administered funds currently meet the in-year costs of increases resulting from these pay and reward schemes.

⁵⁵ The project is under the oversight of the Pro-Vice-Chancellor for Education, and the Digital Teaching and Learning Subcommittee of the Information Services Committee. A successful pilot scheme has already taken place. The measures proposed in this planning round will extend the pilot across the University.

⁵⁶ The NHS Clinical Academic Reserve has funded key clinical teaching posts, but is being withdrawn as post-holders currently funded from this source either resign or retire. The School is taking a strategic approach to refilling these posts and some are being suppressed. Additional Chest allocation has been provided since Planning Round 2015 in order to meet the resulting shortfall. A review is to take place in summer 2018 with the aim of identifying a long-term solution, taking into account the overall teaching resources required to teach clinical medicine and all sources of funding available to the School to meet the funding required.

⁵⁷ It also includes a post to investigate student complaints of sexual misconduct and additional support for the office of the Vice-Chancellor.

⁵⁸ The extent of the University's contribution may be reduced temporarily by contributions from reserves in some trust funds. The extra posts will ensure that the Disability Resource Centre and the Counselling Service can respond to increased demand as a result of growth in the postgraduate student population.

⁵⁹ The Public Engagement Advisory Group recommended additional outreach work following a recent review of public engagement. The formal review and registration of sports clubs will reduce the University's exposure to risks identified as part of the Sports Review.

⁶⁰ The Chest benefits when exchange rate movements are favourable.

⁶¹ Taking adjustments for cost-neutral transfers into account in 2017–18, the main year-on-year changes were due to increases in forecast allocations to utilities, rates, rents and other running costs, and charity support funding. These were offset in part by a reduction in forecast contributions to Colleges in relation to the University's Graduate Fee.

⁶² This is the College Fee transfer and contributions to the Colleges in relation to the University's Graduate Fee.

⁶³ Formerly HEIF.

⁶⁴ The allocation to this fund is formula driven and based on increases in forecast fees and requirements set to-date by OFFA.

⁶⁵ The contingency holds an accumulated reserve of £13.0m in addition to the allocation forecast for 2018–19.

⁶⁶ This does not take into account additional forecast costs in relation to the new proposals under the People Strategy, which are presented in this Budget Report under University-wide initiatives. The allocation will be held in a central administered fund pending firm figures for the distribution of funds to Schools and institutions.

⁶⁷ <https://www.staff.admin.cam.ac.uk/general-news/vice-chancellors-consultation>

TABLES AND APPENDICES

TABLE 1: CHEST 2016–17 ACTUAL OUT-TURN VERSUS BUDGET

	Budget 2016–17 £m	Actual 2016–17 £m	Variance 2016–17 £m
Income			
Grants from the Funding Bodies	145.1	145.2	0.1
Academic fees	213.6	210.1	(3.5)
Research grants and contracts	40.2	38.4	(1.8)
Endowment income and interest receivable	24.7	24.1	(0.6)
Other operating income	16.7	18.3	1.6
Other services rendered	2.0	2.5	0.5
TOTAL INCOME	442.3	438.6	(3.7)
Allocation / Expenditure			
Academic Departments	182.5	182.5	0.0
Academic institutions and services	46.0	46.0	0.0
Staff and student services	1.3	1.3	0.0
Unified Administrative Service (UAS)	31.2	31.2	0.0
<i>Administered Funds</i>			
Teaching and research	108.7	106.3	2.4
Contingency	8.4	8.4	0.0
Human resources	3.9	4.1	(0.2)
Operational	3.3	3.7	(0.4)
Estates	52.7	49.5	3.2
General	2.7	2.7	0.0
Baseline	4.9	5.0	(0.1)
TOTAL EXPENDITURE	445.6	440.7	4.9
Surplus / (deficit)	(3.3)	(2.1)	1.2

TABLE 2: CHEST 2017–18 LATEST FORECAST

	Original Budget 2017–18 £m	Latest Forecast 2017–18 £m	Changes to Chest 2017–18 £m
Income			
Grants from the Funding Bodies	147.6	148.8	1.2
Academic fees	224.3	224.4	0.1
Research grants and contracts	40.0	40.3	0.3
Endowment income and interest receivable	21.7	21.0	(0.7)
Other operating income	16.8	18.6	1.8
Other services rendered	2.8	2.6	(0.2)
TOTAL INCOME	453.2	455.7	2.5
Allocation / Expenditure			
Academic Departments	190.7	192.6	(1.9)
Academic institutions and services	51.7	52.1	(0.4)
Staff and student services	1.3	1.3	0.0
Unified Administrative Service (UAS)	36.2	43.1	(6.9)
<i>Administered Funds</i>			
Teaching and research	113.7	109.3	4.4
Contingency	7.8	5.2	2.6
Human resources	4.0	4.2	(0.2)
Operational	4.0	4.2	(0.2)
Estates	57.9	53.3	4.6
General	5.9	5.9	0.0
Baseline	1.4	0.0	1.4
TOTAL EXPENDITURE	474.6	471.2	3.4
Surplus / (deficit)	(21.4)	(15.5)	5.9

