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NOTICES

Calendar

28 November, Saturday. Congregation of the Regent House at 11 a.m. (degrees in absence only) (see below and p. 173).
29 November, Sunday. End of third quarter of Michaelmas Term.
4 December, Friday. Full Term ends.
8 December, Tuesday. Discussion via videoconference at 2 p.m. (see below).
19 December, Saturday. Michaelmas Term ends.
5 January, Tuesday. Lent Term begins.

Discussion on Tuesday, 8 December 2020

The Vice-Chancellor invites those qualified under the regulations for Discussions (Statutes and Ordinances, November 2020, p. 105) to a Discussion via videoconference on Tuesday, 8 December 2020 at 2 p.m., for the discussion of:


Those wishing to join the Discussion by videoconference should email UniversityDraftsman@admin.cam.ac.uk from their University email account and providing their CRSid (if a member of the collegiate University) by 10 a.m. on the day of the Discussion to receive joining instructions. Alternatively, contributors may email remarks to contact@proctors.cam.ac.uk, copying ReporterEditor@admin.cam.ac.uk, by no later than 10 a.m. on the day of the Discussion, for reading out by the Proctors, or ask someone else who is attending to read the remarks on their behalf.

1 Any comments sent by email should please begin with the name and title of the contributor as they wish it to be read out and include at the start a note of any College or Departmental affiliations they have.

Congregation of the Regent House on Saturday, 28 November 2020

A Congregation will take place on Saturday, 28 November 2020 at 11 a.m. to approve degrees in absence and the Graces submitted under Statute B II 2 (p. 173).

As on 24 October 2020, access will be limited to the official participants and members of the Regent House wishing to attend for this business. Senate-House Yard will not be open, so any member of the Regent House wishing to be present should please give notice via email to vco.ceremonial@admin.cam.ac.uk beforehand to secure access.

The supplicat for degrees will be posted online (Raven access only) at https://www.student-registry.admin.cam.ac.uk/graduation/supplicat-lists-degree-ceremonies.

Anti-slavery and anti-trafficking statement and policy

19 November 2020

In accordance with Section 54 of the Modern Slavery Act 2015, the University is required to prepare an anti-slavery and anti-trafficking statement for each financial year, setting out what steps it has taken to ensure that modern slavery is not taking place in its business or supply chains. The University’s statement for the financial year ended 31 July 2020 is published below, together with its policy on the issue.

Anti-slavery and anti-trafficking statement for the financial year ending 31 July 2020 (pursuant to Section 54(1) of the Modern Slavery Act 2015)

Legal status and activities

The University of Cambridge is a common law corporation and is an exempt charity under the Charities Act 2011. The incorporation of the University was confirmed by the Oxford and Cambridge Act 1571, which confirmed its corporate title of ‘The Chancellor, Masters, and Scholars of the University of Cambridge’. The University operates in the higher education sector and consists of academic Schools, Faculties and Departments, libraries and other collections, administrative departments and, for the purposes of this statement, includes its wholly owned companies as listed in the University’s Financial Statements.1 Its mission is to contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence.

Cambridge Assessment (which provides examination services) and Cambridge University Press (which provides publishing services) are departments of the University rather than separate legal entities. Cambridge Assessment is covered by this statement. Cambridge University Press, however, has broader supply chains and consequently has produced its own anti-slavery and anti-trafficking statement.2

1 The University’s Financial Statements are available at: [URL].
Policy
The University has implemented an Anti-slavery and anti-trafficking policy (published below) reflecting its commitment to combatting slavery and human trafficking and to acting with integrity in all its dealings, relationships and supply chains. The policy outlines how the University’s various procurement and HR practices, policies and procedures ensure compliance with its policy commitment.

Activity in the year ending 31 July 2020
Throughout 2019–20, the University has continued to embed and enhance the various controls and activities outlined in its policy, notably through the ongoing roll-out of its online training module on this topic and the continued refinement and operation of supplier due diligence and approval procedures.

The University did not receive any reports of instances of modern slavery or human trafficking in the financial year ending 31 July 2020.

The University will continue to raise awareness of modern slavery and human trafficking and of the need for proper due diligence and risk assessment processes to be applied by staff and suppliers, in accordance with its policy.

This annual statement was approved by the Council on 19 November 2020.

Anti-slavery and anti-trafficking policy
Modern slavery encompasses slavery, forced and compulsory labour, and human trafficking whereby individuals are deprived of their freedom and are exploited for commercial or personal gain as defined in the Modern Slavery Act 2015. The University is committed to combatting slavery and human trafficking and to acting with integrity in all its dealings, relationships, and supply chains. It expects the same high standards from all its staff, suppliers, contractors and those with whom it does business. This policy applies to all employees, workers, consultants and other persons doing business with the University, including all its wholly-owned companies, contractors, and suppliers. It applies to Cambridge Assessment though not to Cambridge University Press, which has developed its own policy.

The University acknowledges the risk that a supply chain may involve the use of a hidden or unknown subcontractor reliant on forced labour. Although the University as a higher education institution considers the risk of modern slavery to be low due to the nature of its supply chains, it takes its responsibilities to combat modern slavery seriously as demonstrated by its promotion and adoption of the following policy measures:

- The prevention, detection, and reporting of modern slavery in any part of its business or supply chains is the responsibility of all those working for the University or under its control.
- Appropriate due diligence processes must be carried out in relation to modern slavery which may include considering human rights in a sector or country, the type of sector in which a service provider operates, the countries from which services are provided, the nature of relationships with suppliers, and the complexity of supply chain(s).
- All supply chain lines need to be continually risk assessed and managed in relation to modern slavery and any high-risk suppliers audited. The University’s standard procurement and contract procedures and documentation address anti-slavery and anti-trafficking. The trade supplier portal asks questions of potential new suppliers on their compliance with the Modern Slavery Act 2015 as part of due diligence processes. Under the supplier approval process the University’s Finance Division reviews all new suppliers, any changes to existing suppliers, and re-activation requests taking this into account.
- The University has developed an online training module on anti-slavery and anti-trafficking and completion is required or encouraged for a range of relevant new and existing employees, including all Finance Division staff and those in financial or purchasing roles across the wider University.
- The University highlights modern slavery issues within its ongoing communications programmes with the University’s Departments, Faculties and other Institutions and with current trade suppliers to maintain and increase awareness of the issue.
- The University encourages anyone to raise any concerns about modern slavery, using its whistleblowing policy if necessary, and will support anyone who acts in good faith.
- The University’s recruitment, Dignity @ Work, equalities, and remuneration and reward policies and procedures support its efforts to combat modern slavery and human trafficking.
- Cambridge Assessment has equivalent provisions in its separate procurement, whistleblowing and HR policies and procedures.
- The University will continue to develop its commitment to combat modern slavery and human trafficking and will outline such activities within its annual anti-slavery and anti-trafficking statement.

Any breaches of this policy may result in the University taking disciplinary action against individual(s) and/or terminating its relationship with any organisation or supplier.

This policy is managed by the Governance and Compliance Division and was last approved by the Council on 19 November 2020.

1 Listed in the University’s Financial Statements, https://www.governance.cam.ac.uk/committees/finance-committee/Pages/fmi.aspx
3 https://www.procurement.admin.cam.ac.uk/supplier-portal
4 https://www.hr.admin.cam.ac.uk/policies-procedures/whistleblowing-policy-public-disclosure-university-employees
Report of the Council recommending allocations from the Chest: Notice in response to Discussion remarks

19 November 2020

The Council has received the remarks made at the Discussion on 10 November 2020 (Reporter, 6596, 2020–21, p. 150) on the above Report (Reporter, 6593, 2020–21, p. 96).

Dr Cowley asks what the University’s priorities for funding are, and whether research is the main priority. The University makes a significant investment in its research capacity, and the Council and the Planning and Resources Committee remain mindful of the importance of research when considering competing demands for funding. The General Board’s Annual Report for 2018–19 (Reporter, 6573, 2019–20, p. 202) notes that the University maintains a strong performance in competitive research funding. It also notes the strain this places on the ability of the University’s block grant income from Research England to make up a shortfall in the full economic costs of externally funded research grants, in turn reducing the headroom to meet the wider institutional costs of research. The gap between research income and expenditure – in effect the University’s contribution to or subsidy of its research portfolio – has grown significantly in recent years, and will continue to grow unless there is a substantial overall improvement in cost recovery.

The Council notes the remarks made by Professor Cardwell and Professor Dame Madeleine Atkins, which acknowledge the intention in this budget to establish an accurate and transparent baseline, sufficient to allow proper scrutiny of committed expenditure and sensible decisions on future investment. This includes decisions about staffing levels, which both Professor Cardwell and Dr Cowley recognise cannot be unaffected if revenue does not increase and other costs are not reduced.

