



UNIVERSITY OF LONDON

BOARD OF TRUSTEES

Wednesday, 14 October 2015, at 4.00 pm
Senate Room, Senate House

MINUTES

PRESENT

Ms Stella Beaumont	Professor Paul Layzell
Mr Abdul Bhanji	Mrs Suzanne McCarthy
Mr Philip Clark	Professor Stuart Reid
Sir Richard Dearlove (Chair)	Mr Malcolm Roberts
Mr Steven Fogel	Professor Sir Adrian Smith
Professor Simon Gaskell	Professor Paul Webley
Professor David Latchman	

APOLOGIES

Ms Emma Burns	Mr Gerard Lemos
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IN ATTENDANCE

Ms Maureen Boylan	Professor Roger Kain
Mr Martin Burchett	Mr Andrew Murphy
Mr Chris Cobb	Mr John G Stewart
Miss Damaris Currie	Dr Mary Stiasny
Mr Kim Frost	Mr Paul Wilkinson

Welcome

3076 The Chair welcomed Mr Philip Clark and Mr Malcolm Roberts who were attending their first meeting as Trustees, having commenced their terms of office on 1 August 2015. He also welcomed the Deputy Vice-Chancellor, Professor Webley, who, following the approval of the new Statutes, was also attending as a Trustee for the first time (see also BTM 3079 below).

Functions, Constitution and Membership of the Board of Trustees

3077 The Board noted its Functions, Constitution and Membership, as set out in Document BT910 and Appendix BT910A.

Minutes of the Meeting Held on 15 July 2015

3078 The Board confirmed the minutes of the meeting held on 15 July 2015.

Matters Arising

3079 The Board received a report on Matters Arising since the previous meeting (BT911) and noted the updates on the Warburg Institute and the proposed amendments to the Statutes. The Board noted that, subsequent to the circulation of the report, the University had received confirmation that the

amendments to the Statutes had been approved by the Privy Council with effect from 8 October 2015. One amendment provided for two additional independent members of the Board. The University Secretary, Ms Boylan, reported that arrangements were being taken forward for appointments to the vacancies; the advertisement for the new Trustees would be circulated to the Board shortly for its information.

Vice-Chancellor's Report

BTMM 3080-85 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Renaming of the University of London Observatory at Mill Hill

3086 The Vice-Chancellor reported that the Observatory at Mill Hill, initially established as a University of London facility, had been exclusively managed by UCL since 1951. Although it had effectively been transferred to UCL in terms of practical administrative and financial responsibility, the Observatory had retained the University of London name, whilst being branded and viewed by the external world as a UCL facility. UCL had asked the University to consider regularising the position by renaming it as the UCL Observatory. The Board was informed that the Collegiate Council was content with this proposal. The Board approved the proposed change of name.

Being Human Festival

3087 The Vice-Chancellor highlighted the update in the report on the 2015 *Being Human* festival. The festival, now in its second year, was led by the School of Advanced Study (SAS) in partnership with the Arts & Humanities Research Council (AHRC), the British Academy and the Wellcome Trust, and would take place from 12 to 22 November 2015. Members noted that it was the only UK-wide festival dedicated to building public understanding and engagement with the humanities. The Vice-Chancellor encouraged members to participate in some of the events and drew attention to copies of the festival programme which had been made available for members.

Honorary Degrees

3088 Members noted the update on those due to receive honorary degrees at the Foundation Day Ceremony on 25 November 2015 and the confirmed list of orators. The Board noted also that Dr Nicholas Penny would receive his award of a Doctor of Literature *honoris causa* at the 2015 SAS Graduation Ceremony on 11 December 2015.

3089 The Vice-Chancellor reported that the University had recently invited Trustees to submit nominations for Honorary Degrees to be conferred at the 2016 Foundation Day Ceremony. Nominations would be considered by the Honorary Degrees Group at its meeting on 17 November 2015, with a view to the Group's recommendations being presented to the Collegiate Council meeting on 11 December 2015.

University Operating Plan for 2015-16

3090 The Vice-Chancellor reported that the University had developed its Operating Plan for 2015-16; copies had been circulated to members with their Board papers.

Senior Staff Changes

3091 Members noted that Ms Julie Adams had retired as the Chief Executive Officer of Student Central in August 2015.

CoSector Limited (CoSector)

3092 The Vice-Chancellor reported that there had been a further change in senior staffing arrangements since the report had been circulated and he invited the Pro Vice-Chancellor (Operations) to update the Board.