TABLE 3: CONSOLIDATED OPERATING BUDGET FOR 2018–19

	Chest	Research grants and contracts*	Trust funds	Other non-Chest	Total budget
Income	£m	£m	£m	£m	£m
Grants from the Funding Council	149.0			6.0	155.0
Academic fees	238.0			35.1	273.1
Research grants and contracts	41.3	456.7		(0.1)	497.9
Endowment income and interest receivable	21.4		44.6	4.0	70.0
Other operating income	18.2	2.1		74.5	94.8
Other services rendered	3.2			60.6	63.8
TOTAL INCOME	471.1	458.8	44.6	180.1	1,154.6
Allocation / Expenditure					
School of Arts and Humanities	23.9	11.5	6.4	4.5	46.3
School of the Humanities and Social Sciences	38.3	19.3	7.4	14.1	79.1
School of the Physical Sciences	43.3	75.9	10.2	14.1	143.5
School of Technology	33.5	62.8	6.0	69.5	171.8
School of the Biological Sciences	38.0	103.1	4.0	11.6	156.7
School of Clinical Medicine	22.2	183.5	4.6	34.9	245.2
Total Schools	199.2	456.1	38.6	148.7	842.6
Academic institutions and services	53.7	1.5	4.0	30.9	90.1
Staff and student services	1.3	0.0	0.0	1.5	2.8
Unified Administrative Service	44.0	0.0	0.9	15.3	60.2
University-wide initiatives	0.0	0.0	0.0	0.0	0.0
<i>Administered Funds</i>					
Teaching and research	116.6				116.6
Contingency	10.4				10.4
Human resources	2.2				2.2
Operational	4.4				4.4
Estates	58.2				58.2
General	6.3				6.3
Baseline	0.0				0.0
Administered Funds Total	198.1				198.1
TOTAL ALLOCATION / EXPENDITURE	496.3	457.6	43.5	196.4	1,193.8
Surplus / (deficit)	(25.2)	1.2	1.1	(16.3)	(39.2)

* Research grants and contracts income in this non-Chest column represents *direct* costs and the portion of *indirect* costs recovered which accrue to Departments.

The portion of *indirect* costs recovered which accrues to the Chest is shown in the Chest column (£41.3m).

Research grants and contracts expenditure in this non-Chest column represents *direct* costs and expenditure funded by the Departments' *indirect* costs income.

TABLE 4: OPERATING BUDGET SUMMARY

Income	BUDGET 2018–19			PROJECTION 2019–20			PROJECTION 2020–21			PROJECTION 2021–22		
	Chest £m	Non- Chest £m	Total £m	Chest £m	Non- Chest £m	Total £m	Chest £m	Non- Chest £m	Total £m	Chest £m	Non- Chest £m	Total £m
Grants from the Funding Council	149.0	6.0	155.0	149.6	3.7	153.3	149.3	3.7	153.0	149.6	3.7	153.3
Academic fees	238.0	35.1	273.1	252.5	40.1	292.6	261.9	43.3	305.2	270.1	45.1	315.2
Research grants and contracts	41.3	456.6	497.9	41.9	462.6	504.5	42.6	472.1	514.7	43.4	480.8	524.2
Endowment income and interest receivable	21.4	48.6	70.0	22.4	51.9	74.3	23.2	55.1	78.3	23.6	58.4	82.0
Other operating income	18.2	76.6	94.8	18.5	78.4	96.9	18.7	81.4	100.1	18.3	83.9	102.2
Other services rendered	3.2	60.6	63.8	3.9	64.0	67.9	4.2	70.0	74.2	4.4	72.4	76.8
TOTAL INCOME	471.1	683.5	1,154.6	488.8	700.7	1,189.5	499.9	725.6	1,225.5	509.4	744.3	1,253.7
Allocation / Expenditure												
Schools	199.2	643.4	842.6	202.8	654.9	857.7	205.0	676.6	881.6	207.5	691.6	899.1
Academic institutions and services	53.7	36.4	90.1	55.1	35.3	90.4	55.9	37.6	93.5	56.7	38.6	95.3
Staff and student services	1.3	1.5	2.8	1.3	1.4	2.7	1.3	1.4	2.7	1.3	1.5	2.8
Unified Administrative Service	44.0	16.2	60.2	44.4	14.2	58.6	44.1	12.7	56.8	44.5	12.0	56.5
University-wide initiatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Administered funds</i>												
Teaching and research	116.6	0.0	116.6	124.0	0.0	124.0	127.0	0.0	127.0	126.1	0.0	126.1
Contingency	10.4	0.0	10.4	10.8	0.0	10.8	10.8	0.0	10.8	10.2	0.0	10.2
Human resources	2.2	0.0	2.2	3.0	0.0	3.1	3.5	0.0	3.5	4.0	0.0	4.0
Operational	4.4	0.0	4.4	4.6	0.0	4.6	4.7	0.0	4.7	4.9	0.0	4.9
Estates	58.2	0.0	58.2	60.4	0.0	60.4	61.4	0.0	61.4	63.0	0.0	63.0
General	6.3	0.0	6.3	6.2	0.0	6.2	6.2	0.0	6.2	6.2	0.0	6.2
Baseline	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administered funds total	198.1	0.0	198.1	209.0	0.0	209.1	213.6	0.0	213.6	214.4	0.0	214.4
TOTAL EXPENDITURE	496.3	697.5	1,193.8	512.6	705.8	1,218.5	519.9	728.3	1,248.2	524.4	743.7	1,268.1
Surplus / (deficit)	(25.2)	(14.0)	(39.2)	(23.8)	(5.1)	(29.0)	(20.0)	(2.7)	(22.7)	(15.0)	0.6	(14.4)

TABLE 5: PROJECTED STATEMENT OF COMPREHENSIVE INCOME 2018-19

£m	Operating			Capital grants, new endowments			Total		
	Projected 2018-19	Forecast 2017-18	Actual 2016-17	Projected 2018-19	Forecast 2017-18	Actual 2016-17	Projected 2018-19	Forecast 2017-18	Actual 2016-17
Income									
Tuition fees and education contracts	312.9	290.5	263.6				312.9	290.5	263.6
Funding Body grants	155.0	157.7	147.1	30.8	30.9	30.9	185.8	188.6	178.0
Research grants and contracts	439.0	432.0	422.8	74.0	44.2	34.7	513.0	476.2	457.5
Donations and endowments	21.1	25.4	38.6	19.8	32.6	42.3	40.9	58.0	80.9
Other income	110.3	108.2	101.1	51.2	48.7	26.8	161.5	156.9	127.9
Investment income	79.7	77.0	71.9				79.7	77.0	71.9
Total income	1,118.0	1,090.8	1,045.1	175.8	156.4	134.7	1,293.8	1,247.2	1,179.8
Expenditure									
Staff costs	216.3	212.4	202.2				216.3	212.4	202.2
Research	401.3	384.9	361.5				401.3	384.9	361.5
Other	168.8	163.8	162.2				168.8	163.8	162.2
Other operating expenditure	321.6	307.4	268.8				321.6	307.4	268.8
Depreciation	95.0	83.7	78.2				95.0	83.7	78.2
Interest and other finance costs	28.8	28.4	27.2				28.8	28.4	27.2
Total expenditure	1,231.8	1,180.6	1,100.1				1,231.8	1,180.6	1,100.1
(Deficit) / surplus before other gains and losses	(113.8)	(89.8)	(55.0)	175.8	156.4	134.7	62.0	66.6	79.7
Gain / (loss) on investments				68.5	16.9	245.7	68.5	16.9	245.7
Actuarial loss				—	—	(0.9)	—	—	(0.9)
Total comprehensive income	(113.8)	(89.8)	(55.0)	244.3	173.3	379.5	130.5	83.5	324.5