Professor Evans highlights the publication of a Notice by the Council in the Reporter of 28 October 2020. This was originally prepared as a paper for the Council meeting on 14 October 2020, to inform its discussion of the Allocations Report. The Council subsequently recommended that this be published for the wider information of the Regent House.

The Council acknowledges that a clear definition of the ‘Academic University’ for the purposes of this Report would be helpful. The phrase is intended to encompass all of the Schools (including their constituent Faculties and Departments), non-School institutions (including the UAS) and centrally administered funds. It excludes Cambridge Assessment, Cambridge University Press and other associated non-academic entities such as subsidiaries, but assumes transfers of income from them where applicable. The Property Board would likewise be excluded from this definition of the Academic University, although in due course dividends from property would be a source of income to the Academic University.

Professor Evans expressed some concern about the provisions for exceptional expenditure set out in paragraphs 36 to 38 of the Report. Although not itemised in the Report, the firm commitments made to date are well understood and include those published in the Reporter on 24 June 2020. The budget includes provision for further, exceptional expenditure related to Covid-19 which may be necessary during 2020–21 but cannot yet be clearly defined.

The costs of the University Recovery Plan during 2020–21 are provisionally estimated at £10.5m. The budget published on 28 October 2020 includes provision for operating costs associated with the Recovery Plan totalling £1.1m. Many of the remaining costs are expected to be considered for investment from the former Capital Fund. The Finance Committee, at its meeting on 12 November 2020, agreed that this should be redefined as an Investment Fund, no longer focused narrowly on buildings and IT systems. Each project within scope of the Recovery Plan is required to submit a business case to the Planning and Resources Committee before funds are released.

Professor Evans notes that the Recovery Plan has to date only been published in summary form. Regular reports on the development of the Recovery Plan are provided to the General Board, the Planning and Resources Committee and the Council. A more detailed update on the Plan will be published in the Reporter in Lent Term 2021.

The Council is submitting a Grace (Grace 1, p. 172) for the approval of the recommendations of this Report.

Department of Chemistry: Naming approved

11 November 2020

The Committee on Benefactions and External and Legal Affairs, with the support of the General Board, has approved the naming of the Department of Chemistry as the Yusuf Hamied Department of Chemistry for 30 years, in recognition of a donation from the Yusuf and Farida Hamied Foundation.

Statutes and Ordinances, November 2020 edition published

Further to the Notice of 28 September 2020 (Reporter, 6589, 2020–21, p. 9), the November 2020 edition of the Statutes and Ordinances is now available (in pdf format only) at https://www.admin.cam.ac.uk/univ/so.

The November edition incorporates changes approved in the period from 1 October 2019 to 16 April 2020 and will be accessible via the main links on the S&O homepage (above) until the complete 2020 edition, which incorporates all changes made during the 2019–20 academic year, is published in January 2021. Information on how to purchase printed copies of the 2020 edition will be provided once the complete version is available in the new year.
NOTICES BY FACULTY BOARDS, ETC.

Human, Social and Political Sciences Tripos, 2020–21: Variable papers

The Faculty Board of Human, Social and Political Science gives notice that the following variable papers will be offered in the Human, Social and Political Sciences Tripos in 2020–21.

Politics and International Relations

Part I
POL1. The Modern State and its Alternatives
POL2. International Conflict, Order and Justice

Part IIa
POL3. International Organisation
POL4. Comparative Politics
POL5. Themes and Issues in Politics and International Relations
POL6. Statistics and Methods in Politics and International Relations
POL7. The History of Political Thought to c.1700
POL8. The History of Political Thought from c.1700 to c.1890

Part IIb
POL9. Conceptual Issues and Texts in Politics and International Relations
POL10. The History of Political Thought from c.1700 to c.1890
POL11. Political Philosophy and the History of Political Thought since c.1890
POL12. A subject in politics and international relations I: Politics of Religion
POL13. A subject in politics and international relations II: British and European Politics
POL14. A subject in politics and international relations III: US Foreign Policy
POL15. A subject in politics and international relations IV: The Politics of Africa
POL16. A subject in politics and international relations V: Conflict and Peacebuilding
POL17. A subject in politics and international relations VI: Politics of the International Economy
POL18. A subject in politics and international relations VII: Politics and Gender
POL19. A subject in politics and international relations II: Themes and Issues in Politics and International Relations

Part IIb Optional Papers
POL20. A subject in politics and international relations VIII: The Politics of the Future, 1880–2080
POL21. A subject in politics and international relations IX: China in the International Order

Social Anthropology

Part I
SAN1. Social Anthropology: the Comparative Perspective

Part IIa
SAN2. The Foundations of Social Life
SAN3. Anthropological Theory and Method
SAN4. The Anthropology of an Ethnographic Area:
   (a) Africa
   (e) Pacific
   (f) Inner Asia
   (g) Europe

Part IIb
SAN4. The Anthropology of an Ethnographic Area:
   (a) Africa
   (e) Pacific
   (f) Inner Asia
   (g) Europe
SAN5. Ethical Life and the Anthropology of the Subject
SAN6. Power, Economy and Social Transformation

Part IIa and IIb Optional Papers
SAN8. A subject in social anthropology II: Development, Poverty and Social Justice
SAN9. A subject in social anthropology III: Science and Environment
SAN13. A subject in social anthropology VII: Gender, Kinship and Care
Sociology

Part I
SOC1. Modern Societies I

Part IIa
SOC2. Social Theory
SOC3. Modern Societies II
SOC4. Concepts and Arguments in Sociology
SOC5. Statistics and Methods
CRIM1. Foundations in Criminology and Criminal Justice
CRIM2. Statistics and Methods (also serves as Paper SOC5)
CRIM3. Two long-essays on a Criminology Topic

Part IIb
SOC6. A subject in sociology I: Advanced Social Theory
SOC7. A subject in sociology II: Media, Culture and Society
SOC8. A subject in sociology III: War and Revolution
SOC9. A subject in sociology IV: Global Capitalism
SOC10. A subject in sociology V: Gender
SOC11. A subject in sociology VI: Racism, Race and Ethnicity
SOC12. A subject in sociology VII: Empire, Colonialism, Imperialism
SOC13. A subject in sociology VIII: Health, Medicine and Society
SOC15. Criminology, Sentencing and the Penal System (Paper 34 of the Law Tripos)
CRIM4. Criminology, Sentencing and the Penal System (also serves as Paper SOC15) (Paper 34 of the Law Tripos)
CRIM5. Social Order, Violence and Organised Forms of Criminality

Part IIa and IIb Optional Papers
SAN8. A subject in social anthropology II: Development, Poverty and Social Justice
SAN9. A subject in social anthropology III: Science and Environment
SAN13. A subject in social anthropology VII: Gender, Kinship and Care

REPORTS

Twenty-fifth Report of the Board of Scrutiny

Introduction

1. The Board of Scrutiny provides independent analysis and oversight on behalf of the Regent House, examining the Annual Report of the Council (including that of the General Board to the Council); the Abstract of the Accounts; and any Report of the Council proposing allocations from the Chest. It has the right to comment on related matters that it believes should be drawn to the attention of the University, including issues of policy. Further information can be found on the Board’s website¹ and in Statutes and Ordinances:² The Board has the right of reporting to the University and this is its Twenty-fifth Report.

2. The Board aims to encourage members of the Regent House to think about and engage in governance as part of a process intended to be complementary to, not in conflict with, the Council and the General Board. Nevertheless, following the recommendations of the Wass Syndicate, the Board was established to provide an additional mechanism for holding the Council to account for the increased powers it had acquired, particularly in relation to the items that the Board is required to examine.

3. The Board aims to assist the Council in making future plans as well as helping members of the Regent House to engage with and make decisions about business; for example, through commenting at Discussions, or by opposing, supporting, amending or promoting Graces. The Board may be able to comment more freely than the Council, or give greater attention to certain areas of business, and although it has some capacity to act on its own account, it cannot supplant the responsibilities of the Regent House collectively, any more than it can perform the work of the Council. We hope to encourage discussion and collaborative thinking across the University.

Activity of the Board 2019–2020

4. Nineteen meetings of the whole Board took place, including five at which senior officers attended as guests: the Vice-Chancellor, Professor Stephen Toope; the Pro-Vice-Chancellor for Strategy and Planning, Professor David Cardwell; the Registrar, Ms Emma Rampton; the Chair of the Audit Committee, Sir David Greenaway; and the Chair of the Colleges’ Committee, Dr Anthony Freeling.

