



**UNIVERSITY
OF LONDON**

BOARD OF TRUSTEES

Wednesday, 25 March 2020, at 4.00 pm
By conference call

MINUTES

PRESENT

The Baroness Amos of Brondesbury	Andrew Halper
Jane Andrewartha	Professor Paul Layzell
Professor Michael Arthur (present except for BTMM 4911-13)	Kieran Murphy
Stella Beaumont	Andrew Ratcliffe
Abdul Bhanji	Professor Stuart Reid
Professor Edward Byrne	Malcolm Roberts
Philip Clark	Professor Wendy Thomson
Sir Richard Dearlove (Chair)	Rosalyn Wilton

APOLOGIES

Mark Storey

IN ATTENDANCE

Dr Ghazwa Alwani-Starr (Pro Vice-Chancellor (Strategy, Planning and Partnerships) and Director of Property and Facilities Management)
Simon Cain (Director of Human Resources)
Chris Cobb (Pro Vice-Chancellor (Operations) and Deputy Chief Executive)
Lizzy Conder (Director of Finance (Investment and Risk Strategy))
Damaris Currie (Central Secretariat)
Professor Jo Fox (Deputy Dean of the School of Advanced Study)
Rosalind Frendo (Director of Compliance and Secretary to the Board)
Gerry Kelly (Director of Finance and Business Planning, UoLW)
Karen Kröger (Director of Finance (Planning and Operational Strategy))
Craig O'Callaghan (Director of Operations, University of London Worldwide)
John G Stewart (Director of Legal Services)

Welcome

4885 The Chair welcomed members to the meeting, which was taking place by conference call, in line with the provisions of Statute 9.4, due to the University buildings being closed as a result of the COVID-19 outbreak.

Minutes of the Meeting Held on 29 January 2020

4886 The Board confirmed the minutes of the meeting held on 29 January 2020.

Vice-Chancellor's Report

4887 The Board received and noted the contents of the Vice-Chancellor's report (BT1422, Confidential), including:

- (i) a letter of 20 March 2020 from the Minister of State for Universities (Appendix BT1422A);
- (ii) a letter of 17 March 2020 from the Office for Students (OfS), Director of Competition and Registration, to the Vice-Chancellor as Accountable Officer of the University (Appendix BT1422B); and
- (iii) a list of the Vice-Chancellor's Main Activities and Meetings since the previous Board meeting (Appendix BT1422C).

COVID-19

4888 The Board noted the update on the University's work in managing the impacts of the COVID-19 crisis. The Pro Vice-Chancellor (Operations), who was co-ordinating planning at a senior level as Chair of the Business Continuity Planning Gold Team, expressed his gratitude to all staff involved as well as to members of the Board for the advice and support that they had provided during this challenging and unprecedented period. He was also grateful for the regular communications with Member Institutions (MIs), which had provided a much-valued means of sharing experience and practice.

4889 The Board noted that the central administrative buildings of the University had been closed at 4:00pm on 20 March 2020 until 20 April 2020 in the first instance. The date for re-opening would be kept under review. Staff who were able to work from home were doing so, and most meetings were being held by conference call. Essential services to ensure business continuity and student services would continue to be staffed.

4890 Students in Halls of Residence were being encouraged to return home. Those who were unable to do so, or who did not have alternative accommodation, were being supported in the Halls. The University was seeking to consolidate the remaining students into the Halls of Residence in the Bloomsbury area, as this would assist the University to provide them with support, especially, for example, should transport links be affected by the COVID-19 outbreak.

4891 Consideration and planning in respect of managing the eventual return of staff to University offices was also taking place.

4892 The Board noted that academics were supporting students by working and delivering teaching remotely.

4893 Members were informed that it was highly unlikely that face-to-face examination assessments would be able to proceed as planned for Spring 2020 for University of London Worldwide (UoLW) students. The Director of Operations, UoLW, reported that extensive discussions were taking place on how assessments would be carried out and that a variety of options were being explored, including: rescheduling of exams until later in the summer when the coronavirus disruption had abated; proctoring of remote live or recorded invigilation of exams; timed online assessment; timed coursework; or computer-based assessment; and changes of venue for paper-based

exams. If some students were unable or did not wish to participate in the alternative assessments, then they would be able to wait until face-to-face examinations could be rescheduled. UoLW was engaging closely with MIs, examination centres and teaching centres in taking forward the plans.

