



**UNIVERSITY  
OF LONDON**

## **BOARD OF TRUSTEES**

Wednesday, 13 July 2016, at 4.00 pm  
Woburn Suite, Senate House

### **MINUTES**

#### **PRESENT**

Sir Richard Dearlove (Chair)	Professor David Latchman
Ms Stella Beaumont	Mr Gerard Lemos
Mr Abdul Bhanji	Mrs Suzanne McCarthy
Ms Emma Burns	Mr Malcolm Roberts
Mr Philip Clark	Professor Sir Adrian Smith
Mr Steven Fogel	Mr Mark Storey
Professor Simon Gaskell	Mrs Rosalyn Wilton

#### **APOLOGIES**

Professor Paul Layzell	Professor Stuart Reid
------------------------	-----------------------

#### **IN ATTENDANCE**

Ms Maureen Boylan (University Secretary)  
Mr Martin Burchett (Director of Capital Projects)  
Mr Chris Cobb (Pro Vice-Chancellor (Operations) and Chief Operating Officer)  
Miss Damaris Currie (Central Secretariat)  
Mr Kim Frost (Director of Human Resources)  
Mr Andrew Halper  
Professor Roger Kain (Pro Vice-Chancellor (Research) and Dean and Chief Executive of the School of Advanced Study)  
Ms Jackie Marfleet (Senate House Librarian)\*  
Mr Andrew Murphy (Chief Financial Officer)  
Mr John G Stewart (Director of Legal Services)  
Dr Mary Stiasny (Pro Vice-Chancellor (International) and Chief Executive of the International Programmes)  
Mr Paul Wilkinson (Director of Property and Facilities Management)

\* present for BTMM 3428-31

#### **Welcome and Tributes**

3428 The Chair welcomed Andrew Halper who would commence his term as a Trustee on 1 August 2016, and was attending the meeting as an observer.

3429 The Chair paid tribute to those Trustees who would be concluding their terms of office on the Board at the end of July 2016: Steven Fogel, Gerard Lemos and Suzanne McCarthy, commending each on their major contributions to the Board and the University. More detailed tributes would be made at a separate event following the meeting.

3430 The Board's gratitude was also extended to the Director of Property and Facilities Management (FM), Paul Wilkinson, and the Director of Capital Projects, Martin Burchett, who were both attending their final meeting of the Board, for all their work for the University.

### **Presentation**

3431 The Board received a wide-ranging presentation on the Senate House Library (SHL) from the Senate House Librarian covering, *inter alia*: collections and engagement including exhibitions; commercial licensing; digitisation; and library information systems including the redesigned website.

### **Minutes of the Meeting Held on 18 May 2016**

3432 The Board confirmed the minutes of the meeting held on 18 May 2016.

### **Matters Arising**

3433 The Board noted the updates within the Matters Arising report (Document BT1008) on the University of London International Academy (UoLIA) and the Naming Policy.

### **Vice-Chancellor's Report**

#### *City University London*

3434 The Vice-Chancellor presented his report (BT1009, Confidential), commencing with an update on City University London ('City'), which he confirmed would formally join the University on 1 September 2016. City's accession would be marked at the 2016 Foundation Day ceremony in November 2016.

#### *Heythrop College*

*BTM 3435 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

#### *The Courtauld Institute of Art*

3436 The Board noted that the Governing Body of The Courtauld Institute of Art wished to make a number of detailed and technical modifications to update and streamline the Institute's governance, and bring it into line with sector good practice. The amendments included ending the requirement for the University to agree changes to the Memorandum and Articles of Association, and ending the University's right to nominate a member of the Governing Body. Both amendments were typical of historic arrangements that other Colleges had taken the opportunity to change when reviewing their governance documentation in recent years. For timing reasons, it was suggested that the Board delegate to the Vice-Chancellor and the University Secretary the authority to agree the changes on the Board's behalf. The Board supported the proposal.