Table 5: Basis of preparation

Table 5 above presents a forecast income and expenditure account for the academic University based on accounting policies and practices in force for 2017–18, equivalent to the University management accounts ('Red Book').

North West Cambridge capital receipts and rental income are not included in the above Table, nor are the activities of subsidiary companies except to the extent that surpluses are transferred to the University.

RECONCILIATION

The projection in Table 5 above for 2018–19 is based on Table 3 adjusted as follows:

	Total income £m	Surplus / (deficit) £m
Capital fund	1,154.6	(39.2)
Transfer of property from Cambridge Assessment	28.5	28.5
Capital adjustments	22.7	22.7
New endowments	10.0	10.0
Subsidiary companies	(14.7)	–
Donations for research	(1.8)	(1.8)
Eliminations	(13.8)	–
Bond interest	–	(13.3)
Defined benefit pension schemes	–	(13.3)
Investment income	13.3	13.3
Other adjustments	–	25.0
	1,293.8	62.0

Table 5 projection

APPENDIX 1: STAFF FTE BY ORGANIZATION AND STAFF GROUPING: 2009–2018

	Academic									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	1,557	1,533	1,520	1,536	1,530	1,581	1,608	1,615	1,617	1,632
UAS & Vice-Chancellor's Office										
Academic Services	2	3	3	3	3	1	1			
Museums & Galleries							1	1	1	1
Staff & Student Services										
DAR & Investment Office										
Total	1,559	1,535	1,523	1,539	1,533	1,582	1,610	1,616	1,618	1,633

	Academic-related (administrative)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	249	265	288	313	350	393	449	496	531	584
UAS & Vice-Chancellor's Office	323	323	310	283	313	342	354	409	441	474
Academic Services	13	18	16	10	11	4	21	38	43	44
Museums & Galleries	20	20	20	22	22	21	20	23	22	22
Staff & Student Services	18	23	26	25	22	8	9	3	3	3
DAR & Investment Office	37	41	39	43	38	43	63	66	61	68
Total	660	690	700	696	756	812	915	1,036	1,101	1,196

	Academic-related (computing)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	222	226	231	225	231	261	268	277	270	270
UAS & Vice-Chancellor's Office	55	59	61	60	73	78	6	6	8	6
Academic Services	95	93	89	90	84	83	160	168	185	193
Museums & Galleries	3	3	3	3	3	3	3	2	2	2
Staff & Student Services	3	4	4	4	4	4	4	4	4	4
DAR & Investment Office	2	1	2	3	3	3	3	7	6	7
Total	380	386	391	385	397	431	444	463	474	482

	Academic-related (other groups)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	104	101	104	109	113	131	171	164	185	200
UAS & Vice-Chancellor's Office	15	14	13	15	15	26	28	27	30	34
Academic Services	75	69	71	74	75	68	69	66	70	76
Museums & Galleries	18	16	16	17	13	21	23	23	27	26
Staff & Student Services	18	15	14	15	17	13	13	13	11	13
DAR & Investment Office										
Total	230	215	217	230	234	259	304	294	324	349

	Research									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	2,576	2,679	2,712	2,797	3,048	3,296	3,561	3,654	3,787	3,906
UAS & Vice-Chancellor's Office	7	6	7	5	4	1	1	1	1	1
Academic Services	34	34	32	32	31	27	22	19	17	15
Museums & Galleries	13	13	12	11	14	14	17	13	9	12
Staff & Student Services										
DAR & Investment Office										
Total	2,630	2,733	2,763	2,845	3,097	3,337	3,600	3,687	3,813	3,935

	Assistant									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	1,875	1,908	1,920	1,902	2,007	2,068	2,131	2,031	2,080	2,159
UAS & Vice-Chancellor's Office	554	526	494	405	417	443	430	627	636	669
Academic Services	272	268	251	242	245	242	279	269	290	313
Museums & Galleries	85	89	87	82	94	94	96	107	100	114
Staff & Student Services	37	48	51	43	45	45	47	20	21	18
DAR & Investment Office	20	31	34	32	31	40	49	46	51	49
Total	2,843	2,871	2,836	2,706	2,838	2,931	3,033	3,100	3,178	3,322

	All staff									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools & Academic institutions	6,583	6,713	6,775	6,882	7,279	7,732	8,127	8,237	8,470	8,751
UAS & Vice-Chancellor's Office	954	928	885	769	822	888	879	1,071	1,116	1,185
Academic Services	491	484	462	451	448	424	552	560	605	642
Museums & Galleries	139	141	138	135	146	153	160	169	161	177
Staff & Student Services	76	91	95	87	88	70	73	40	39	37
DAR & Investment Office	59	74	76	78	71	86	115	118	117	125
Total	8,302	8,431	8,430	8,401	8,855	9,353	9,905	10,196	10,508	10,917

Notes:

All data as at 31 January. Because of rounding, totals may not always equal the sum of the parts.

Organization group*Schools & Academic institutions*

All Schools; ICE; CISL; UAS staff in Faculties, Departments, and School offices; biomedical services (until 2015, then in UAS).