¹ https://www.scrutiny.cam.ac.uk/
5. Smaller working groups met with the Senior Pro-Vice-Chancellor for Education, Professor Graham Virgo; the Pro-Vice-Chancellor for Institutional and International Relations, Professor Elis Ferran; the Pro-Vice-Chancellor for Research, the late Professor Chris Abell; the Chief Financial Officer, Mr Anthony Odgers; the Director of Finance, Mr David Hughes; former Director of Human Resources, Ms Emma Stone; the Director of University Information Services (UIS), Professor Ian Leslie; the Head of the Office of Student Conduct, Complaints and Appeals, Ms Sarah d’Amburumenil; the Transition Year Course Director, Dr Alex Pryce; Director of the Careers Service, Ms Jenny Blakesley; the Head of the University Research Office, Dr Peter Hedges; Head of the Research Operations Office, Dr Jo Dekkers; and the Chair of the Council’s Governance Review Working Group, Dr Nicholas Holmes.

6. Further information and assistance was provided by the Head of the Governance and Compliance Division, Dr Regina Sachs, by the University Draftsman, Ms Ceri Benton, and by the Council Administration and Committee Appointments Officer, Ms Dee Vincent. The Board is duly grateful to all of them for their time and thought and records its thanks. The Board again commends its Support Officer, Ms Rachel Rowe, for her assistance with working notes, agendas and minutes.

Context of the Twenty-fifth Report

7. The Council is required ‘before the end of the Easter Term or as soon as possible thereafter’3 to publish a Report on the financial position of the Chest, recommending allocations for the ensuing financial year. However, the Council noted4 that in the current circumstances of the Covid-19 (2020) pandemic (referred to as ‘Covid-19’ in this Report) it was difficult at the end of the Easter Term to report with clarity on the financial position of the Chest. Therefore the Council published provisional allocations for 2020–21 so that work may continue over the Long Vacation to assess the financial implications of the pandemic and to agree the parameters of the University’s recovery plan.

8. The full Allocations Report was submitted to the Council in October, once there was greater clarity of both income and expenditure.

9. The scrutiny of the Allocations Report of the Council (required by Statute F 11(b)) is one of the key responsibilities of the Board of Scrutiny (Statute A VII 1). Therefore the Board has agreed, in light of the current circumstances and in particular, of the delayed publication of the Allocations Report, to publish its now customary Annual Report at the start of the academic year, and to then report to Regent House with a Supplementary Report on the finances.

Finance

Financial Statements

10. The financial statements and associated historical trends have been analysed in some detail in recent Board Reports (in particular the 23rd Report5), and it is not intended to replicate that detailed historical analysis this year. It is also important to note that the financial year under review pre-dated the Covid-19 crisis which will inevitably have a significant impact on the 2019–20 and 2020–21 financial years at the very least.

11. In 2018–19, the University saw total income increase to £2,192m, a 11.6% increase on the previous year. This represents notable growth and is well ahead of the c. 6% per annum average growth rates experienced over the last 10 years or so.

12. This strong result reflected broad-based growth across the University’s income streams – in particular 12.8% growth in the University’s largest income stream – ‘Research grants and contracts’ (which suggests that Brexit has not yet had a readily measurable negative impact on the overall upward trends in research activity). Also of significance was 8.5% growth in income from ‘Tuition fees and education contract’ and 74.6% growth in ‘Donations and endowments’ due to the impact of a single major gift during the financial year. Finally, there was a 10.6% growth in Cambridge Assessment and a 6.7% growth in Cambridge University Press income which reflected a strong performance from these wholly-owned subsidiary businesses.

13. In the 2019 financial statements, it is reported that management regards the most representative measure of underlying recurrent surplus/deficit to be the ‘adjusted operating surplus’. This amount adjusts for certain one-off elements and other accounting phenomena and showed a small positive result for the year compared to a small negative result last year.

14. A summary of this amount over the last five years indicates that the University has maintained a well (but finely) balanced financial result:

<table>
<thead>
<tr>
<th>Year ending 30 June (£m)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating surplus/(deficit)</td>
<td>(3.6)</td>
<td>(25.0)</td>
<td>(22.7)</td>
<td>(20.5)</td>
<td>16.1</td>
</tr>
</tbody>
</table>

15. The reasons for the slightly improved consolidated net operating position are complex, although it is clear that the ongoing strength of the Cambridge Assessment (CA) and Cambridge University Press (CUP) businesses is an important part of the story. In the year ending 30 June 2019, CA reported an operating surplus of £104.0m and CUP reported a surplus of £30.5m. Without these significant contributions, the University’s consolidated accounts would be in an underlying deficit position.

16. Covid-19 is likely to impact negatively on the trading performance of both CA and CUP, potentially resulting in far smaller operating surpluses in the 2019–20 financial year and even deficit positions soon thereafter.

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3 https://www.admin.cam.ac.uk/univ/so/2019/chapter13-section4.html#heading2-10
4 https://www.admin.cam.ac.uk/reporter/2019-20-weekly/6587/section1.shtml#heading2-7
5 https://www.admin.cam.ac.uk/reporter/2018-19/weekly/6521/section6.shtml#heading2-11
17. The 2019 Allocations Report showed Chest and non-Chest budgets for 2019–20 with deficits of £16.1m and £23.8m respectively. It also provided a series of projections for 2020–21, 2021–22 and 2022–23 which showed similar levels of deficit throughout the period. The Board’s 24th Report drew attention to apparent growing upward pressures on staff costs after a prolonged period of significant pay restraint after the financial crisis in 2009.\(^\text{6}\)

18. It therefore seems likely that the University will have considerable difficulty balancing the books on both Chest and non-Chest expenditure over the next few years.

19. In the financial year under review, the operating surpluses at CA and CUP have effectively been used to plug the gap. However, the impact of Covid-19 will mean that this is unlikely to be feasible for at least the next few years. In fact, the Board understands that some £100m of CUEF units will be liquidated by March 2021 by the University to ensure sufficient liquidity to support potential operating and capital requirements in the medium term, noting the reduction in the expected contribution from CA and CUP.

20. Whilst there is no \textit{prima facie} reason why operating surpluses of wholly-owned trading subsidiaries cannot be used to make up operating deficits elsewhere in the University, it should be noted that, historically, they have been used to support capital expenditure and not operating deficits. If the University wishes to start funding a structural operating deficit on core Higher Education activities using the surpluses from CA and CUP, then it will need to reduce capital expenditure very sharply from historical levels.

21. The Board recommends that the Council should publish its strategy for how it intends to deploy any operating surpluses of Cambridge Assessment and Cambridge University Press in future years, and whether such surpluses will be used to offset persistent deficits in Chest and non-Chest expenditure as appears to be the case in 2018–19.

\textbf{Capital Expenditure}

22. The Board has noted on several occasions that the level of capital expenditure across the University over recent years is unsustainable in the longer term (see 22nd Report,\(^\text{7}\) 23rd Report,\(^\text{8}\) and 24th Report\(^\text{9}\)). Major initiatives such as North West Cambridge and other large redevelopment projects at a number of sites around the University have been a substantial drain on resources. In addition to projects which have actually been progressed, there are also significant sunk costs associated with formulating proposals that have now been deferred, such as the Mill Lane redevelopment. Such expenditure has been made possible partly by taking on debt (via bond issues) and partly through the application of surpluses from CA and CUP to support capital expenditure.

23. Total capital expenditure in recent years can be summarised as follows:

<table>
<thead>
<tr>
<th>Year ending 30 June (£m)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible Assets (includes software, ‘goodwill’ and other)</td>
<td>32.9</td>
<td>26.0</td>
<td>24.8</td>
<td>20.6</td>
<td>40.3</td>
</tr>
<tr>
<td>Fixed Assets (operational land and property)</td>
<td>202.5</td>
<td>247.3</td>
<td>329.1</td>
<td>249.0</td>
<td>154.0</td>
</tr>
<tr>
<td>Investment Properties (including North West Cambridge)</td>
<td>53.0</td>
<td>217.0</td>
<td>181.3</td>
<td>48.3</td>
<td>21.0</td>
</tr>
<tr>
<td>Total</td>
<td>288.4</td>
<td>490.3</td>
<td>535.2</td>
<td>317.9</td>
<td>215.3</td>
</tr>
</tbody>
</table>

24. With the majority of the works on Phase 1 of North West Cambridge complete and a reduction in the level of activity on other University building schemes, including the postponement of the redevelopment of the Mill Lane/Old Press Site, we can see that total capital expenditure has fallen significantly since the previous financial year and is now at the lowest level for 5 years.