*Institute of Cancer Research (ICR)*

- 3437 The Board welcomed the news that the ICR had been awarded one of 12 Regius Professorships created to mark HM the Queen's ninetieth birthday.

*Student Central*

- 3438 The Board noted the update on Student Central. The Vice-Chancellor reported that the Collegiate Council, at its recent meeting, had discussed the future operation of clubs and societies provided by Student Central, with a view to rationalising the basis for the co-ordination of activities and which clubs were supported. More information would be provided in the autumn term.

*Prevent Duty*

- 3439 The Vice-Chancellor was pleased to report that, following the submission to HEFCE of evidence of compliance against a number of headings in line with the reporting procedures for the Prevent Duty, the University had been judged to be fully compliant. He extended his gratitude to the University Secretary and the Director of Legal Services for their work in this area.

*Other Matters*

*BTM 3440 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

- 3441 The Vice-Chancellor expressed his personal gratitude to those Trustees who would be completing their terms of office on the Board at the end of July (BTM 3429 above refers). All had made much valued contributions to the University over a significant period of time.

3442 **AGREED**

To delegate authority to the Vice-Chancellor and the University Secretary to enable either to agree changes to The Courtauld Institute of Art's Memorandum and Articles of Association on the Board's behalf.

**Potential Impacts to the University of the UK Referendum on the European Union (EU)**

- 3443 The Pro Vice-Chancellor (Operations) presented a report (BT1010, Confidential) on the possible implications of the UK vote to leave the EU.
- 3444 Members were informed that, in relation to the employment status of staff from overseas, steps had been taken to provide reassurance, including intranet and email messages, to clarify that there were no immediate changes to the immigration status of staff working in the UK. While there had been reports of increased hate crime and racism elsewhere in the HE sector, the University was not aware of any incidents affecting its staff. Support would be offered to staff should any arise and disciplinary action pursued as appropriate. The future status of current and potential EU staff was unclear and the Board was informed that there had been instances elsewhere in the

HE sector of EU nationals rejecting employment offers due to, *inter alia*, uncertainty regarding pensions and healthcare.

- 3445 The Board noted the potential for students' uncertainty about visa status and fees to have a negative impact on future recruitment to School of Advanced Study (SAS) programmes, in common with other UK HE courses. However, it was also possible that the impact of weakened sterling could increase the interest in SAS of potential students from the EU and elsewhere in the world. Members noted that a weakness in sterling could also increase the affordability of University of London International Programmes for some students. However, there could be a more negative implication for the financial position of the University of London Institute in Paris (ULIP), where its cost base was in Euros but income from fees was received in sterling.
- 3446 The Board noted the update in the report regarding SAS research grants. Whilst SAS had not experienced an adverse impact in terms of grants under development to date, there was anecdotal evidence in the sector of UK partners being asked to withdraw from European grant applications and evidence of researchers being removed as Principal Investigators on grant applications amid concerns that they might adversely affect the chances of receiving funding.
- 3447 Members noted other implications of the referendum result, detailed in the report, including potential opportunities for CoSector and a possible decline in EU students in the UK affecting demand for student accommodation. In relation to the latter, however, it was noted that, as there was a major shortage of student accommodation in the London area, this might not have a significant impact on occupancy rates for the Halls of Residence, particularly as the University's rents were not as high as the rents of many other operators (see also BTM 3466).
- 3448 The Board noted the updates in the report on the external financing of projects, on investments and on pension deficit exposure. In terms of the University's investment portfolio, particular attention would be paid to the performance of Mayfair Capital's Property Income Trust for Charities; members noted investors' recent withdrawal of monies from Property Funds due to concerns regarding the value of retail and office space.
- 3449 It was reported in conclusion that there was still significant uncertainty about the full impact of the referendum result. Members noted that, in view of the level of uncertainty, the decision had been taken not to amend the budget prediction for 2016-17 (see BTMM 3455-64 below).