UAS & Vice-Chancellor's Office

Excludes staff in Faculties, Departments, and School offices. Includes Vice-Chancellor's Office; MISD (until 2014).

Academic Services

Libraries; UCS (until 2014); UIS (from 2015); Language Centre (until 2013, then in Schools).

Museums & Galleries

Fitzwilliam Museum; Kettle's Yard; Hamilton Kerr Institute.

Staff & Student Services

Careers; Accommodation Service (until 2013, then in UAS); Sports Service (until 2015, then in UAS); ADC; Graduate Union; Dental Service (until 2011); Counselling Service (until 2013, then in UAS).

DAR & Investment Office

Development and Alumni Relations; Investment Office.

Academic-related (other groups) includes: Librarians; Keepers; Technical Officers; Ceremonial posts; Language Teaching Officers; Counsellors; Therapists.

Number of core matriculated full-time postgraduate students by qualification and fee status: 2012–13 to 2017–18

Qualification/Fee group	2012–13		2013–14		2014–15		2015–16		2016–17		2017–18	
	Home/EU	Overseas										
M.Phil. (research)	424	339	432	404	439	406	462	405	451	315	355	278
M.Phil. (taught)	330	460	344	438	342	384	360	402	429	489	615	604
M.Res. (standalone)	1	0	4	0	2	6	4	10	2	3	1	2
M.Litt. / M.Sc.	1	0	0	0	0	0	0	0	1	0	0	0
M.A.St.	112	66	113	68	118	60	103	66	118	64	119	66
LL.M.	66	88	99	128	54	76	59	95	67	98	75	103
M.C.L.	5	19	3	20	3	20	8	14	5	17	7	17
M.B.A.	33	118	35	106	29	116	26	131	44	129	34	174
M.Fin.	9	37	6	39	7	30	12	52	5	46	9	50
M.Mus.	1	5	3	7	2	2	3	5	6	4	0	4
P.G.C.E.	406	8	407	4	364	2	308	4	312	2	274	3
Postgraduate diplomas	17	14	20	10	20	9	11	8	22	11	14	9
Ph.D.	2,241	1,491	2,220	1,464	2,154	1,486	2,149	1,421	2,179	1,371	2,196	1,356
Integrated Doctorate (M.Res./M.Phil. +Ph.D.)	135	25	176	29	271	42	317	51	331	57	365	69
Total full-time postgraduates	3,781	2,670	3,862	2,717	3,805	2,639	3,822	2,664	3,942	2,606	4,064	2,735
												6,799

Notes on the student numbers tables:

1. The data is based on the extract from the University student records system (CamSIS) taken on 1 December of a given academic year.
2. The numbers are the headcount of matriculated students on a course.
3. The numbers exclude students who were not active, e.g. intermitting, on the census date of 1 December.
4. The numbers exclude incoming exchange and other visiting students; they represent core student numbers only.
5. The numbers exclude postgraduate students writing up / under examination. Those are postgraduate students who have completed the minimum requirements of their course, but who have either not yet submitted their dissertation or have not yet had their degree approved.
6. The B.A. qualification group in the table that presents undergraduate numbers covers students aiming for B.A., B.A. +M.Eng., B.A. +M.Math., B.A. +M.Sci., and affiliated students.
7. The 'Cambridge graduates reading Triposes' category includes undergraduate students reading Triposes who are not aiming for a qualification because they already hold a Cambridge degree that prevents them from being awarded another B.A.

Number of core matriculated part-time postgraduate students by qualification and fee status: 2012–13 to 2017–18

Qualification / Fee group	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	Home/EU	Overseas	Home/EU	Overseas								
M.Phil.	17	0	11	2	14	3	13	0	10	0	10	0
M.St.	250	95	274	112	294	122	339	122	377	129	434	184
M.Ed.	261	3	271	4	205	3	196	2	167	0	184	4
Executive M.B.A.	50	44	53	54	76	37	85	34	103	43	121	44
Postgraduate diplomas	0	0	1	0	0	0	0	0	0	0	1	0
Ph.D.	132	9	134	7	147	10	143	9	151	9	152	15
Ed.D.	27	0	32	0	35	0	46	0	40	0	41	1
M.D.	7	0	16	0	20	1	21	2	23	3	20	3
Total part-time postgraduates	744	151	792	179	791	176	843	169	871	184	963	251
											1,055	1,214

Notes on the student numbers tables:

1. The data is based on the extract from the University student records system (CamsIS) taken on 1 December of a given academical year.
2. The numbers are the headcount of matriculated students on a course.
3. The numbers exclude students who were not active, e.g. intermitting, on the census date of 1 December.
4. The numbers exclude incoming exchange and other visiting students; they represent core student numbers only.
5. The numbers exclude postgraduate students writing up / under examination. Those are postgraduate students who have completed the minimum requirements of their course, but who have either not yet submitted their dissertation or have not yet had their degree approved.
6. The B.A. qualification group in the table that presents undergraduate numbers covers students aiming for B.A., B.A.+M.Math., B.A.+M.Eng., B.A.+M.Sc., and affiliated students.
7. The 'Cambridge graduates reading Triposes' category includes undergraduate students reading Triposes who are not aiming for a qualification because they already hold a Cambridge degree that prevents them from being awarded another B.A.

APPENDIX 4: EXPENDITURE

In parallel with the new presentation of staff numbers, the Council agreed to show the changing patterns of total expenditure from both Chest and non-Chest sources in the form of the table below. This shows a fairly stable pattern of expenditure in academic institutions as a proportion of total expenditure. Information is drawn from the Financial Management Reports produced to complement the University's Financial Statements and published each year in the *Cambridge University Reporter*.¹ The report does not form part of the Financial Statements and is unaudited.

Given the inclusion in the other institutions and activities line of *ad hoc* and project expenditure, a certain amount of variation from year to year would be expected. For that reason the breakdown between other institutions and other activities is given.