3093 The Pro Vice-Chancellor (Operations) reported that he had accepted the recent resignation of the Chief Executive Officer (CEO) of CoSector, and outlined the reasons for the CEO's decision. The Pro Vice-Chancellor (Operations) reported that, subsequent to the former CEO's departure, Ms Sally Townsend had been appointed as Interim CEO and would commence her appointment at the beginning of November 2015. He informed members that Ms Townsend had previously been Director of Finance and Director of Organisational and Strategic Services at Goldsmiths, University of London, and that her financial background, and the College and wider sector perspective that she would provide, would be very valuable to CoSector.

3094 The Board was informed that the Interim CEO would be assisted by the newly appointed senior management team, which included a Chief Operating Officer and a Communications Director; these appointments followed the Board's decision in July 2015 to delegate authority to the Vice-Chancellor to take the actions required to start the operation of CoSector to employ staff.

BTM 3095 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Heads of Colleges

3096 The Vice-Chancellor highlighted the updates in his report on several Heads of Colleges, and members agreed that the Chair should write to the individuals involved on behalf of the Board, as follows:

- (i) To Baroness Amos of Brondesbury, who had succeeded Professor Webley as the Director of SOAS University of London in September 2015, to welcome her to the University.
- (ii) To Professor Chris Husbands, Director of the UCL Institute of Education, to congratulate him on his appointment as Vice-Chancellor of Sheffield Hallam University, which he would take up in January 2016.

- (iii) To Professor Peter Kopelman, who would shortly be retiring as Principal of St George's, University of London, to thank him for his considerable contributions to the University.

Independent Chair of the Institute of Fundraising Standards Committee

3097 The Board congratulated Mrs McCarthy on her recent appointment as the first Independent Chair of the Institute of Fundraising Standards Committee.

Main Activities and Meetings

3098 The Vice-Chancellor drew attention to the list of his main activities and meetings since 16 July 2015 (Appendix BT912A), which was appended to the report.

3099 **AGREED**

- (i) The Chair to write on behalf of the Board to thank those involved in arranging the visit to Pakistan, as outlined at BTM 3085 above.
- (ii) To approve the proposed change of name of the University of London Observatory to the UCL Observatory.
- (iii) The Chair to write to those Heads of Colleges listed at BTM 3096 above.

City University London

3100 The University Secretary presented a report (BT913) on City University London's proposal to change its title to 'City University of London', and to use this as its legal name following its admission to the federal University on 1 August 2016. City University had confirmed that it would not use an acronym of its name and would continue to refer to itself as "City". A letter from the Vice-Chancellor of City University, formally requesting the University's support for the change, was attached to the report (Appendix BT913A). The Collegiate Council had confirmed, at its meeting on 2 October 2015, that it was content to approve the proposed change of name.

3101 **AGREED**

To approve the proposed change of title and legal name to: 'City University of London'.

University Draft Financial Performance for 2014-15

3102 The Board received a report on the University's draft financial performance results for 2014-15 (BT914 and Appendix BT914A, both Confidential). The Chief Financial Officer, Mr Andrew Murphy, reported that the figures were still subject to final audit by Deloitte LLP. They showed a draft net surplus for 2014-15 of £1.1M, which was £0.3M higher than budgeted. As the budget had included a £1.25M bequest which was now unlikely to be received, the underlying performance represented a £1.5M improvement on the budget.

3103 The Chief Financial Officer drew attention to the key factors for the variance outlined in paragraph 2 of the report, and the detailed breakdown of Departmental performance provided in the documentation highlighting, in particular, the following:

- (i) SAS: external income in the School had been £0.6M below budget, due to a shortfall in anticipated research income. Reduced costs and below budget performance in some Institutes had been offset by better than budget performance in others. External expenditure had been below budget, particularly in staff and administration costs – this was partly due to lower income than had been budgeted, but also reflected an agreed delay in recruitment of investment posts.
- (ii) UoLIA: the surplus of £3.8M represented an increase on both the budget and forecast. Income had been below budget. Although student numbers on existing courses had fallen, they had been partly offset by an increase in prices. Direct costs, which were variable, had also fallen. Contingency and Development Fund (CDF) expenditure had been £0.4M lower than budget as the London School of Economics and Political Science had elected not to continue building its fund, having already reached the agreed level. Some budgeted expenditure on 'Track C' course development was now expected in 2015-16.
- (iii) University of London Institute in Paris: income had been £130k below budget due to: lower than budgeted student numbers; lower recoveries for the Master of Laws (LLM) degree; and reduced catering and room rental income.
- (iv) Senate House Library (SHL): income had been close to budget, with costs below budget, producing a favourable variance against budget of £0.2M. The below budget costs related to the delayed recruitment of staff and delayed expenditure on the library management system, which would now be taken forward during 2015-16. This had been offset by higher than budgeted expenditure on collection development.