### **University Title and New University of London Bill**

- 3450 The University Secretary introduced a report on a proposed new University of London Bill and on the application by Colleges for university title (BT1011, Confidential). As reported at the Board's previous meeting (BTM 3359 refers), amendments were required to the University of London Act 1994 (Appendix BT1011A) to enable Colleges to apply for university title. Members noted that, since that meeting, the majority of eligible Colleges had indicated that they were likely to make an application.

3451 The University Secretary reported that the University also proposed to take the opportunity to update the only substantive element of the current Act, which dealt with the procedure for amending the Statutes, to reflect the present-day relationship between the University and the Colleges and to bring the approvals process into line with the spirit of the 2008 governance reforms. Under the current process, the consents of the College governing bodies had to be sought for any amendments to the Statutes. The new procedure would focus on the role of the Collegiate Council, rather than College governing bodies, and on the relationship between the Board and the Collegiate Council. The proposed changes would enable both the Collegiate Council and the Board of Trustees to initiate amendments to the Statutes, and would ensure that the Collegiate Council was always consulted. In addition, the practice of further referral to the Privy Council for royal approval and publication in the London Gazette would cease.

3452 The Board was informed that the Collegiate Council had considered and supported the proposal at its meeting on 1 July 2016, and had recommended to the Board that the University should submit a draft Bill to Parliament to replace the current University of London Act. Members' attention was drawn to the draft of the new University of London Bill at Appendix BT1011B (Confidential).

3453 **AGREED**

To submit to Parliament a draft Bill replacing the current University of London Act.

### **Finance Report**

3454 The Board received a report on the management accounts for the ten months to 31 May 2016 (BT1012 and Appendix BT1012A, both Confidential). The Chief Financial Officer reported that the University had been in deficit by £4.4M on its continuing operations for the ten months to 31 May 2016 compared to a budgeted deficit of £3.9M. The latest review being undertaken as part of the Q3 forecast was expected to indicate that performance as at the end of the year (at 31 July 2016) would be similar to or slightly better than the budget.

### **Proposed University Budget for 2016-17 and Future Year Forecasts to 2019-20**

3455 The Board received a report on the proposed budget for 2016-17 (BT1013, Confidential), together with Financial Projections (Appendix BT1013A, Confidential) and the Financial Forecast Return and commentary (Appendix BT1013B, Confidential).

3456 The Chief Financial Officer reported that the University was proposing a deficit budget of £3.5M in 2016-17 as it continued the investment to support the University Strategy 2014-19. Most departments had developed longer-term business plans, with several recently receiving approval, for example, UoLIA, ULIP (BTM 3476 below refers) and CoSector. Future-year forecasts indicated that the University would return to surplus in 2018-19.

- 3457 Compared with earlier plans, the budget provided for additional and earlier investments and delays to a number of actions. The Board was informed that the budget reflected a more prudent outlook in several areas, including CoSector, and a more challenging competitive environment for UoLIA. The budget also allowed for higher wage inflation due to increases in pension contributions, National Insurance and the apprenticeship levy. The Chief Financial Officer highlighted that the increased investment meant there would also be a rise in the level of depreciation during the planning period.
- 3458 The Chief Financial Officer highlighted some key features of the budget by department, as detailed in the report.
- 3459 Members noted planned capital expenditure over the planning period, and the Chief Financial Officer clarified that the various projects would each have their own separate approval process and would come to the Board as appropriate. The Board noted also the predicted cash reserves over the period to July 2020.
- 3460 The Chief Financial Officer confirmed that the University would keep the investment returns under review, and would take action as necessary should they not materialise as expected.
- 3461 In response to a query about confidence in UoLIA's predicted revenues, the Pro Vice-Chancellor (International) stated that the planned growth was based on detailed market research and development work, and she highlighted promising levels of recruitment to the recently launched Master's in Professional Accountancy (MPAcc).
- 3462 Members noted the ongoing work of the SHL Financial Sustainability Working Group, which would report during the next session. It was suggested that the Board might wish to have a discussion on strategy with regard to the SHL once the Working Group had concluded its work and presented its recommendations.
- 3463 Further to a question regarding flexibility in the strategic planning for Property and FM, it was noted that there was potential for the works arising from the condition survey of the Estate to be conducted over a period of time depending on the nature of the work to be undertaken. It was noted that many of the planning opportunities identified in the Masterplan would not crystallise until after the planning period.
- 3464 **AGREED**
- (i) That the Board approved:
    - (a) The University Budget for 2016-17.
    - (b) The future year forecasts for 2017-18, 2018-19 and 2019-20.
    - (c) The HEFCE Financial Forecast return to be submitted at the end of July 2016.
  - (ii) That the Board would be kept informed of progress against targets.

