BOARD OF TRUSTEES

Thursday, 21 March 2019, at 4.00 pm
Court Room, Senate House

MINUTES

PRESENT
Jane Andrewartha
Stella Beaumont
Abdul Bhanji
Professor Edward Byrne
Philip Clark
Andrew Halper
Professor Peter Kopelman
Professor Paul Layzell (except for BTMM 4509-15)
Andrew Ratcliffe
Professor Stuart Reid
Mark Storey
Rosalyn Wilton (Chair for the meeting)

APOLOGIES
Professor Michael Arthur
Sir Richard Dearlove (Chair)
Patrick Loughrey
Kieran Murphy
Malcolm Roberts

IN ATTENDANCE
Dr Ghazwa Alwani-Starr (Director of Property and Facilities Management)
Simon Cain (Director of Human Resources)
Chris Cobb (Pro Vice-Chancellor (Operations) and Deputy Chief Executive)
Lizzy Conder (Joint Acting Director of Finance (Financial Services, Tax and Treasury))
Damaris Currie (Central Secretariat)
Rosalind Frendo (Director of Compliance and Secretary to the Board)
Karen Kröger (Joint Acting Director of Finance (Financial Planning and Analysis))
Mark Newton (Managing Director, CoSector) (for BTMM 4526-31)
Professor Rick Rylance (Pro Vice-Chancellor (Research) and Dean and Chief Executive of the School of Advanced Study)
Minutes of the Meeting Held on 30 January 2019

The Board confirmed the minutes of the meeting held on 30 January 2019.

Business Conducted by Correspondence since the Previous Meeting

The Board noted a report (BT1320, Confidential) on business conducted by correspondence since the previous meeting in relation to the following matters:

(i) Universities Superannuation Scheme (USS) - the University’s response to the Universities UK Technical Provisions (and related) Consultation for the 2018 valuation; and

(ii) a proposal for the award of a University Honorary Fellowship.

Matters Arising

The Board noted the update in the Matters Arising paper (BT1321) on work being progressed further to discussions at the Board’s previous meeting on the Annual Equality and Diversity Report and the Gender Pay Gap Report.

Vice-Chancellor’s Report

The Board noted the updates in the Vice-Chancellor’s Report (BT1322, Confidential), including the list of the Vice-Chancellor’s recent activities and meetings (Appendix BT1322A). The following matters were highlighted:

University of London Institute in Paris (ULIP)

BTM 4506 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

Boycott of Senate House

The Vice-Chancellor reported that the unofficial boycott of SAS Institute seminars by a number of UCU branches continued to cause some concern. He and the Pro Vice-Chancellor (Research) had met with the external
convenors responsible for organising some Institute seminars to explain in detail the University’s plans in relation to Facilities Management (FM) services and in-sourcing and to counter some of the misinformation that was being generated about these plans. Meetings with convenors would continue.

4508 On a separate matter, it was noted that the High Court judgement was awaited on the judicial review of a decision made by the Central Arbitration Committee (CAC); the Independent Workers’ Union of Great Britain (IWGB) had applied to the CAC seeking recognition of IWGB by the University of London for collective bargaining with the employees of outsourced services. The University was involved in the proceedings as an “interested party”.

**Appointment of the Deputy Vice-Chancellor**

4509 Professor Layzell left the room for the consideration of the item.

4510 The Board considered a report (BT1323) on the appointment of the Deputy Vice-Chancellor. The current Deputy Vice-Chancellor, Professor Byrne, had indicated that he did not wish to be considered for reappointment when his current term ended on 31 July 2019. Professor Byrne explained that he had greatly enjoyed his time as Deputy Vice-Chancellor, but was unable to continue beyond July 2019 due to other commitments.

4511 Members noted that, following consultation with the Vice-Chancellor, and with the Vice-Chancellor designate, it was proposed that Professor Paul Layzell, Principal of Royal Holloway, University of London, be appointed Deputy Vice-Chancellor in succession to Professor Byrne with effect from 1 August 2019, and that his appointment should be for two years in the first instance. Professor Layzell had indicated his willingness to serve in this capacity.

4512 The current Deputy Vice-Chancellor gave support for Professor Layzell’s appointment but expressed some reservations about the scheduling of making an appointment at this time, prior to Professor Thomson taking up her appointment as Vice-Chancellor, and that in hindsight it might have been better to have delayed filling the role such that she could have had an opportunity to lead the appointment process. The Board concurred with this observation.