25. However, capital expenditure of £215.3m still far exceeds the depreciation and amortisation charges which together amounted to £128.7m in the 2019 financial year. Assuming the overall income and expenditure statement remains balanced, it will not be possible to conclude that annual capital expenditure on buildings has reached a level that is financially sustainable over the longer term until there is a closer match between the average annual depreciation charge and the annual level of capital expenditure, or there is some other clearly identified way of funding sustained capital expenditure in excess of depreciation such as a sustainable stream of capital Grants or Development receipts for capital projects.

26. The Board recommends that the University considers reducing further its capital expenditure, quantifying more clearly what it considers to be a sustainable level of expenditure in the longer term, and explaining how this sustainable target level of expenditure relates to the depreciation charge recognised in the financial accounts.

\(^{6}\) https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6563/section5.shtml#heading2-11
\(^{7}\) https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6478/section6.shtml#heading2-24
\(^{8}\) https://www.admin.cam.ac.uk/reporter/2018-19/weekly/6521/section6.shtml#heading2-11
\(^{9}\) https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6563/section5.shtml#heading2-11
Systems and Processes

27. The Board’s 24th Report\textsuperscript{10} closed by noting the views of a number of University officers that many key administrative processes and their supporting systems are sub-optimal at best, and in some cases the cause of deep structural problems for service delivery and resilience. These matters are of strategic importance to the University and so the Board’s new Systems and Processes Working Group has looked broadly at the processes and the IT systems that support them across the University.

28. The University is a complex organisation with each part having a high level of autonomy, resulting in concomitantly complex and varied administrative processes even for matters as mundane as filing expenses or costing research proposals. The lack of standard operating procedures makes it difficult to provide effective IT support: complexity and a desire to support such a wide range of processes leads to extensive customisation of procured packages, making the resulting systems expensive and difficult to maintain and evolve.

29. Making significant improvements to this state of affairs requires patient and sustained leadership of a concerted programme of effort over a period of several years which carries considerable risks. The alternative to supporting all current processes is to change those processes to produce greater alignment within the University, resulting in some individuals needing to change their day-to-day working practices. Implementation of such change requires considerable leadership and great care but can eventually lead to substantial and sustained pay-offs in terms of greater productivity and reduced costs.

30. While there are many University processes supported by IT systems that could benefit from simplification, there are three major systems that support the University’s core activities, touch almost every aspect of the University’s operations, and must produce outputs required for internal and external reporting and legally enforced compliance regimes: CamSIS, the student information system; CHRIS, the University’s HR system; and CUFS, the University’s financial management system. The first was the subject of the CamSIS improvement programme, which successfully removed many customisations to the underlying platform, resulting in a system which performs better, is cheaper to maintain, and is more user friendly. As a result, the latter two were the focus of the Board’s investigations this year.

31. Before discussing the details of the two major systems that the Board investigated, we would like to note a second positive development alongside the CamSIS improvement programme. The portfolio system now in place, whereby projects undertaken by UIS have a clearly identified Pro-Vice-Chancellor (PVC) or similar senior officer as owner, has resulted in much greater transparency of prioritisation among projects when compared to the previous project-centric system where prioritisation was largely taken away from the key stakeholders and given to the Information Systems Committee.

CHRIS HR and Payroll System

32. The University has operated the CHRIS HR and Payroll System since 2007. It contains key personal information about all University staff and plays an important role in supporting compliance with a large (and growing) body of HR-related legislation.

33. The Board understands that the existing system is based on out-dated technology, and many users believe it needs substantial improvement. It is cumbersome to operate, it does not provide as much functionality to assist the University in tracking important HR compliance issues (including essential work-based training) as would be expected in a modern HR system, and it does not easily provide important employee-related management information.

34. Senior University administrative officers believe that there is a clear opportunity to move to a more efficient, likely cloud-based, ‘next generation’ HR system for these core HR needs. It is anticipated that the potential improvements could be substantial in terms of user experience, productivity, management information, security and reliability. As the core features of the CHRIS system are only lightly customised from an off-the-shelf product, it is anticipated that this migration of straightforward HR functionality can in large part be achieved relatively quickly and with low overheads.

CUFS, the Finance System

35. The University’s accounting and financial management system, CUFS, came into being in 2001 as a renaming of the CAPSA system when it moved from an implementation project to an operational project, and received a major system upgrade in 2013–14. As the University’s main general ledger accounting system and a key processing tool, it is fundamental to the delivery of satisfactory financial management information at every level within the institution, and directly impacts the productivity of a significant proportion of the University’s administrative staff.

36. The implementation of the CAPSA system was widely viewed as an expensive failure, and was thoroughly investigated at the time.\textsuperscript{11} While CUFS is functional, able to pay the bills and produce compliant statutory financial reports, the circumstances of its introduction meant that many opportunities to optimise financial systems and processes were missed.

37. As an example of the administrative inefficiencies in the University that result in heavy customisation of off-the-shelf systems, consider that around 350 administrative staff in the UAS (Unified Administrative Service) and the Departments/Non-School Institutions (NSIs) are currently involved with the processing of invoices. An efficient ‘next generation’ system together with better integrated processes across the University could result in a significant reduction in the number of individuals directly involved in this processing, whilst still providing a high degree of control to Departments and NSIs in managing suppliers and paying invoices through the use of relatively simple ‘workflow’ technologies. Such systems are in widespread use elsewhere and the Board is not aware of any reason why they could not, in principle, be implemented at this University.

\textsuperscript{10} https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6563/section5.shtml#heading2-11

\textsuperscript{11} https://www.admin.cam.ac.uk/reporter/2001-02/weekly/5861/
38. CUFS is therefore an example of the sort of heavily customised system referred to above, and as a result is very expensive to maintain and upgrade. Unfortunately, by its nature the finance system touches almost every part and process of the University, which makes rationalising these customisations a complex process that will require widespread changes in the day-to-day workflows of some, if not all, staff who interact with it.

39. The Board understands that CUFS is based on a software platform that will no longer be supported by the manufacturer beyond 2021 and so an upgrade in the very near future is unavoidable. Further, the many customisations applied to the existing platform mean this will be expensive and time-consuming, even to deliver a like-for-like system upgrade (or perhaps ‘side-grade’), let alone to move the University to a ‘next generation’ finance system. The Board has heard estimates from senior officers ranging from three to over ten years as the time it may take to reconfigure the various accounting processes and systems as part of moving to a next generation system.

40. Even setting aside the urgency of such an upgrade, many officers have voiced grave concerns for a number of years over the ease with which good quality financial management information can be produced, concerns that the Board duly noted in its 23rd and 24th Reports. The Board has noted the high level of recognition amongst senior University officers that Departments, Schools and NSIs need to have access to more transparent and timely financial information for planning and management purposes. This is seen as a key part of developing a more coherent and flexible approach to long-term financial planning and budgeting, including effective ways of incentivising Schools and NSIs to find new income streams and cost efficiencies by sharing their benefits with the originators of such initiatives.

41. Whilst senior financial officers believe that a suitable planning and budgeting framework can be developed using the existing finance systems through significant manual interventions to overcome shortcomings within those systems, it seems likely that this will prove a very labour-intensive and expensive activity and that an efficient longer term solution will almost certainly require a very significant upgrade and reconfiguration of the core finance system and associated processes, following the like-for-like replacement mooted above.

Conclusion

42. A major source of wasted time and cause of administrative ineffectiveness is the difficulty of operating certain common systems and processes across a decentralised and devolved University structure. Two particular systems that support administrative processes in every Department and NSI are the HR and Finance systems. There is considerable room for improvement with these systems from a technology perspective but, perhaps more importantly, from a process re-engineering perspective as well. Streamlining processes and implementing more modern IT systems to support them could not only create very considerable productivity improvements, and sustainable cost savings but also improve security, reliability, and resilience, while increasing staff satisfaction and without reducing core activity.

43. It appears that the University has under-invested in its administrative systems and processes for many years. Whilst such large-scale systems projects are not cheap to undertake (the Board understands that a bill of up to £10m is likely for a major new finance system), the cost would still only be a small fraction of the £215m spent on capital and building projects in 2018–19, and the potential benefits are very substantial in terms of reduced operating costs and increased productivity.

44. The challenge for the University is to demonstrate to devolved institutions the considerable benefits of improved University-wide administrative systems and processes whilst providing reassurance that such improvements would not curtail the autonomy or independence of those institutions in matters related to their ability to deliver their research and teaching priorities. The Board also notes that the lessons of history should not be forgotten, and that the reports on the lessons of the CAPSA project ought to be re-read by those involved in both short- and long-term CUFS upgrade projects.

45. The Board strongly recommends that the University streamlines and standardises its key financial and HR processes so that it can effectively invest in procuring and deploying modern, fit-for-purpose IT systems to make genuinely efficient, effective and unobtrusive administration across the institution a real possibility.