## **Stratford Student Accommodation Development – Duncan House**

*BTMM 3465-75 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

### **ULIP**

- 3476 The Pro Vice-Chancellor (International) presented a report on ULIP. The Board noted that, at its meeting on 1 July 2016, the Collegiate Council had approved a Business Plan for the Institute, following its detailed review and approval by the Board of ULIP. The five-year plan (Appendix BT1015A, Confidential) was based on: significant diversification of the programme portfolio; a strengthened partnership with Queen Mary University of London (QMUL); and the development of ULIP's academic reputation through an enhanced programme of research. The Board noted the Business Plan.
- 3477 The Pro Vice-Chancellor (International) explained that, in view of ULIP's developing relationship with QMUL, a new agreement between the University and QMUL in respect of ULIP was being drafted (Appendix BT1015B, Confidential). A Deed of Termination would also be signed, to conclude the existing consortium agreement between the University, QMUL and Royal Holloway, University of London (Appendix BT1015C, Confidential). The two documents had been recommended to the Board by the Collegiate Council at its meeting on 1 July 2016. As they were still in draft form, the Board was asked to approve them 'in principle' and to delegate authority to the Vice-Chancellor to approve the final versions.
- 3478 **AGREED**
- (i) That the Board approved the University of London-QMUL Agreement in respect of ULIP 'in principle' and delegated authority to the Vice-Chancellor to approve the final version.
  - (ii) That the Board approved the Deed of Termination 'in principle' and delegated authority to the Vice-Chancellor to approve the final version.

### **People Strategy – Progress Report**

- 3479 The Director of HR presented a report on progress in the preceding six months against the University's People Strategy (BT1016). He highlighted, in particular, the work in the area of equality and diversity, including the development of an Equality and Diversity Strategy and Action Plan and the establishment by the Board, at its previous meeting, of the Equality and Diversity Committee.
- 3480 The Director of HR also drew attention to progress on staff development. Investment in this area had almost doubled compared with the same period the previous year, with improved use of the Staff Discretionary Fund. Members noted also work undertaken in the area of talent management, including the introduction of mentoring schemes for academic and professional staff.

## Review of Effectiveness

- 3481 The Board received an update on the ideas emanating from the recent review of the Board's effectiveness (BT1017).
- 3482 The University Secretary reported that the review responses had shown that Trustees would welcome the opportunity for broader and more in-depth strategic discussions, and the report identified a number of ways that this could be effected. Members suggested that a dedicated half or full day for strategic discussion might be beneficial, with specific topics identified in advance for consideration. It was noted that there might be the opportunity for these discussions to be framed around a review of the progress of the Strategic Plan 2014-19, which would reach its midway point during the session, and to take into consideration the UK EU Referendum result and the HE and Research Bill.
- 3483 Consideration was also being given to how best to ensure that strategic decisions were subject to appropriate levels of informed debate drawing on the particular skills of Trustees. The University Secretary suggested that it might be useful to establish informal groups, for example in the area of finance, comprising Trustees and other specialists, to consider specific matters which could inform the Board's deliberations. There was support for this idea and a member of the Board suggested there might be scope to establish a Finance Committee as part of the formal governance structure. Members commented on the need to ensure the correct balance between the work delegated to the Board's committees and that undertaken by the Board itself.
- 3484 **AGREED**
- (i) That a full-day/half-day should be scheduled during 2016-17 for strategic discussion.
  - (ii) That other suggestions/themes arising from the review of effectiveness would be developed over the summer period 2016.