4513 Professor Thomson wished it recorded that she supported Professor Layzell’s appointment.

4514 Members of the Board discussed briefly the appointment process and length of term of office and all strongly supported Professor Layzell’s suitability for the role.

4515 **AGREED**

The Board appointed Professor Paul Layzell as Deputy Vice-Chancellor with effect from 1 August 2019 for a period of two years in the first instance.

4516 Professor Layzell returned to the meeting.
**FM Review Update**

4517 The Director of Property and FM presented an update on the FM Review (BT1324 and Appendix BT1324A, both Confidential). She reported that the cost of bringing the front-of-house services in-house had been incorporated into mid-year forecasts; work was continuing to find further efficiencies in order to bring the end-of-year result in line with the budget.

4518 The Board was informed that notice had been served on Cordant Security Limited (‘Cordant’) to end its current contract with the University for front-of-house services, which were expected to be brought in-house on 20 May 2019. Cordant would continue to provide security services under an amendment to the current contract.

4519 The Deputy Chair conveyed comments from the Chair about the need to ensure that the proposals were delivered as efficiently as possible. It was confirmed that senior management would continue efforts to deliver the service provision efficiently and in line with the Board’s previous decisions. The Board noted the need to progress as scheduled to ensure there was no adverse impact on the overall timetable, and supported the recommendations in the report.

4520 **AGREED**

(i) The Board approved that the University proceed with bringing in-house the front-of-house services as described in the report (Confidential Appendix BT1324A).

(ii) The Board delegated authority to the Chair of the Board of Trustees, the Chair of the Audit and Risk Assurance Committee (ARAC), the Vice-Chancellor and the Pro Vice-Chancellor (Operations) to approve on behalf of the Board any further decisions that might be required for the transfer of services from Cordant to the University and for the amendment to the security arrangements.

**Report from the Estates Committee**

4521 The Board considered a report from the Estates Committee, summarising the issues discussed at its meeting on 11 February 2019 (BT1325, Confidential and Confidential Appendix BT1325A, a list of recent lease agreements). The following matters were highlighted.

20 Russell Square

*BTM 4522 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*
ULIP

4523 The Committee had been content to endorse, in principle, the entry into a supplemental agreement with the British Council in relation to the building occupied by the British Council and ULIP at 9-11 Rue de Constantine, Paris. There was a possibility that the University would be asked by the Secretary of State for Housing, Communities and Local Government to provide a guarantee of liability risk, in which case the proposal would require Board of Trustees approval. The Committee had delegated authority to Philip Clark and Jane Andrewartha to consider this matter on its behalf. Further to questions from Board members, it was confirmed that no additional information was available at this stage about the nature of any indemnity that might be sought. In view of the limited time until the targeted completion date of 31 March 2019, the Board also agreed that Philip Clark and Jane Andrewartha should scrutinise the details of any proposed guarantee of liability risk that was sought of the University, and that authority be delegated to them to agree the final details of the supplemental agreement if they were content.

Institute of Advanced Legal Studies (IALS)

BTMM 4524 and 4525(ii) are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.

4525 AGREED

(i) To authorise Philip Clark and Jane Andrewartha to approve by correspondence, on behalf of the Board, the final details of the entry into of the supplemental agreement with the British Council, for onward transmission to the Secretary of State for approval if required, in relation to the building occupied by the British Council and ULIP at 9-11 Rue de Constantine.

CoSector Progress Report

4526 It was agreed to vary the order of the agenda to take the CoSector Progress Report (BT1327 and Appendix BT1327A, both Confidential) as the next item. The Managing Director, CoSector, joined the meeting to present the report, which he explained was essentially the same as that deferred from the previous meeting, except that the financial details had been updated where appropriate.

4527 The Board noted that financial performance for the year-to-date was positive, although slightly underperforming the phased year-to-date budget. Revenue growth remained the challenge, despite growing at an increased level compared to 2017-18.

4528 The Board noted the update on activity in relation to a number of partnerships. Good progress was being made on work with a range of UK higher education institutions (HEIs), both in London and further afield, and the Board welcomed
the work being undertaken to develop partnerships outside of London, in addition to those with MIs and other London-based institutions.