Estate

46. The Board notes that the concerns raised in paragraphs 55–59 of its 24th Report, about the urgent need for improvements in ‘the management, governance, and assurance of building compliance’ across the estate (despite being acknowledged and accepted by the Council at the time) do not appear to have been properly addressed. An indicative timetable of 18–24 months for full compliance assurance was reported in the Council’s response of 3 February 2020. The Board notes that a new Director of Estates Operations has now been appointed and therefore anticipates that progress will now be made in these matters.

47. In paragraph 50 of the 24th Report the Board referred to ideas, then at an early stage, to form a property company or ‘entity’ to oversee the development of the non-operational estate. The Board noted concerns about scope, remit and governance of the proposed arrangements and urged that these be clarified in a Report to the University.

48. The Board anticipates therefore that this is an area that will once again require considerable scrutiny in the coming year.

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13 https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6563/section5.shtml#heading2-11

14 https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6576/section1.shtml#heading2-4

15 https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6576/section1.shtml#heading2-4

Education

49. In the Board’s 24th Report, a key focus was the impact on the resourcing of central support services of the increase in postgraduate student numbers by 13.1% over 2017–22 as agreed with the Colleges. The Board investigated the impact on the University Counselling Service (UCS), the Disability Resource Centre (DRC), and the Staff Counselling Service. In passing, the Board noted the significance of increasing numbers of international students and postgraduates in the University’s financial strategy. Before commenting on the areas that the Board has specifically focused its attention on this year – the Size and Shape of the University, the Foundation Year and the new Discipline Code – we first provide an update on the situation at the UCS and the DRC, as well as a brief commentary on the Careers Service and on the Office of Student Conduct, Complaints and Appeals (OSCCA).

Update on Central Support Services

50. Both student services have reported that the move to the purpose-built Student Services Centre on the New Museums site has been very positive and has also facilitated easier cross-service referrals. The DRC has been able to secure some additional temporary funding (three years) for two posts, and the UCS has only been able to secure funding for a one-year additional counselling post. Both of the posts at the DRC for an Assistant Disability Advisor have been filled.

51. At the UCS, 2018–19 saw an increase in the number of students attending group sessions – up from 1,936 to 1,951, representing a 23% increase over 2016–17. The clinical service as a whole (that includes counselling at the UCS and College-based Counselling, Sexual Assault and Harassment Advisers and Mental Health Advisors) saw 2,314 students in total, up from 2,152 the previous year, representing 12% of the student body. Between the end of Michaelmas Term 2019 and the end of the Easter Term 2020 the UCS had over 200 people on the waiting list because of an increase in demand, which meant an increase in waiting time to about 5 weeks for many students. Concerningly, the UCS notes that 50% of the students that they see report having suicidal thoughts – this shows the advanced stage of depression reached before the students are seen.

52. Despite the additional resources made available to the DRC in terms of advisory capacity, given the continued annual increase in disability disclosures, the Disabled Student to Disability Advisor ratio (650:1) represents a significantly high individual case-load. This rises to over 700:1 if soft-funded posts are discounted. The total number of current disabled students stands at approximately 3,600, with 1,190 offer-holders for Michaelmas Term 2020 having disclosed a disability. In addition, since the lockdown in March, the DRC has seen a 70% increase in demand for non-medical help (mostly support for study skills and mentoring) which has placed further demand on its services and available funds for this specific purpose.

Careers Service

53. It is not straightforward to assess the impact of the increase in international postgraduate student numbers on the Careers Service, given the changes at the Service in the last 18 months, notably, the appointment of a new Director and the relocation to new premises, which make it difficult at this point to compare baseline numbers. There are two areas, however, that are noteworthy: (1) lack of parity in provision across Departments and Colleges; and (2) the funding arrangements for the Careers Service.

54. Lack of parity in provision: Within a collegiate University, there are differing levels of provision, as some Departments and Colleges already offer significant careers support and services themselves. This therefore leads to a lack of parity for students in what they have access to and presents logistical issues for the Careers Service in ascertaining how best to adapt the central provision so as to reduce disparity.

55. Funding: unlike many other HEIs in the UK where the central careers provision is funded through central top-slicing, the funding arrangements at Cambridge are a blend of central Chest funding, College funding, and short-term funding brought in through careers fairs. Whilst recourse to ‘soft’ funding is not uncommon across the University, it does have the consequence that some activities are engaged in for financial reasons as opposed to being necessarily what is most beneficial to the students. However, since the Careers Service has no set Key Performance Indicators (KPIs), as is the case with many institutions across the University (e.g. CUDAR), there is no strong sense of how to assess what level of resourcing might be required.

56. The new requirements from the Office for Students (OFS) regarding follow-up on the career activities of graduating students will eventually provide data for an assessment of employment outcomes, which it may (or may not) be possible to correlate meaningfully with student background and educational achievement information, but will place a further and significant data-management burden on the Careers Service, for which further resourcing may be necessary.

Office of Student Conduct, Complaints and Appeals (OSCCA)

57. On 1 October 2019 the University’s new discipline code came into force, which introduced the civil standard of proof, i.e. ‘balance of probabilities’ instead of the criminal standard of ‘beyond reasonable doubt’, as the benchmark against which disciplinary matters are now to be judged.

58. In March, when the Board spoke to the Head of OSCCA, it was noted that the Office was already at capacity with nine concurrent investigations. Several Colleges have already confirmed that, as agreed by Senior Tutors in 2016, they would wish to hand over sexual harassment cases for investigation by the University, rather than through their College’s
complaint procedures, most of which operate with the lower burden of proof in such instances. Should this result in a flood of cases being reported to OSCCA, then current capacity issues may lead to potential reputational risks, as well as having negative impacts on the complainant, respondent, and the University officers at OSCCA.

59. The Board recommends that despite the impact of the current situation on University finances, the funding of core services, coupled with the reliance on soft funding to finance aspects of these, needs to be addressed so as to ensure that adequate provision is in place for the University to support the student body. This is particularly crucial given the impact of Covid-19 on student mental health and the increased number of students enrolled for the academic year 2020–21.

Size and Shape of the University

60. Prompted by the fact that the 5-year MoU with the Colleges to increase postgraduate numbers by 13.1% is due to end in 2022, the University has initiated a review of its size and shape in consultation with the Colleges, with a view to developing a 10-year plan for both undergraduate and postgraduate education. Initial discussions with representatives from Departments and Colleges, which took place in December 2019, evidenced that there was generally only moderate interest from the Colleges to grow (as their capacity for growth is constrained), with only one College showing a distinct appetite for significant expansion. By contrast, School ambitions emerged to be far wider.

61. The review is to be academically driven, with ‘everything on the table’, but key areas for deliberation include: potential consideration of 2-year postgraduate taught (PGT) programmes; potential new routes into postgraduate study; the potential for new Colleges or different models, such as halls of residence, but with College affiliation; and the potential for greater provision for part-time students.

62. The Board welcomes the development of a 10-year plan for the Size and Shape of the University and looks forward to the subsequent Report.

Foundation Year

63. The Foundation Year,20 which was previously known as the Transition Year, is a core pillar of the University’s response to the OfS’s requirement for greater ‘ambition’ with respect to attracting students from certain POLAR quintiles,21 and at the start of the academic year 2018–19 it was publicly announced that this programme would be ‘free’ for the students selected to join it.

64. A consultation across Departments and Colleges (with responses from 22 Colleges, 21 Departments within the School of Arts and Humanities (SAH) and the School of the Humanities and Social Sciences (HSS), and 3 Non-School Institutions) was conducted earlier in the year and, whilst broadly supportive, significant concerns were raised about whether it was value for money, what the criteria for progression onto a Tripos course were, as well as the actual content of the programme.

65. Since this consultation, a full Programme Specification has been devised, which includes learning outcomes, assessment model, and indicative paper content. This was developed by a curriculum specialist in collaboration with representatives of Faculties, Departments, and the Cambridge Centre for Teaching and Learning (CCTL). It was subsequently approved by GBEC (General Board Education Committee) in July.

66. If this scheme is to be more than a concession to the Regulator or a publicity exercise, it needs to be rigorously planned, properly supported, and designed and delivered by Cambridge. Several Colleges have already introduced, or are in the process of introducing, bridging programmes of their own. Equally, the Adjustment Process, which was used by Cambridge for the first time last year, brought in more students than are intended with this programme but at no additional cost. The costs of the Foundation Year are extremely high on a per-student basis and need to be justifiable at a time of serious financial retrenchment in the University.