- 4894 A major communications programme would ensure that students were fully informed of the arrangements that were being made for their examinations. All affected students were being contacted to ensure that the University was aware of their individual situations and could respond and plan accordingly.
- 4895 The Vice-Chancellor reported on the potential effects of the cancellation of GCSE and A-Level examinations and members noted also the recent communications from the OfS and Universities UK.
- 4896 Members from the MIs reported on additional effects of the COVID-19 outbreak within the MIs, including in respect of clinical academics and scientists who were now focussed on providing front-line research and medical support, and final-year medical and nursing students working in hospitals.
- 4897 The Board noted also the potential longer-term effects of the COVID-19 outbreak on higher education, including concerns about the financial impact on the sector. Members noted, in particular, potential disruption to the UK student admissions process and the likelihood that new and returning international students would not come to the UK in the summer 2020.
- 4898 The Vice-Chancellor highlighted a range of work being undertaken to support staff working from home, and steps that had been taken to ensure good communications were in place, highlighting the regular, remote 'Town Hall' meetings to which all staff were invited. She emphasised that the University was taking a wide range of steps to ensure it remained resilient during the COVID-19 outbreak and well-positioned once the outbreak abated. The Board would be kept informed.

MIs - Appointments

- 4899 Members of the Board welcomed two new appointments as Heads of the University's MIs: Professor Adam Habib, who would succeed Baroness Valerie Amos as the next Director of SOAS; and Dr Michael Spence AC, who would become President and Provost of UCL in January 2021 when Professor Arthur stepped down.

COVID-19 Planning

- 4900 Members noted that the update on COVID-19 planning had been covered under the Vice-Chancellor's Report (BTMM 4888-98 above refer).

Development of the University Strategy for 2020 to 2025

- 4901 The Board received the following documentation that had been developed in respect of the University Strategy for 2020-2025 (BT1423, Confidential):

- (i) The University's Academic Vision Statement, 'Connecting Worlds', aimed to capture and build on the strengths of the University's diverse

activities and connections globally, nationally, and across London, and proposed a vision for the future.

- (ii) A number of 'Strategy Boards' provided an overview of the draft strategy setting out the University's proposed role, value, vision and four key strategic objectives for the next five years.
- (iii) A PowerPoint presentation from Fusion Learning, brand consultants to the University, giving a "Positioning Development Update" on the University brand.

4902 Members were invited to submit comments on the documents to the Vice-Chancellor and/or the Pro Vice-Chancellor (Strategy, Planning and Partnerships).

4903 The Vice-Chancellor explained that senior management had given consideration to whether the emerging University Strategy remained appropriate given the COVID-19 outbreak, and that the view had been that the direction of travel remained pertinent. The Board expressed its support for this view and for the continued development of the Strategy, the themes and aims of which, it agreed, remained especially relevant in the current climate.

Proposed Disposal of Clandon House

4904 The Board considered a report on the proposed disposal of Clandon House (BT1424, Confidential), including:

- (i) Clandon House Brochure prepared by Savills, property advisers to the University (Appendix BT1424A)
- (ii) Summary by Savills of the 13 Highest Offers (Appendix BT1424B, Confidential)
- (iii) Summary by Savills of the top three offers (Appendix BT1424C, Confidential)

BTMM 4905-07 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Halls of Residence Stock Condition and Improvement Works – Proposed Phase 3 Works

4908 The Board considered a report on progress of the works completed as part of Phases 1 and 2 of the Halls of Residence Stock Condition and Improvement Works and the proposed scope of works for Phase 3 (BT1425 and Appendix BT1425A, both Confidential).

BTM 4909 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Halls of Residence Fire Survey Works – Proposed Next Stage

BTM 4910 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

BTMM 4911-14 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Report from the Estates Committee

- 4915 The Board received a summary of the issues discussed by the Estates Committee at its meeting on 17 February 2020 (BT1428, Confidential), including a report of recent lease agreements (Appendix BT1428A, Confidential).
- 4916 The Pro Vice-Chancellor (Strategy, Planning and Partnerships) reported that, as mentioned earlier in the meeting, in view of the financial implications of the COVID-19 outbreak, the University was undertaking a review of spend on all aspects of its business including its capital projects. As part of this work, information was being compiled on monies already committed and identifying where any spend might be required in order to aid financial recovery. It was noted that ongoing fundraising would be considered as part of the review of capital projects.
- 4917 In the light of the COVID-19 outbreak and the closure of many University buildings, the Property and Facilities Management Department was also undertaking work in respect of the following: ensuring that all buildings were safe and fire-secure and could be accessed if and as required; providing support to students in Halls of Residence as indicated earlier in the meeting (BTM 4890 above refers); and supporting remote working.
- 4918 Further to queries from the Board, it was confirmed that the University would continue to liaise with MIs in respect of planning in relation to COVID-19 and any related opportunities for collaboration, as well as communicating with and responding to any queries in respect of assistance that could be provided to the National Health Service (NHS).