This year a breakdown of expenditure by activity has been provided for the two main categories: Schools and other academic institutions, and Other institutions.

Expenditure (£000)	2011–12	2012–13	2013–14	<i>restated</i>		
				2014–15	2015–16	2016–17
Schools and other academic institutions	538,018	590,152	643,794	690,542	734,921	769,350
<i>Of which the % expenditure is as follows:</i>						
<i>Academic and academic services</i>	92%	92%	92%	91%	92%	91%
<i>Administration and central services</i>	2%	2%	2%	3%	2%	2%
<i>Premises and other</i>	6%	6%	6%	7%	6%	6%
Other institutions	191,550	200,902	213,308	221,289	227,055	244,123
<i>Of which the % spend is on:</i>						
<i>Academic and academic services</i>	16%	16%	16%	17%	16%	17%
<i>Administration and central services</i>	41%	40%	39%	38%	40%	41%
<i>Premises and other</i>	43%	43%	45%	45%	44%	43%
Other activities	75,853	83,001	87,704	142,157	133,946	121,049
Total expenditure	805,421	874,055	944,806	1,053,988	1,095,922	1,134,522

Notes

'Schools and other academic institutions' figures include the Centre for Islamic Studies, the Institute of Continuing Education, and UAS staff in Schools.

'Other institutions' includes the central administration, staff and student services, and academic services such as the University Library and the non-embedded Museums.

'Other activities' represents College fees, subsidiary companies, bond interest, CPS deficit contributions not costed with pay, and balance sheet adjustments. From 2014–15 this also includes USS and CPS provision movements.

¹ A list of links to the University's *Reports and Financial Statements* and to the *Financial Management Information* reports is available on the governance site at <https://www.governance.cam.ac.uk/committees/finance-committee/Pages/FMI.aspx>.

APPENDIX 5: OFS AND RESEARCH ENGLAND FUNDING FOR 2018–19**Funding 2018–19**

The Higher Education Funding Council for England (HEFCE) has been replaced by the Office for Students (OfS) and Research England, a new Council within UK Research and Innovation, which respectively award the funding for teaching and for research formerly distributed by HEFCE. These new bodies were established by the Higher Education and Research Act 2017 (HERA) but regulatory frameworks will not come fully into force until 1 August 2019. The period from 1 April 2018 to 31 July 2019 is therefore a transitional one, during which funding will be distributed largely under powers that formerly applied to HEFCE (see OfS 2018.22, referenced below). Direct funding powers are therefore limited during this period and both bodies are applying the grant methods developed by HEFCE for this funding round.

This paper is a review of funding announced for 2018–19. Funding is summarized in Annex 1, compared to the two previous years, and the grant letters are attached as Annexes 2 and 3. Full grant details for institutions and the sector will be available on the respective websites when the embargos are lifted.

Office for Students (OfS) – funding for teaching

1. OfS – like HEFCE – is committed to being open about its funding methods. Reference should be made in due course to the OfS website¹ for the further detail of 2018–19 grants – in particular *Recurrent and formula capital funding for 2018–19* (Reference OfS 2018.20) and the *Guide to funding 2018–19: how the Office for Students allocates money to higher education providers* (Reference OfS 2018.21). These circulars are supported by individual letters to institutions and more detail will appear on the OfS website.

2. Government funding and priorities for 2018–19 for the OfS were announced in the Minister of State's letter of 20 February 2018;² the letter focused on a number of matters including the student experience, access, and value for money and stated that OfS's funding priorities remained broadly consistent with those set for HEFCE in previous years. For the detail of the OfS deliverables see Annex A to that letter. There is as yet no indication of funding available for 2019–20.

3. The main decisions of the OfS Board for 2018–19 were announced in the OfS letter of 5 April 2018 (2018.22).³ As usual, any future changes to the grant made available by government could affect the funding distributed to institutions in the 2018–19 academical year, and this may include revising allocations after they have already been announced. The OfS will embark on a review of its funding methods for the longer term, informed by the government's current review of post-18 education and funding.

4. Funding for 2017–18 was finalized by HEFCE in February 2018 and included the additional £748,014 Global Challenges Research Funding (GCRF) announced in July 2017 and rolled into mainstream QR bringing the total GCRF to £3,264,114.

5. The grant tables include allocations of formula based capital for teaching in 2018–19. The allocation to Cambridge is £1,137,921 (compared to £2,081,048 in 2017–18: £1,457,362 announced in April 2017 with an additional £623,686 announced in February 2018).

6. 2018–19 total recurrent funding for teaching (not including teaching capital) for the University increased by 0.91% compared with 2017–18 but that includes additional funding for the continued expansion of the Clinical School.

OfS funding method for teaching

7. The aim is to focus funding on priority areas where costs typically exceed tuition fees, for example, when a course is costly to provide, where students may need additional support to succeed, or because the location brings about additional costs. Funding also supports efforts to improve social mobility by widening access and ensuring continued participation.

8. The changes in formula funding consequent to the new fee regime in 2012 are complete and funding for old regime students has been discontinued. After a succession of significant annual decreases (which should be compared with the increases in fee income) the University's high cost subject funding will increase by 2.5%. That increase includes extra funding for 80 additional clinical students on the standard course and 21 additional students to be admitted to the Graduate Course. High cost subject funding would otherwise have reduced by 3.0%. Additional funding for the increases in the clinical and graduate course intakes is expected in 2019 and later years.

9. A Targeted Allocation provides additional support for very high cost STEM subjects which is conditional on institutions continuing to maintain taught programmes in the very high-cost disciplines that this funding aims to sustain. Institutions may be asked to submit qualitative monitoring information on the use of the funding.

10. Details of funding methods are contained in the technical guidance circulated with the grant announcement; the notes below include a brief summary of changes.

2018–19 T grant

11. For the 2018–19 academical year the teaching allocation is based on the student number return for 2017–18 with the addition of 80 clinical students in Price Group A, funded at £10,100/FTE and 21 additional medical students in Price Group B funded at £1,100/FTE. Funding is calculated at standard rates in the Price Groups which include the higher cost subjects. There is no additional funding for any remaining Old Regime students in any price group admitted before 2012 and paying the lower fee.