67. The Board recommends that the Council publishes a full report on the Foundation Year, detailing the objectives of the programme; the rationale for the proposed content and delivery mode; the criteria for admission onto and progression from; a cost-benefit analysis; the indicators that will be used to determine whether the programme has been successful; and long-term funding implications.

Impact of Covid-19 on the provision of education

68. The current crisis has meant that both Departments and individuals have had to move swiftly in learning how to deliver online remote teaching and assessment, and this will continue into 2020–21.

69. Last year saw the launch of the 5-Year Educational Framework, which had highlighted the need for such future-proofing initiatives as digital education, and the current crisis has necessitated an immediate shift to online and remote provision. Whilst the University has had to upskill in this area within a matter of weeks in order to continue to deliver teaching and assessment in the Easter Term 2020, it will need to review what has worked and what has not worked so well, with a view to informing its future digital strategy. In this regard the Board notes that the University recently launched a trial subscription to the digital platform EdX, about which nothing further has been said.

70. The Board notes that the University has in the past been reluctant to expand online teaching provision, and whilst the move to online teaching in Easter Term was in response to an emergency situation, there is a significant difference between delivering teaching programmes for four weeks in Easter Term and delivering them for both Michaelmas Term

20 https://www.educationalpolicy.admin.cam.ac.uk/strategic-projects/foundation-year
and possibly Lent Term remotely. It will be important to harness the positives of the experience, but the University should be reminded that to do digital education well takes significant investments of both time and money. Mechanisms to assess effective practice need to be in place, to ensure that the staff workload is not unreasonable, and to understand the student response to such changes.

71. The Board recommends that the Council carries out a formal review of the externally necessitated move to online provision in Easter Term 2020 to understand how successful it has been so as to inform the University’s future digital strategy, both short-term in response to Covid-19 and in the longer term. The review should specifically consider the implications on workload management, student experience, intellectual property, reputational risk, and financing.

Research

72. Research Excellence Framework (REF) 2021: The deadline for submissions to REF 2021 has been delayed in recognition of difficulties due to Covid-19. Looking ahead, it seems reasonable to assume that the ‘Impact Agenda’ may evolve, but it is more likely to expand than contract. There were clear lessons learned from the last REF which were to be in place this time. The Board looks forward to learning more about how these measures have been in place and the University is now able to work up an excellent submission for REF 2021, to make the most of the excellent outputs which have been reported to date.

73. Doctoral Training: A fundamental component of excellence in research activity is the need to be, and be seen to be, a centre of excellence in research training. The failure to win renewal of DTP (Doctoral Training Partnership) funding support in at least one subject centre is a matter of great concern. The University needs a full complement of systems in place to monitor research training support and to respond promptly to formally expressed suggestions of improvement. The Board understands that the Doctoral Training Programme Committee has been resurrected with the remit of open and constructive discussions about lessons learned. The Board looks forward to the Committee’s report.

74. Research Operations Office (ROO) reorganisation: The ROO has a complex and critical support role to perform. Over the past 18–24 months the office has undergone a transformation of its services, fielding staff to Schools and Departments to be more visible and approachable for advice and support. This has been carefully thought through and a phased approach has been undertaken in order to achieve sustainable change without disruption. The change is being brought about in a positive spirit, providing valuable support to academics and assisting them to get proper levels of funding for their research.

75. Research information: The clients for research administrative support are not just potential Principal Investigators (PIs), but also institutional heads who are making both strategic decisions to optimise research, as well as resource management decisions to optimise their institution’s economic position, building on measures such as the ‘dashboard’ of data for Principal Investigators. However, there is a great deal more to do in terms of generating meaningful information to support decision making at all levels in the University.

76. Growth in research – is research loss-making or sustainable? It is sometimes said that all research is ‘loss making’ because most research does not recover the Full Economic Costs of research (or ‘FEC’, calculated using the TRAC methodology). This inevitably leads to questions about what is the ‘right’ amount of research the University can afford to do, potentially involving curbs on research growth. TRAC is a model the University is required to use which apportions costs to produce the overhead rate to charge funders such as UKRI (UK Research and Innovation). Essentially a pricing tool, it does not necessarily reflect the real financial impact of additional research activity, which may at least in part make use of existing facilities and other central services rather than simply accrete new cost to the University’s overheads. In this way FEC estimates of overheads does not necessarily represent the real costs of future research to the University and may not tally with its normal accounting for research activity.

77. The University’s reputation for research excellence has partly been enabled by its outstanding achievement in winning grant funding in an increasingly competitive environment. It receives the income associated with specific grants and contracts but also Quality-Related (QR) research funding as part of the ‘dual funding’ system which helps the University support the costs of research which are not fully met by individual grants.

78. Data obtained from the ROO for the last decade show the rapid growth in the volume of research activity in the University. However, it also shows that it is not obviously ‘loss making’: the income received from research funders exceeds the amount spent on conducting the research commissioned and thus creates a surplus, and QR funding enhances the picture. It has been said that more is spent on research than income is received, but this is not the case. In 2018–19 for every £1 the University spent on research it received £1.37 (as a combination of research income and QR income). The question is whether the 37% surplus is sustainable and recovers the overheads associated with the research activity undertaken. For reasons given above merely pointing to the TRAC/FEC indication is not sufficiently accurate. There needs to be an understanding of the true financial position reflected in more conventional, transparent financial management information, to ensure decisions about research made at all levels of the University are made on the basis of good information.

22 https://re.ukri.org/funding/quality-related-research-funding/
79. The figures below capture key metrics on research over a decade (the supporting tabular information is appended to this Report).

Figure 1. Key research funding metrics, 2009–10 to 2018–19, with linear trendlines shown

80. QR funding provides the University with further income to support research, largely based on the University’s performance in the Research Excellence Framework. The figures for the last decade are shown here, together with the total grants and contracts turnover and direct costs of research:

Figure 2. QR funding metrics, 2009–10 to 2018–19, with linear trendlines shown

Note the use of two independent y-axes to accommodate the radically different scales.

81. Some key points arise from these trends over the last decade:

- PI time (that is the income received which is specifically intended to offset the established salary costs of permanent academic staff) is not captured specifically. Instead the ROO states that the nearest proxy is ‘stipends’. This figure has increased in value by 92.5% to £214.5m in 2018–19. Income from PI time is valuable to the University because it offsets a fixed rather than a variable cost. Therefore understanding the quantum for PI time will be important in understanding the financial impact of research.

- While it is true that there are some concerning trends – for example the relative size of surplus over direct costs and the proportion of income comprising PI time – there has also been a growth in non-pay costs which may obscure the fact that absolute levels of PI time and surplus have grown.
• It is a concern that the largest component of non-pay direct cost is categorised as ‘other’ expenditure (£69m in 2018–19), and PI time (estimated as £214.1m in 2018–19, or 38.5% of research income) is not specifically captured. A clearer understanding of the fixed versus variable costs is important to evaluating the impact of research funding.

82. The Board understands there are overheads associated with research activity, and that it may well be that the income received, although being in excess of direct costs of research, is nonetheless insufficient to ensure research is sustainable. However, the actual cost of overheads associated with the variable costs of research need to be understood more accurately and both reference and relate to the University’s accounts. A genuinely transparent approach to research finance may make the consideration of research strategy more straightforward.

83. In summary, we have concluded that the true financial position of the University as regards research is unclear. An alleged loss-making status of research is not borne out by the available evidence. Research is central to the business of the University, is already large and is growing fast. It is consequently an urgent priority to address the provision of effective information.

84. The Board recommends that the Council commissions a study to develop a transparent understanding (for internal use and distinct from TRAC) of the financial impact of research to support a unified strategy which the centre and the departments can share, for the sustainability and optimal direction of research excellence in the future.

Human Resources

85. The extended disputes with the University and Colleges Union (UCU) about pay and pensions have taken up much of the year. The resort to strike action by UCU and the apparent intransigence on the part of many universities have been deeply regrettable, causing financial and reputational damage to UK Higher Education at a time when it can ill afford it. The University is one of a minority of institutions which have sought, through supporting improved offers, to achieve resolution of both disputes but without success. However, we note that marginal adjustments have been made to locally administered schemes, including contribution increments, and progress is being made to address the issue of casualisation. The national pay negotiation machinery which attempts to represent the interests of several hundred universities differing in size, mission, international distinction, and financial sustainability looks increasingly unfit for purpose in delivering outcomes acceptable across the sector. The Cambridge academic pay structure already deviates significantly from the national structure and pay for most academic offices is subject to approval by Grace. We would encourage the University to think creatively about alternative arrangements, e.g. rebasing the single spine to deal more appropriately with local concerns. We welcome the University’s commitment to the continuation of an affordable Defined Benefit Pension Scheme.