## Estates Matters

- 3485 The Director of Capital Projects introduced a report on a number of estates-related matters (BT1018, Confidential). Members noted progress in relation to the SOAS North Block and Garden Halls projects, 33 Torrington Square, the Egham book depository, Programme Beveridge and the Institute of Advanced Legal Studies (IALS) refurbishment.

### *Garden Halls*

- 3486 The Board was informed that there had been an intruder on the Garden Halls construction site, but that no damage had occurred and security on the site had been increased by the contractors. The Garden Halls were on target for completion by the scheduled delivery date of 14 September 2016, enabling student occupancy at the start of the 2016-17 academic year.



### *Programme Beveridge*

3487 The Board noted that planning permission and Listed Building Consent had not yet been granted for the alterations to the lower ground floor of Senate House. Members were informed that Camden London Borough Council (Camden) had some concerns regarding the proposed encroachment into the perimeter light-wells. The Director of Capital Projects reported that some minor adjustments had been made to the plans and a response from Camden was awaited.

### *Refurbishment of the IALS*

3488 The Board noted the update on the IALS refurbishment and was informed that the project Steering Group had met earlier that day and had agreed that further work should be undertaken on the business case for the project. The Director of Capital Projects highlighted the update on risks to services installations at the IALS building.

## **CoSector**

### **Progress Report**

3489 The Pro Vice-Chancellor (Operations) presented a progress report on CoSector (BT1019, Confidential). He highlighted a new Bloom contract and some recent structural changes within CoSector which had reduced numbers in the management team.

3490 Rosalyn Wilton, who the Board had appointed to serve on the CoSector Board of Directors at the previous meeting, reported that she had met recently with the Interim CEO and the Chief Operating Officer of CoSector and would shortly be spending a day with the CoSector team to gain further insight into CoSector's operations.

3491 The Board agreed that it wished to continue to receive regular reports on CoSector and that these should include additional, more detailed, financial information.

### **Shareholder Agreement**

3492 The Board received a report on a proposed shareholder agreement between the University and CoSector Limited (BT1020), a copy of which was attached for the Board's consideration (Appendix BT1020A, Confidential). The Pro Vice-Chancellor (Operations) reported that there was a suggested change to clause 4.1 of the agreement; the proposed revised wording would be as follows:

- 4.1 Beyond any funding the University may agree with the Company from time to time, the University will be under no obligation to fund the activities of the Company. The University agrees that it will consider in good faith any requests from the Company for funding beyond any that is pre-agreed.

3493 **AGREED**

That the Board approved the Shareholder Agreement, including the revised clause 4.1.

**CoSector Limited Financial Projections**

*BTMM 3494-95 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

**Recommendation to Form a New Wholly-owned Trading Subsidiary**

3496 The Board considered a proposal for the formation of a new trading subsidiary (BT1021 and Appendix BT1021A, Confidential) to be the beneficial owner of a number of non-primary purpose activities from 1 August 2016.

3497 **AGREED**

That the Board approved the formation of a new subsidiary to be initially called Senate House Services One Limited and delegated authority to the Vice-Chancellor and the Pro Vice-Chancellor (Operations) and Chief Operating Officer to approve all agreements required for its set up and operations.

**Strategic Risk Register – June 2016**

3498 The Board considered the updated Strategic Risk Register and covering report (BT1022 and Appendix BT1022A, Confidential).

3499 **AGREED**

That the Board approved the updated Strategic Risk Register.

**Scheme of Delegation for 2016-17**

3500 The Board received a report on proposed amendments to the Scheme of Delegation following the annual review of the Scheme (BT1023 and Appendices BT1023A and BT1023B).

3501 **AGREED**

That the Board approved the revised Scheme of Delegation.

**Reappointment of External Auditors**

3502 The Board considered a report on the proposed reappointment of Deloitte LLP as the University's external auditors (BT1024, Confidential). The HEFCE Memorandum of Assurance and Accountability required higher education institutions to reappoint their external auditors formally each year.