¹ <https://www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/>

² <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/>

³ Renumbered from 2018.18, https://www.officeforstudents.org.uk/media/1447/ofS2018_22.pdf

12. Although OfS has provided additional funding for high cost subjects, the scale factor applied to the standard rates of funding has reduced and so the funding is spread more thinly over a greater volume at reduced rates. Because student fees are not increasing this puts further pressure on the unit of resource for teaching.

13. Targeted allocations include funding for high cost and intensive provision and for students on Erasmus and overseas study programmes who may only be charged reduced fees. There is a reduction in the postgraduate taught supplement which is now targeted on students on courses not eligible for postgraduate masters' loans.

14. Student opportunity and the other targeted allocations otherwise fluctuate according to the underlying data on which the allocations are calculated. Formula-based targeted allocations for widening access have been discontinued and investment in that area is now solely through the national collaborative outreach programme (NCOP). The total of targeted allocations has reduced from £2,872,833 to £2,654,536 mainly as a result of the cessation of Old Regime funding.

Student number controls

15. Student Number Controls now only apply to the admission of medical [and dental] students. Remaining within the control is a condition of grant. In October 2016 the Health Secretary announced an increase of 1,500 to the number of home students studying medicine from 2018–19. HEFCE announced a distribution of additional home numbers for 2018 and invited bids for a further increase in 2019.

16. The distribution to Cambridge was 21 in the first round for 2018 but the second round bid was unsuccessful. The 21 additional funded numbers have been allocated to the Graduate-entry Course and in year 1 are funded at the Price Group B rate.

17. The University has until now been able to admit International students to medicine up to a maximum proportion of its quota but the cap is to be released when International students become responsible for meeting their own clinical placement costs. These arrangements have not yet been finalized.

Conditions of grant

18. The conditions of grant over the transitional period to 31 July 2019 are set out in OfS Regulatory Notice 2, and in relation to capital funding in OfS 2018.20, referenced above.

Summary

19. The University's total OfS grant for teaching in 2018–19 is £18,107,597 (2017–18: £17,944,708), an increase of 0.91%, but an underlying decrease of 3.8% if the additional funding for medicine is deducted.

Research England – funding for research

Funding for research

20. Research England received a guidance letter⁴ from BEIS in March 2018 setting out their priorities; Research England announced their approach to funding in circular RE-CL-2018-01⁵ in April 2018. Previous decisions made by the HEFCE Board remain largely unchanged. There will be no further issue of grant tables later in the year.

21. The formulae for calculating the different elements of research funding continue to include financial data from the HESA return and volume and quality ratings derived from the REF. Sector total mainstream quality-related research funding (QR) has been held at cash level but does not include an allocation for the Global Challenges Research Fund (GCRF) as it has in the past two years – the 2018–19 allocation will be announced separately later in the year and will be subject to acceptance of institutional strategies but the indicative allocation, announced by HEFCE in a letter to the Vice-Chancellor dated 18 January 2018 is £3,936,657. Additional funding has been allocated to Research Degree Programme Funding, to Charity Support Funding, and for Knowledge Exchange.

22. Research income reported in the HESA finance return on which the allocations of Charity Support Funding and the Business Research Element are calculated is subject to audit and grant may be adjusted retrospectively if income qualifying for formula funding is reduced because individual grants have been ruled ineligible.

2018–19 funding for research

23. GCRF has been deducted from 2016–17 and 2017–18 mainstream QR in Annex 1 to enable a true comparison and shows that GCRF-exclusive total funding for research has increased by 2.2%.

24. Charity Support and Business Research funding reflect changing volumes reported in the HESA returns calculated on an average of four past years. This report last year explained the reason for the change from the two-year average as a consequence of FRS 102. The modest increase in funding is the result of an increase in the averages and despite a further reduction in the multipliers used to calculate funding (by -0.4% and -0.9% for Charity Support and Business Research funding respectively).

25. Research Degree Programme (RDP) funding depends on a count of FT PGR students, in years 1–3 (1–6, PT) over the past six years, with the funding capped at a maximum of three years for each FT student (six, PT). Total RDP funding has increased by 8.7% mainly as a consequence of the increased funding pot: volume is little changed.

⁴ <https://re.ukri.org/documents/2017/guidance-from-beis-to-research-england-for-fy2018-19/>

⁵ <https://re.ukri.org/news-events-publications/publications/funding-for-higher-education-institutions-for-2018-19/>

Other funding – 2018–19

26. Funding for research libraries and for museums and galleries is unchanged.

27. The University receives the maximum Knowledge Exchange funding (formerly HEIF) which now includes the Industrial Strategy uplift and in addition the maximum supplementary allocation. The amount of funding, and whether the supplement is due is based on an analysis of funding reported in successive annual Higher Education – Business and Community Interaction Surveys.

28. The changes in GCRF have been described above.

General Points*Future funding*

29. There are no indications of funding beyond 2018–19.

Conditions of grant

30. Both grant letters set out the terms and conditions of grant.

31. An entry quota to Medicine remains.

Annexes

Annex 1: Cambridge: comparisons between HEFCE 2016–17, HEFCE 2017–18, and OfS and Research England initial (May 2018) funding for 2018–19.

Annex 2: OfS Grant letter 2018–19 [not reproduced].

Annex 3: Research England Grant letter 2018–19 [not reproduced].