86. The Board has considered the information in the Financial Statements and the Annual Remuneration Report about the Vice-Chancellor’s emoluments and statistical data about the salaries of senior staff. On the Vice-Chancellor’s salary, Cambridge was ranked 7th in the last report of total emoluments nationally (OfS Report February 2019, Analysis of 2017–18 returns), at a time when the salaries of Vice-Chancellors have attracted much negative publicity and universities have been encouraged to show restraint. More recent information, including analysis by the Times Higher Educational Supplement (18 December 2019) and university annual reports, suggests that Cambridge has risen to first place among the salaries of Russell Group Vice-Chancellors in 2018–19. The Remuneration Report discloses that the salaries of the Pro-Vice-Chancellors were increased last year ‘for retention purposes’. The total cost of salaries and benefits paid to the VC and ‘key management personnel’ (Note 13, Reporter, p. 248) was £2.1m. While the Board recognises that the University needs to compete effectively to recruit internationally, particularly for the VC, the growth in remuneration of this senior post (90%), compared to the growth in the overall salary bill (52%) over the last ten years is striking. With regard to the PVCs the Board notes with interest the use of market data in setting salaries, when Cambridge normally appoints PVCs by internal recruitment.

87. The Board has recommended the publication of numerous consultation proposals to refresh the career structures of academic staff:
- Academic Career Pathways/USL dual career Pathway;
- Senior Researcher Promotions;
- Teaching Focused Career Pathways;
- Academic Titles.

88. The proposals to reform academic titles will be the subject of a ballot in the Michaelmas Term. Progress towards implementation of reward and recognition schemes has been delayed because of the Covid-19 crisis and the Council’s Notice, dated 21 July 2020, heralded a period of restraint in expenditure on pay and benefits, including the suspension of a number of schemes, including Senior Academic Promotions, a Voluntary 10% Pay Reduction Scheme for higher paid staff, and continued restraint on new recruitment. This must cast doubt on the viability of at least some of these new proposals and indeed on the University’s People Strategy. Furthermore the Board notes that the measures in the Council’s Notice are expected to save a one-off £12m in the context of a deficit attributable to Covid-19 of c. £200m. While not underestimating the gravity of the position, the Board is concerned about the wider implications of these measures, for recruitment and retention, early career staff, staff goodwill and the maintenance of research excellence.
Governance

Review of Governance

89. The Board notes that the working group set up by Council in May 2017 to consider three items, viz Regent House membership, Council membership and Discussions, is nearing the completion of its remit, with a paper having been presented to Council in early 2020. There are outstanding matters that need to be addressed before the working group’s recommendations can be agreed by Council, after which the paper will be published for wider discussion. The Board notes, however, that this review will have taken over three years, which is arguably contrary to the ethos of self-government and the maintenance of the engagement of the Regent House, the ‘University’s principal governing body.’

Suspension of normal governance during the pandemic

90. Though the work of the Board is largely retrospective, it would be wrong for the Board not to comment briefly on the governance arrangements during the present pandemic. The Chair of the Board wrote to the Chair of the Council’s Business Committee in May to express concerns about the arrangements.

91. The Board is particularly concerned about the suspension of publication of the Reporter, and the way in which this suspension led to a large number of decisions taken by senior officers and the Council and General Board under delegated authority being reported to the University only some time after they had been taken and then in a rather cursory fashion.

92. A further concern was the temporary arrangements for Discussions of the Regent House, which were conducted entirely by email, with remarks subsequently published ad hoc in the Reporter, or by Advance Notice, neither of which have had a regular publication schedule.

93. The Board’s 24th Report noted, in paragraph 83, that a consultation on the format of Discussions had taken place, opening on 25 July 2018 and closing on 31 October 2018. The consultation put forward a couple of proposals for the format of Discussions. As noted above, the outcome of that consultation has not been communicated to the University, however the arrangements for Discussions ‘by email’ bear more than a passing resemblance to the first of the proposals made back in July 2018.

94. The second of those proposals allowed for a physical meeting if called for by five members of the Regent House. Although that is not possible under the current conditions, the Board is concerned that the University does not drift into a ‘new normal’ where Discussions only take place by email; the reinstatement of physical meetings should be the default unless and until the Regent House determines otherwise.

95. The decision to suspend the publication of the Reporter was an unnecessary action which severed a formal channel of communication with the Regent House. Whilst Notices and Graces pertaining to decisions taken under delegated authority were finally published on 17 and 22 June, the Discussion of these decisions on 14 July was arguably nothing more than a token gesture towards the Regent House as any amendments to the Graces would have had to have been received by 26 June. In any case the formulation of those Graces frustrated any attempt to amend them or challenge particular aspects of the decisions. However, the Board welcomes what appears to be a recent change of policy by the publication of Graces [and Notices] seeking approval for temporary provisions or to set aside specific requirements in Ordinances for the duration of the emergency.

96. The Board fully acknowledges the necessity for pragmatism during the current situation, but this cannot be at the expense of open and transparent governance and accountability to Regent House.

97. The Board will report again on these matters in due course.

Summary of Recommendations

1. The Board recommends that the Council should publish its strategy for how it intends to deploy any operating surpluses of Cambridge Assessment and Cambridge University Press in future years, and whether such surpluses will be used to offset persistent deficits in Chest and non-Chest expenditure as appears to be the case in 2018–19.

2. The Board recommends that the University considers reducing further its capital expenditure, quantifying more clearly what it considers to be a sustainable level of expenditure in the longer term, and explaining how this sustainable target level of expenditure relates to the depreciation charge recognised in the financial accounts.

3. The Board strongly recommends that the University streamlines and standardises its administrative processes so that it can effectively invest in procuring and deploying modern, fit-for-purpose IT systems to make genuinely efficient, effective and unobtrusive administration across the institution a real possibility.

4. The Board recommends that despite the impact of the current situation on University finances, the funding of core services, coupled with the reliance on soft funding to finance aspects of these, needs to be addressed so as to ensure adequate provision in place for the University to support the student body. This is particularly crucial given the impact of Covid-19 on student mental health and the increased number of students enrolled for the academic year 2020–21.

29 https://www.admin.cam.ac.uk/reporter/2019-20/weekly/6563/section5.shtml#heading2-11
30 https://www.admin.cam.ac.uk/reporter/2017-18/weekly/6516/section1.shtml#heading2-12
5. The Board recommends that the Council publishes a full report on the Foundation Year, detailing the objectives of the programme; the rationale for the proposed content and delivery mode; the criteria for admission onto and progression from; a cost-benefit analysis; the indicators that will be used to determine whether the programme has been successful; and long-term funding implications.

6. The Board recommends that the Council carries out a formal review of the externally necessitated move to online provision in Easter Term 2020 to understand how successful it has been so as to inform the University’s future digital strategy, both short-term in response to Covid-19 and in the longer term. The review should specifically consider the implications on workload management, student experience, intellectual property, reputational risk, and financing.

7. The Board recommends that the Council commissions a study to develop a transparent understanding (for internal use and distinct from TRAC) of the financial impact of research to support a unified strategy which the centre and the departments can share, for the sustainability and optimal direction of research excellence in the future.

Glossary

CA Cambridge Assessment
CamSIS Cambridge Student Information System
CAPSA University of Cambridge Financial System
CCTL Cambridge Centre for Teaching and Learning
CHRS Cambridge Human Resources Information System
CUDAR Cambridge University Development and Alumni Relations
CUFS Cambridge University Finance System
CUP Cambridge University Press
CUEF Cambridge University Endowment Fund
DRC Disability Resource Centre
DTP Doctoral Training Partnership
FE Further Education
FEC Full Economic Costs
GBEC General Board Education Committee
HSS School of the Humanities and Social Sciences
HR Human Resources
IT Information Technology
KPI Key Performance Indicators
MoU Memorandum of Understanding
NSI Non-School Institution
OfS Office for Students
OSCCA Office of Student Conduct, Complaints and Appeals
PI Principal Investigator
PVC Pro-Vice-Chancellor
REF Research Excellence Framework
ROO Research Operations Office
SAH School of Arts and Humanities
UAS Unified Administration Service
UCS University Counselling Service
UCU University and College Union
UKRI UK Research and Innovation
UIS University Information Services
### Research – data on which the charts are based

**Table A: Income and direct costs associated with specific research projects (i.e. excluding QR) – grants show surplus.**