3503 The Board noted that the Audit and Risk Assurance Committee, at its meeting on 15 June 2016, had agreed to recommend to the Board that Deloitte LLP should be reappointed to undertake the 2015-16 external audit of the accounts of the University and its trading subsidiaries, the proposed fee being £77,470, which included, for the first time, the audit of CoSector Limited.

3504 **AGREED**

To reappoint Deloitte LLP as the University's External Auditors and to approve the proposed external audit fee.

**Membership of Committees of the Board of Trustees**

3505 The Board considered a report on proposals for the memberships of a number of its committees (Document BT1025).

3506 **AGREED**

- (i) To approve the appointments to the committees/boards as set out in the report.
- (ii) To approve the amendment to the constitution of the Academic Promotions and Titles Committee, as detailed at paragraph 2 of Document BT1025.
- (iii) To authorise the Vice-Chancellor to approve, on behalf of the Board, appointments to outstanding vacancies at the appropriate time (including the appointment of any members of the Board to serve on boards of the Collegiate Council should such vacancies arise).

**UoLIA – Contract for Courier Services**

3507 The Board considered a report on the outcome of a tender process for the UoLIA Student Materials 'Pick & Pack' and Courier Services Contract (BT1026, Confidential), including, at Appendix BT1026A (Confidential), the Courier Tender Risk Analysis.

3508 **AGREED**

The Board approved the award of the contract for courier services and 'pick & pack' logistic services to Gem Worldwide Ltd, as detailed within the report.

**Report from the Investments Committee**

3509 The Board received a summary of the issues discussed by the Investments Committee at its meeting on 8 June 2016 and a post meeting update on the performance of the Unified Trust Fund's (UTF) investments since the announcement of the outcome of the EU Referendum (BT1027, Confidential).

3510 **AGREED**

To approve the appointment of Newton Investment Management Limited as the Investment Manager for the Equities part of the UTF portfolio for the forthcoming year to 31 July 2017.

**Referral Policy: Prevent Duty**

3511 The Board considered a Referral Policy in relation to the Prevent Duty (BT1028).

3512 **AGREED**

The Board approved the Referral Policy.

**Anti-corruption and Anti-bribery Policy**

3513 The Board considered a revised Anti-corruption and Anti-bribery Policy (BT1029). The existing anti-bribery policy had been approved by the Board in 2010 and members noted that the opportunity had been taken to review and update the policy following the approval in 2015 of updated Financial Regulations and associated supporting policies.

3514 **AGREED**

The Board approved the new Anti-corruption and Anti-bribery Policy.

**Award of an Honorary Fellowship**

3515 The Board noted a report on the decision for the first award of an Honorary Fellowship (BT1030, Confidential). Members noted that a proposal to award the first Honorary Fellowship award to Mr Charles Perrin had been approved by the Chair of the Board of Trustees, on behalf of the Board, with a view to making the award at the Foundation Day Ceremony in November 2016. The proposal had first been considered and supported by the Honorary Degrees and Fellowships Committee (HDFC) and had also been received by the Collegiate Council. The supporting statement considered by the HDFC was provided for the Board's information (Appendix BT1030A, Confidential).

**Minutes of the Collegiate Council meeting on 6 May 2016**

3516 The Board noted the Unconfirmed Minutes of the Collegiate Council meeting held on 6 May 2016 (BT1031, Confidential).

**Queen's Birthday Honours**

3517 The Board noted a report on awards in the 2016 Queen's Birthday Honours List (BT1032) and congratulated those in receipt of awards.

**Action Taken Under Delegated Authority**

3518 The Board noted action taken under delegated authority, as set out in Document BT1033 (Confidential).

**Sealings**

3519 Members noted a report on the sealing of documents during 2015-16 (BT1034).

**Dates of Future Meetings**

3520 Members noted the dates of future meetings of the Board as follows (all meetings to commence at 4.00 pm):

**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