**APPENDIX 5 ANNEX 1: RECURRENT FUNDING FOR CAMBRIDGE
2018–19 and previous two years compared as at 9 May 2018**

FUNDING FOR TEACHING	HEFCE		OfS	<i>Note 1</i>
	2016–17	2017–18	2018–19	
	HECFE FINAL Grant as at February 2017 £	HEFCE FINAL Grant as at February 2018 £	OfS PROVISIONAL Grant as at May 2018 £	
Teaching funding – core funds				
High cost subject funding	14,065,640	15,071,875	15,453,061	<i>Note 2</i>
High cost subject funding: supplement for postgraduate taught	266,355			<i>Note 3</i>
	14,331,995	15,071,875	15,453,061	
High cost subject funding	14,331,995	15,071,875	15,453,061	
Targeted allocations				
Widening participation from disadvantaged backgrounds – full-time	141,531			<i>Note 4</i>
Widening participation from disadvantaged backgrounds – part-time	3,962			<i>Note 4</i>
Targeted Allocation for part-time undergraduates	491			<i>Note 4</i>
Premium to support successful student outcomes: full-time	28,670	23,822	19,748	
Premium to support successful student outcomes: part-time	28,125	30,402	46,533	
Erasmus and overseas study programmes	474,750	511,615	456,055	
Disabled students' premium	277,735	294,374	297,381	<i>Note 5</i>
Postgraduate taught supplement		282,112	206,366	<i>Note 3</i>
Intensive postgraduate provision	96,854	88,623	99,989	<i>Note 6</i>
Accelerated full-time undergraduate provision	34,526	31,649	33,087	<i>Note 7</i>
Very high cost STEM subjects	856,609	870,914	884,326	<i>Note 8</i>
Clinical consultants' pay	525,938	525,938	525,938	
Senior academic GPs' pay	14,296	14,296	14,296	
NHS pension schemes compensation	70,817	70,817	70,817	
Supplement for old-regime students	979,496	128,271		<i>Note 9</i>
Nursing and allied health supplement		0	0	<i>Note 10</i>
Total other targeted allocations	3,533,800	2,872,833	2,654,536	
TOTAL TEACHING FUNDING	17,865,795	17,944,708	18,107,597	

FUNDING FOR TEACHING: Notes to Table

- 1 Grants may be adjusted in later announcements.
- 2 Includes additions in 2017–18 and 2018–19 for the increased Clinical School intake and in 2018–19 for additional funded numbers distributed by formula.
- 3 The supplement for PGT is now a targeted allocation and no longer a component of high cost funding.
- 4 Formula-based widening access targeted allocations have been discontinued and investment in this area is now solely through the National Collaborative Outreach Programme (NCOP).
- 5 In 2016–17 HEFCE increased the amount of funding and changed the formula to better reflect the actual numbers of disabled students at each institution.
- 6 The funding is distributed for FT and PT PGT students in price groups B, C, C1, or C2 who are on long years of study.
- 7 The funding is distributed 'for FT UG students in price groups B, C, C1, C2, or D who are on long years of study' meaning, for Cambridge, the first year of the graduate-entry course in medicine – but this funding will not increase for the additional graduate entry numbers in 2018 until after being reported in student number returns.
- 8 Distributed on the basis of student FTEs in the academic cost centres physics, chemistry, chemical engineering, and mineral, metallurgy, and materials engineering. Subject to the conditions of grant set out in HEFCE Circular Letter 02/2013.
- 9 Maintained in broad terms the pre-2012 funding rates for the last Old Regime students. Now discontinued.
- 10 New in 2017–18 following a funding transfer to HEFCE: not relevant for Cambridge, which has no students in those areas.

FUNDING FOR RESEARCH	HEFCE		RE	
	2016–17 HEFCE FINAL Grant as at February 2017 £	2017–18 HEFCE FINAL Grant as at February 2018 £	2018–19 Research England PROVISIONAL Grant as at May 2018 £	
Mainstream QR (excluding GCRF)	71,648,213	71,420,711	71,418,148	<i>Note 1</i>
Mainstream QR	71,648,213	71,420,711	71,418,148	
Charity support funding	26,661,139	26,847,125	27,825,355	<i>Note 2</i>
Business research funding	4,051,825	4,712,300	4,984,037	<i>Note 2</i>
Sub-total	30,712,964	31,559,425	32,809,392	
Research Degree Programme (RDP) supervision funds	16,061,714	16,544,825	17,986,261	<i>Note 3</i>
Mainstream funding	118,422,891	119,524,961	122,213,801	
QR funding for National Research Libraries	2,159,733	2,159,733	2,159,733	
TOTAL RESEARCH FUNDING	120,582,624	121,684,694	124,373,534	

TOTAL	2016–17 HEFCE FINAL Grant as at February 2017 £	2017–18 HEFCE FINAL Grant as at February 2018 £	2018–19 OfS and RE PROVISIONAL Grant as at May 2018 £	
Total funding for teaching and research	138,448,419	139,629,402	142,481,131	
Global Challenge Research Funding	1,364,640	3,264,114		<i>Note 1</i>
Knowledge Exchange (formerly HEIF)	2,850,000	2,850,000	3,895,000	<i>Note 4</i>
Industrial strategy uplift		475,000		
Knowledge Exchange supplement	500,000	500,000	500,000	
TOTAL RECURRENT GRANT	141,798,419	146,718,516	146,876,131	
Additional allocations				
Museums, galleries, and collections fund	1,983,384	2,116,000	2,116,000	<i>Note 5</i>
TOTAL ADDITIONAL	1,983,384	2,116,000	2,116,000	
ALL FUNDING	143,781,803	148,834,516	148,992,131	

FUNDING FOR RESEARCH and TOTAL: Notes to Tables

- 1 Mainstream QR funding in 2016–17 and 2017–18 included Global Challenges Research Funding. This is not included in 2018–19 mainstream QR and an allocation of GCRF will be announced later. Meanwhile, 2016–17 and 2017–18 GCRF has been deducted and reported separately to enable like-for-like comparisons. The indicative allocation for 2018–19 is £3,936,657.
- 2 From 2017–18 calculated on four year averages of income instead of two years, as previously, to reflect changes in reporting following FRS 102.
- 3 Subject to the condition of grant that the University complies with chapter B11 of the QAA UK Quality Code for Higher Education on PGR programmes.
- 4 Of which £973,750 due to Industrial Strategy Uplift.
- 5 Funding in 2017–18 is the outcome of the 2016 HEFCE review of museums and galleries funding.