BTM 3103(v) is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

- (vi) Property and Facilities Management (FM): better than budgeted outcomes in terms of conferencing and residential performance were highlighted, and a close to budget performance in the area of Estates and FM. Planned capital spend had not proceeded as originally anticipated.
- (vii) Student Central: there was a favourable variance against budget, with the 2014-15 outturn being slightly under the £0.7M planned deficit budget. Members noted two main areas of income which were below budget: premises and bars, and the reasons for the shortfalls provided in the report.

- (viii) Central Departments and Corporate Costs: a significant contributing factor to the £1.8M below budget outcome was £1.25M relating to the Hewson bequest that was no longer expected to be received because of overseas tax issues. Members noted several other central adjustments, outlined in the report. The Chief Financial Officer reported that approximately £200k had been spent on investments identified in-year, such as the Customer Relationship Management (CRM) system for the Development Office.

BTM 3104 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

3105 A query was raised about the comments in the report on the profitability of the businesses in Student Central. The Chief Financial Officer stated that the direct cost (i.e. before allocation of support costs, space etc.) of supporting central clubs and societies was *circa* £300k. This did not include waived costs from use of space, access to the gymnasium and swimming pool. Consequently, the discontinuation of the financial contribution from Colleges was a key factor in the current financial position of Student Central. The development of a business plan for Student Central was a priority for the current session.

3106 The Board noted that the Financial Statements for 2014-15 would be formally presented to the Board at its next meeting for approval.

Stratford Student Accommodation Development

BTMM 3107-13 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Proposed National Holocaust Memorial and Learning Centre

BTMM 3114-19 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

CoSector Limited Articles of Association and Next Steps

3120 The Pro Vice-Chancellor (Operations) presented a report on CoSector (BT917, Confidential). He stated that, although the report had been written before the departure of the CoSector CEO, he did not perceive this change as affecting the proposal set out in the paper, which asked the Board to adopt Articles of Association for CoSector.

3121 The Board was informed that PricewaterhouseCoopers (PwC) had advised the University on the most tax effective model for CoSector's Articles of Association. The model adopted in the Articles (Appendix BT917A, Confidential) was that of a wholly-owned subsidiary company limited by share, operating as a mutual. This would enable CoSector to make returns back to the University, as the contributor; under the mutuality arrangements, those returns would not be subject to corporation tax.

3122 The Pro Vice-Chancellor (Operations) highlighted a change to the scope of services to be offered by CoSector from that identified in the original Gamma programme. The Director of Campus Services, the College Heads of Careers and the careers teams based in federal Colleges, plus the teams based at St Mary's University Twickenham, would be retained in the University with a reporting line to the Pro-Vice Chancellor (Operations).

BTMM 3123-25 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

3126 A member of the Board who served on the CoSector Board of Directors expressed the view that significant progress had been made during the preceding months and that the work already accomplished in terms of cost transparency and new appointments had built a good platform for future development.

3127 **AGREED**

- (i) That the Board resolved to adopt the new Articles of Association (Appendix BT917A, Confidential) for CoSector Limited, a company registered in England and Wales registration number 9589872.
- (ii) To delegate to the Vice-Chancellor the negotiation and agreement of the services contracts from the University to CoSector (UOLSA) and from CoSector to the University (CSA).

Estates Matters

3128 The Board noted the updates in the Estates Matters Report (BT918, Confidential) on: the Cartwright Garden Halls and SOAS North Block projects; Programme Beveridge; the Egham book depository; the disposal of the Guilford Place toilets; the FM and catering contracts; the Master Plan; and the disposal of the development site, 33 Torrington Square.