Potential Financial Impact of COVID-19

- 4919 The Board considered a report on the University's assessment of the potential financial impact of COVID-19, and a range of potential mitigations and actions being taken to respond to the financial risks. Appended to the report were the following:
- (i) NatWest PowerPoint presentation on the COVID Corporate Financing Facility (Appendix BT1429A, Confidential); and
 - (ii) British Universities Finance Directors Group (BUFDG) paper on COVID-19 Business Measures (Appendix BT1429B, Confidential)
- 4920 The Director of Finance (Planning and Operational Strategy) introduced the report, drawing attention to the summary of the potential impact of COVID-19 on the 2019-20 and 2020-21 figures. The analysis showed three potential outcomes based on differing assumptions, according to potential best-case, middle-case and worst-case scenarios. Members noted, in particular, the possible impact on Halls of Residence income, on the exam income margin in UoLW, on CoSector business, and on the significant income that the University usually received from accommodation letting during the summer months.
- 4921 The Director of Finance (Planning and Operational Strategy) reported that further, more detailed, modelling of potential outcomes was taking place and, following a suggestion from the Board, agreed to give consideration to additional scenarios.

- 4922 The Board noted the review of capital and other projects that was being undertaken, as highlighted earlier in the meeting (BTM 4916 above refers). The Board was also informed of steps that had been taken to contain costs, with a pause on all non-essential spending. This had been communicated to Directors and additional checks were in place requiring requisitions to be passed for approval to the Directors of Finance and the Pro Vice-Chancellor (Operations).
- 4923 Further to a query about the savings detailed in the report, the Director of Finance (Planning and Operational Strategy) clarified that a significant proportion of the 2019-20 savings related to monies associated with travel and couriers, and also that cost savings in 2020-21 reflected actions that had already been planned for that academic year. The Board strongly supported the careful review of capital and other projects and the pause on any non-essential expenditure.
- 4924 Members discussed the immediate financial risk for UoLW in relation to exam income, noting the mitigating actions being taken, as highlighted earlier in the meeting (BTMM 4893-94 above refer). They supported UoLW's policy of aiming to ensure continuity, which would both reduce disruption to students' studies and minimise the necessity for refunds.
- 4925 Members noted the potential impact on the University's cash reserves of the three scenarios detailed within the report. The Board noted also the update on potential funding options, and discussed and endorsed a plan to progress steps to access the COVID Corporate Financing Facility (CCFF) and/or a revolving credit facility, noting that this would assist in providing a liquidity buffer and help to ensure that the University's strategic plans could be progressed. It was agreed that the associated discussions and negotiations regarding the terms for either facility should be taken forward in consultation with the group of Trustees who were supporting development of the Financial Strategy (Kieran Murphy, Andrew Ratcliffe, Rosalyn Wilton), acting as a finance committee, with a view to this committee making a recommendation to the Board. In line with Ordinance 1, paragraph 2.2, any final decision would need to be taken by the Board of Trustees, and proposals would therefore be circulated to the Board for consideration by correspondence as soon as they were available.

BTM 4926 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

4927 **AGREED**

- (i) The Board endorsed the plan to progress steps to access the COVID Corporate Financing Facility and/or a revolving credit facility. Discussions and negotiations regarding the terms for either facility would be taken forward in consultation with the group of Trustees who were supporting development of the Financial Strategy (see BTM 4925 above), acting as a finance committee, with a view to making a recommendation to the Board. In line with the requirements of Ordinance 1, paragraph 2.2, any proposals would be circulated to the Board by correspondence for final decision.