OBITUARIES**Obituary Notice**

Brigadier Sir MILES GARTH HUNT-DAVIS, GCVO, CBE, (Hon.)M.A., sometime Senior Member of Wolfson College and formerly Private Secretary to HRH The Duke of Edinburgh, died on 23 May 2018, aged 79 years.

GRACES**Grace submitted to the Regent House on 31 May 2018**

The Council submits the following Grace to the Regent House. This Grace, unless it is withdrawn or a ballot is requested in accordance with the regulations for Graces of the Regent House (*Statutes and Ordinances*, p. 105) will be deemed to have been approved at 4 p.m. on Friday, 8 June 2018.

1. That Regulations 1, 3, and 4 for the Winifred Georgina Holgate Pollard Memorial Prizes (*Statutes and Ordinances*, p. 857) be amended so as to read:¹

1. A bequest received by the University, together with such other sums as may be received or applied for the same purpose, shall form an endowment fund called the Winifred Georgina Holgate Pollard Memorial Prize Fund, to accord recognition to any candidate whom the Examiners for the Part of each Tripos or other examination that qualifies candidates for the B.A. Degree judge to have achieved outstanding results in the Part of that Tripos or other examination.

3. Subject to Regulation 4, the income of the Fund shall be used to provide prizes, which shall be called the Winifred Georgina Holgate Pollard Memorial Prizes. The Prizes shall be awarded each year to any candidate whom the Examiners for the Part of each Tripos or other examination that qualifies candidates for the B.A. Degree judge to have achieved outstanding results in the Part of that Tripos or other examination.

4. The Managers shall in each year, prior to any other expenditure from the income generated from the Fund, add to the capital of the Fund such amount (if any) of the income as shall be calculated as necessary to seek to maintain the real value over time of the Fund in perpetuity and thereafter any remaining income generated from the Fund shall be used to award the Prizes. The Managers may in their absolute discretion provide that part only of the remaining income is expended on the provision of prizes in any year and that the surplus be added to the capital of the Fund. The income available for Prizes in any given year shall be divided equally between the recipients of the Prizes.

¹ The Council, on the recommendation of the General Board and the Managers, and with the support of the donor's family, is proposing changes to the wording concerning the conditions of tenure of the Prizes in order to simplify the arrangements after a year of operation, whilst remaining true to the donor's intentions as expressed in his will.

E. M. C. RAMPTON, *Registrar*

END OF THE OFFICIAL PART OF THE 'REPORTER'

COLLEGE NOTICES

Elections

Corpus Christi College

Elected to an Honorary Fellowship in Economics, with immediate effect:

Professor Avinash Dixit, Emeritus John J. F. Sherrerd
'52 University Professor of Economics, *Princeton*

Elected to a Fellowship in Engineering in Class C, with immediate effect:

Professor Giuila Viggiani, Professor of Infrastructure
Geotechnics

Elected to a Research Fellowship in Classics in Class B, for three years from 1 October 2018:

Thomas Nelson

Darwin College

Elected into Fellowships under Title B from 24 May 2018:

Professor Eric Maskin, (Hon.)Sc.D.

Professor Elizabeth Blackburn, Ph.D., *DAR*, (Hon.)Sc.D.

Elected into a Fellowship under Title C from 11 June 2018:

Professor James Benedict Rowe

Events

Hughes Hall

A public lecture by Demetrius A. Floudas, Senior Associate, Hughes Hall and Adj. Professor, Immanuel Kant Baltic Federal University, Russia, entitled *Rare elements, untraceable toxins: where is today's Russian foreign policy?*, will take place at 5.30 p.m. on Monday, 11 June 2018 in the Pavillion Room, Hughes Hall.

A drinks reception and an open discussion will follow the seminar. Further details and registration information are available from <http://talks.cam.ac.uk/talk/index/106495>

Vacancies

Girton College: College Lectureship and Fellowship in Medicine; tenure: three years from 1 October 2018, with possibility of extension; stipend: £3,907–£5,091 (80 hours) or £5,860–£7,637 (120 hours); closing date: 18 June 2018; further details: <http://www.girton.cam.ac.uk/vacancies>

Hughes Hall: Non-Stipendiary Research Associateships for Academic Clinical Lecturers (three posts); tenure: three to five years; closing date: 11 June 2018; further details: <http://www.hughes.cam.ac.uk/about-us/positions-available>

Jesus College: Fellow and College Lecturer in Law; tenure: fixed-term, five years from 1 September 2018 or as soon as possible thereafter; stipend: £28,936–£35,550; closing date: 29 June 2018; further details: <https://www.jesus.cam.ac.uk/college/people/vacancies>

Selwyn College: One-year fixed-term Teaching Fellowship in German; tenure: from 1 October 2018; stipend: £23,557; closing date: 8 June 2018 at 9 a.m.; further details and application form: <http://www.sel.cam.ac.uk/selwyn-college/employment>

Sidney Sussex College: Postdoctoral College Research Associateships; tenure: two years from 1 September 2018 with the possibility of renewal; no stipend but dining rights and other collegiate benefits apply; closing date: 21 June 2018; further details: <http://www.sid.cam.ac.uk/aboutus/personnel>

EXTERNAL NOTICES

Oxford Notices

Exeter College: Stipendiary Lecturer in Classics (fixed-term); stipend: £8,832–£9,933; closing date: 6 June 2018 at 12 noon; further details: <https://www.exeter.ox.ac.uk/vacancies/sl-classics/>

Wolfson College: College Steward; tenure: from 5 November 2018 or as soon as possible thereafter; closing date: 21 June 2018; further details: <https://www.wolfson.ox.ac.uk/vacancies>

Worcester College: Fixed-term Lectureship in French; tenure: one year from 1 October 2018; stipend: £22,079–£24,833; closing date: 22 June 2018; further details: <http://www.worc.ox.ac.uk/jobs>

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