Update on Strategic Risks

3129 The Board received an update on Strategic Risks (BT919). A new SRR was under preparation, and would be considered by the Audit and Risk Assurance Committee at its meeting in November 2015, prior to its submission to the Board of Trustees. The SRR approved in July 2015 included two red risks relating to: government funding of the Higher Education sector; and the SHL. The Pro Vice-Chancellor (Operations) reported that a proposal to downgrade the SHL risk to 'amber' would be considered at the November 2015 Audit and Risk Assurance Committee. The Board discussed the proposal, and noted the reasons for the proposed change, set out in the report. Members suggested that, whilst progress on some actions had been made, it would be premature to downgrade the risk at this stage. It was noted, in particular, that the SHL Financial Sustainability Working Group, chaired by the Deputy Vice-Chancellor, still had significant work to do, having only met once to date. It was agreed that the Board's views should be communicated to the Audit and Risk Assurance Committee.

- 3130 The Board noted the intention to retain the risk relating to government funding as a 'red' risk in the SRR, pending further government announcements. Members were also reminded that, as mentioned earlier in the meeting (BTM 3124 above refers), a proposal would be made to the Audit and Risk Assurance Committee to increase the likelihood score for Risk 6 relating to CoSector.
- 3131 On a separate matter, a member of the Audit and Risk Assurance Committee reported, on behalf of the Chair of the Committee, on discussions at the Committee's recent meeting on how its role might evolve in relation to its delegated responsibilities from the Board, to oversee the University's risk management structure and, in particular, key strategic risks that might impact on the University's ability to achieve its objectives. The Committee would be considering the matter in detail at its next two meetings and the Chair of the Committee would report to the Board in due course on any firm proposals for change.
- 3132 **AGREED**
That the views expressed by members in relation to the potential downgrading of the risk relating to the sustainability of the SHL should be communicated to the Audit and Risk Assurance Committee.

Proposed Amendments to Ordinances

- 3133 The Board considered a report (BT920) on proposed amendments to Ordinances, including: consequential amendments to Ordinances 1 and 13, following the approval of the Statutes by the Privy Council; and amendments to Ordinance 6, Annex 1, and Ordinance 11 to reflect recent changes to the constitutions of several Boards of the Collegiate Council.
- 3134 **AGREED**
To approve the proposed amendments to Ordinances, as set out in Document BT920.

Prevent Duty Assurance

- 3135 Document BT921 provided an update on action being taken by the University in relation to the Prevent Duty under the Counter-Terrorism and Security Act 2015. Attached to the report were a copy of the full guidance for universities in England and Wales (Appendix BT921A), and a high level Action Plan of the associated work that the University would be undertaking during 2015-16 (Appendix BT921B). Members noted the report. In response to a question about the Board's related legal responsibilities, the Director of Legal Services, Mr John Stewart, confirmed that, while the Board had a collective responsibility in this area, it was not a criminal responsibility.

Annual Report of the Academic Promotions and Titles Committee

- 3136 The Board noted a report on the work of the Academic Promotions and Titles Committee during 2014-15 (BT922, Confidential).

Annual Report of the Safety Committee for 2014-15

3137 The Board noted the Annual Report of the Safety Committee for 2014-15 (BT923).

Annual Report on the work of the Boards of the Central Academic Bodies and SHL

3138 The Board received an Annual Report on the activities of the Boards of the Central Academic Bodies and the SHL during the 2014-15 session (BT924, Confidential). Members noted the report.

Report from the Investments Committee

3139 The Board noted a summary of the issues discussed by the Investments Committee at its meeting on 22 July 2015 (Document BT925).

Memberships of Committees of the Board of Trustees for 2015-16

3140 The Board noted the Committee memberships set out in Document BT926.

Minutes of the Collegiate Council Meeting on 3 July 2015

3141 The Board noted the confirmed Minutes of the Collegiate Council meeting held on 3 July 2015 (BT927, Confidential).

Action Taken Under Delegated Authority

3142 Members noted the action taken under delegated authority set out in Document BT928 (Confidential).

Dates of Future Meetings

3143 Members noted the dates of future meetings of the Board as follows (all meetings to commence at 4.00 pm except where otherwise indicated):

2015-16

Wednesday, 25 November 2015 at 3.00 pm
Wednesday, 27 January 2016
Wednesday, 16 March 2016
Wednesday, 18 May 2016
Wednesday, 13 July 2016

2016-17

Wednesday, 19 October 2016
Wednesday, 30 November 2016
Wednesday, 25 January 2017
Wednesday, 29 March 2017
Wednesday, 24 May 2017
Wednesday, 19 July 2017