Board of Trustees Minutes 4885 to 4939
(excluding confidential information at BTMM 4905-07, 4909, 4910, 4911-14, 4926,
4927(ii), 4931(ii)(a))
*BTM 4927(ii) is considered exempt from disclosure in accordance with Part II of the
Freedom of Information Act 2000.*

Update on the Impact of Recent Market Turmoil on the Unified Trust Fund (UTF)

4928 The Board considered a report on the valuation of the UTF as of 16 March 2020 (BT1430, Confidential), appended to which were the following documents:

- (i) Longview valuation statement at 16 March 2020 (Appendix BT1430A, Confidential);
- (ii) Schroder valuation statement at 16 March 2020 (Appendix BT1430B, Confidential);
- (iii) Ruffer valuation statement at 16 March 2020 (Appendix BT1430C, Confidential);
- (iv) Mayfair PITCH valuation at 29 February 2020 (Appendix BT1430D, Confidential); and
- (v) NatWest markets reactions to COVID-19 (Appendix BT1430E, Confidential)

4929 The Board noted that March 2020 had seen significant volatility in the equity and credit markets, and noted that the valuation of the UTF had fallen by 17.5%, equating to over £18M reduction in value, with the price per unit falling from £9.02 to £7.43 as at 16 March 2020.

4930 The Board considered and supported the way forward proposed in the report, including the suggestion that the University communicate to committees and beneficiaries of the trusts with assets invested in the UTF (Trusts) the risk that the July 2020 distribution of income might be reduced or not be possible if market turmoil and/or lack of liquidity continued.

4931 **AGREED:**

- (i) The Board agreed that the University should inform Trust committees and beneficiaries that there was a risk of the second distribution being reduced significantly or not being possible if the markets did not recover sufficiently by 31 July 2020.
- (ii) The Board agreed the proposed course of action set out in the report, namely:

Information at BTM 4931(ii)(a) is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

- (a) If the equity markets stabilised, then the University would review whether the UTF could be rebalanced later in the summer back to the benchmark for the fund and could then release sufficient funds from the UTF to pay the July distribution in full. []
- (b) The Finance and Procurement Department would complete a valuation of the UTF at 30 June 2020 and circulate a paper to Investments Committee members to make a decision on whether it would be possible to maintain a distribution of 14.0 pence per unit and, if not, whether any distribution should be made.

Finance Report

- 4932 The Board received the Finance Report (BT1431, Confidential), including the Management Accounts for the six months to 31 January 2020 (Appendix BT1431A, Confidential). Members noted that the management accounts had been produced in February 2020, before the financial outlook had changed significantly due to the impact of COVID-19. More detailed analysis of the potential financial impact of COVID-19 had been provided elsewhere on the agenda (BTMM 4919-27 above refer).

Review of University Governance

- 4933 The Board was informed that draft terms of reference for the review of governance had been produced and an external consultant was being sought to assist with the review process. A small group of key stakeholders from the Board of Trustees and the Collegiate Council would be established to consider proposals and to provide advice. The intention was for the Board to consider the resulting recommendations at its meeting on 15 July 2020.

Business Transacted Since the Previous Meeting

- 4934 The Board noted a report on business conducted by correspondence, matters arising since the previous meeting, and actions taken under delegated authority not reported elsewhere on the agenda (BT1432).

Fundraising Policies

- 4935 The Board noted an update (BT1433) on minor textual amendments to the University's Fundraising Policies that had been approved by the Vice-Chancellor on behalf of the Board following scrutiny by the Vice-Chancellor's Executive Group:
- (i) Donation Acceptance Policy (Appendix BT1433A)
 - (ii) Ethical Acceptance of Donations Policy (Appendix BT1433B)
 - (iii) Naming Policy (Appendix BT1433C).

Annual Report of the Remuneration Committee 2018-19

- 4936 The Board noted the Annual Report of the Remuneration Committee (BT1434).

Minutes of the Collegiate Council Meeting on 13 December 2019

- 4937 The Board noted the minutes of the Collegiate Council meeting held on 13 December 2019 (BT1435, Confidential).

Dates of Future Meetings

- 4938 The Board noted the dates of future meetings as follows (all to commence at 4.00 pm):

2019-20

Wednesday, 20 May 2020

Wednesday, 15 July 2020

2020-21 (these dates were subject to the outcomes of the governance review):

Wednesday, 14 October 2020

Wednesday, 25 November 2020

Wednesday, 27 January 2021

Wednesday, 24 March 2021

Wednesday, 19 May 2021

Wednesday, 14 July 2021

- 4939 In view of the current circumstances in which the University was operating, officers would keep under review the need for an extraordinary meeting of the Board and, in consultation with the Chair, a meeting would be convened if necessary.