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<td><strong>Research volume</strong></td>
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<td>Total contract value of active research grants (£m)</td>
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<td>404</td>
<td>476</td>
<td>577</td>
<td>519</td>
<td>593</td>
<td>631</td>
<td>617</td>
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<td>Ave contract value (£m)</td>
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<td>0.377</td>
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<tr>
<td>Research income (£m)</td>
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<td>296.7</td>
<td>317.5</td>
<td>350</td>
<td>395.3</td>
<td>420.2</td>
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<td>479</td>
<td>519.1</td>
<td>556.2</td>
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<td>Total direct costs (£m)</td>
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<td>252.8</td>
<td>273.0</td>
<td>301.5</td>
<td>343.8</td>
<td>369.1</td>
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<td>425.9</td>
<td>461.9</td>
<td>494.2</td>
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<td>43.9</td>
<td>44.5</td>
<td>48.5</td>
<td>51.5</td>
<td>51.1</td>
<td>52.3</td>
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<td>57.2</td>
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<td>9.5</td>
<td>9.1</td>
<td>10.5</td>
<td>11.7</td>
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<td>14.6</td>
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<td>% surplus to departments</td>
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<tr>
<td>Pay – incl. stipends (£m)</td>
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<td>129.2</td>
<td>136.1</td>
<td>153.2</td>
<td>170</td>
<td>187.7</td>
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<td>Stipends (equivalent to PI time) (£m)</td>
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<td>135.5</td>
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<td>‘Other costs’ (non-pay) (£m)</td>
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<td>22.8</td>
<td>26.7</td>
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<td>43.5</td>
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<td>43.0</td>
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<td>+86.5</td>
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<tr>
<td>PI time as % research income</td>
<td>40.5</td>
<td>39.3</td>
<td>38.4</td>
<td>38.7</td>
<td>38.3</td>
<td>39.5</td>
<td>36.3</td>
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<td>Pay costs as % research income</td>
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<td>42.9</td>
<td>43.8</td>
<td>43.0</td>
<td>44.7</td>
<td>41.0</td>
<td>44.0</td>
<td>43.9</td>
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<td>Non-pay costs as % income</td>
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<td>43.4</td>
<td>43.1</td>
<td>42.4</td>
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<td>48.2</td>
<td>44.9</td>
<td>45.1</td>
<td>45.2</td>
<td>+14.6</td>
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<td>Surplus as % research income</td>
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<td>14.0</td>
<td>13.9</td>
<td>13.0</td>
<td>12.2</td>
<td>10.8</td>
<td>11.1</td>
<td>11.0</td>
<td>11.1</td>
<td>-28.7</td>
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</tbody>
</table>

*Source: ROO data*
Table B – all research income including QR

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</thead>
<tbody>
<tr>
<td>Research income from grants and contracts (£m)</td>
<td>274.9</td>
<td>296.7</td>
<td>317.5</td>
<td>350</td>
<td>395.3</td>
<td>420.2</td>
<td>483.5</td>
<td>479</td>
<td>519.1</td>
<td>556.2</td>
<td>+102.3</td>
</tr>
<tr>
<td>QR received (£m)</td>
<td>111.7</td>
<td>115.9</td>
<td>115.4</td>
<td>116.9</td>
<td>120.2</td>
<td>122.2</td>
<td>119.5</td>
<td>119.8</td>
<td>122.0</td>
<td>122.2</td>
<td>+9</td>
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<tr>
<td>Total research income + QR (£m)</td>
<td>386.6</td>
<td>412.6</td>
<td>432.9</td>
<td>466.9</td>
<td>515.5</td>
<td>542.4</td>
<td>603</td>
<td>598.8</td>
<td>641.1</td>
<td>678.4</td>
<td>+113.0</td>
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<tr>
<td>Total direct costs (£m)</td>
<td>232.0</td>
<td>252.8</td>
<td>273.0</td>
<td>301.5</td>
<td>343.8</td>
<td>369.1</td>
<td>431.2</td>
<td>425.9</td>
<td>461.9</td>
<td>494.2</td>
<td>+113.0</td>
</tr>
<tr>
<td>Income received for every £ spent on research (£)</td>
<td>1.66</td>
<td>1.63</td>
<td>1.59</td>
<td>1.55</td>
<td>1.50</td>
<td>1.47</td>
<td>1.40</td>
<td>1.41</td>
<td>1.39</td>
<td>1.37</td>
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</tr>
</tbody>
</table>

Source: ROO data

OBITUARIES

Obituary Notice

Professor Sir John Meurig Thomas, M.A., Sc.D., FRS, FLSW, (Hon.) FREng, (Hon.) FRSE, Honorary Fellow and former Master of Peterhouse, sometime Fellow of King’s College, formerly 1920 Professor of Physical Chemistry and Head of the Department of Physical Chemistry, sometime Honorary Professor of Solid State Chemistry, former Director of the Royal Institution, Royal Medallist of the Royal Society, died on 13 November 2020, aged 87 years.

GRACES

Graces submitted to the Regent House on 25 November 2020

The Council submits the following Graces to the Regent House. These Graces, unless they are withdrawn or a ballot is requested in accordance with the regulations for Graces of the Regent House (Statutes and Ordinances, November 2020, p. 105) will be deemed to have been approved at 4 p.m. on Friday, 4 December 2020. Further information on requests for a ballot or the amendment of Graces is available to members of the Regent House on the Regent House Petitions site.³

1. That the recommendations in paragraph 44 of the Report of the Council, dated 26 October 2020, recommending allocations from the Chest (Reporter, 6593, 2020–21, p. 96) be approved.¹

2. That on the recommendation of the Council and the Nominating Committee, Professor Sir David Greenaway be reappointed a member of the Council in class (e) for four years from 1 January 2021.

¹ See the Council’s Notice on p. 157.

² See https://www.governance.cam.ac.uk/governance/key-bodies/RH-Senate/Pages/RH-Petitions.aspx for details.
Graces to be submitted to the Regent House at a Congregation on 28 November 2020

The Council has sanctioned the submission of the following Graces to the Regent House at a Congregation to be held on 28 November 2020:


That the following persons be admitted to the degree of Master of Arts under the provisions of Statute B II 2:
4. Duncan Edward Astle, Fellow of Robinson College.
5. Michael Gordon Davies, Associate Lecturer in the Faculty of Clinical Medicine.
6. James Gazzard, Fellow of Wolfson College and Director of Continuing Education in the Institute of Continuing Education.
7. Simon Hopkins, Head of Infrastructure Services in the Local Examinations Syndicate.
8. Timothy Patrick Love, Computer Officer in the Faculty of Engineering.
9. Ian Stewart McCrone, Fellow of St Edmund’s College and University Physician in the Faculty of Veterinary Medicine.
10. Christine Fiona Jane Rogerson, Administrative Officer in the Finance Division of the University Offices.
11. Helen Louise Wain, Fellow of Lucy Cavendish College and Senior Assistant Treasurer in the Finance Division of the University Offices.
12. Jing Zhao, Assistant Director in the Local Examinations Syndicate.

ACTA

Approval of Grace submitted to the Regent House on 11 November 2020

The Grace submitted to the Regent House on 11 November 2020 (Reporter, 6595, 2020–21, p. 143) was approved at 4 p.m. on Friday, 20 November 2020.

E. M. C. Rampton, Registrar

End of the official part of the ‘reporter’
Vacancies

Christ’s College: Bursar; applications are invited for this senior post, tenable with effect from Summer 2021; closing date: 31 December 2020; further details: https://www.christs.cam.ac.uk/vacancies

Corpus Christi College: Stipendiary Early-Career Research Fellowship (in English, Anglo-Saxon, Norse and Celtic, Theology, or Music); tenure: four years from 1 October 2021; stipend: £20,675–£24,461; closing date: 14 January 2021 at 12 noon; further details: https://www.corpus.cam.ac.uk/about-corpus/people/academic-vacancies

Lucy Cavendish College: College Teaching Officer in English and Fellow; tenure: three years ideally from January 2021; salary: £36,057; closing date: 9 December 2020 at 9 a.m.; further details: https://www.lucy.cam.ac.uk/vacancies/college-teaching-officer-english-and-fellow

EXTERNAL NOTICES

Oxford Notices

New College: Christopher Cox Junior Fellowship; tenure: three years from 1 October 2021; salary: £23,754 plus allowances; closing date: 13 December 2020; further details: https://isw.changeworknow.co.uk/new_college_oxford/vms/e/careers/positions/bxob5g5ELdG6_aDnyx97rt

Nuffield College: Postdoctoral Researcher (International NGOs in the Long Humanitarian Century: Legacy, Legitimacy and Leading into the Future research programme); tenure: three years from 1 March 2021 or as soon as possible thereafter; salary: £34,804; closing date: 21 December 2020; further details: https://www.nuffield.ox.ac.uk/the-college/jobs-and-vacancies/postdoctoral-researcher-international-ngos-in-the-long-humanitarian-century/