4529 The cloud transition of CoSector’s Digital Services infrastructure was underway, with a target date of October 2019 to have moved to full cloud infrastructure. CoSector was also working with the University ICT Department on the transition of the University infrastructure to the cloud. Opportunities to deliver similar cloud transitions for external clients were being explored.

4530 While the current rate of business growth was considered to be good, it was noted that a higher rate of growth would be necessary to meet original budget targets. The Board agreed that, moving forward, it would be important for CoSector to draw up realistic budgets and targets while also maintaining the clear goals of increasing sales and growing the business.

4531 There were comments on the value to be gained from seeking feedback on the reasons for any unsuccessful tenders and it was noted that, in some instances, potential customers had decided not to proceed with a project, as opposed to selecting an alternative supplier to undertake the work. Members noted the importance of CoSector’s work to build long-term relationships with potential customers and the Managing Director also highlighted the value of case studies, drawing attention to those available on the CoSector website.

**Finance Report**

*Information at BTM 4532 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

4532 The Board considered a Finance Report (BT1326, Confidential) covering: the mid-year forecast for 2018-19; the management accounts for the seven months to 28 February 2019; an update on the red financial risk and stress test on the financial plans; the Transparent Approach to Costing for Teaching TRAC(T) Return: ________________.

**Mid-year Forecast and Management Accounts**

4533 The Board noted the updates on the mid-year forecast and the management accounts for the seven months to 28 March 2019 (Confidential Appendices BT1326A and BT1326B). The Joint Acting Director of Finance (Financial Planning and Analysis) highlighted that, overall, the University was forecasting an adverse variance to budget of c. £0.5M. Departments were conscious of the need to bring the financial position back in line with budget and were implementing the management actions and efficiency programme reported to the Board at previous meetings. While the management accounts were currently showing a favourable position to budget, this was primarily due to matters of timing relating to the phasing of actual expenditure compared to budget, for example, in relation to project spend in Property and FM.
Update on the Financial Risk and Stress Test

4534 Further to the update on financial risk presented to the Board at its previous meeting, the ARAC had considered the matter in more detail at its meeting on 13 February 2019. The risk that the University might not be able to achieve the original financial plan presented in July 2018 was due to a range of adverse factors that could impact the University and the MIs; the ARAC had asked the University to undertake a 'stress test' on the financial plan for presentation to the Board. The test considered a significant downside scenario, assuming a simultaneous realisation of the major risks facing the University without significant mitigating actions. While this was not considered to be a likely scenario, the analysis assisted in understanding the nature and scope of the financial risk.

*BTM 4535 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

4536 Members welcomed the stress-test exercise, which provided assurance about the University's financial position. In the context of the financial risks, the Board agreed that budget planning for 2019-20 should be taken forward with a view to establishing a realistic base-line budget while also setting stretch targets.

*BTMM 4537-38 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

4539 The Board noted that the matter would be kept under regular review by the ARAC. Some members commented that this kind of issue would be helpfully discussed by a Finance Committee, and that this should be considered as part of the forthcoming governance review (see BTMM 4543-47 below).

*TRAC (T) Return*

4540 The Joint Acting Director of Finance (Financial Planning and Analysis) presented the TRAC(T) Return for 2017-18 (Confidential Appendix BT1326C). The Board considered the Return, noting that it had been circulated to the TRAC Steering Group to review for reasonableness and compliance with the guidance.

*BTMM 4541 and 4542(iv) are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

4542 **AGREED**

(i) The Board agreed that budget planning for 2019-20 should be taken forward with a view to establishing a realistic base-line budget while also setting stretch targets.

(ii) The Board agreed that future stress test reports should include positive factors and impacts on the financial position, alongside negative scenarios.
The Board confirmed that it had reviewed the TRAC (T) Return for reasonableness and compliance with the guidance.

**Proposed Review of Governance**

4543 The Committee considered a report (BT1328) on a proposed governance review. The Secretary to the Board highlighted the three key factors driving the review:

(i) the commitment to a governance review during the 2018-19 session that had been agreed with the Office for Students (OfS), during the process of the University applying to become a registered provider;

(ii) the implications of the University of London Act 2018 and the potential consequent change in relationships with the MIs in light of their ability to have university status while remaining part of the federation; and

(iii) the University’s work on its next five-year strategic plan and the need to ensure that an appropriate framework was in place to support the achievement of the University’s strategic direction for the next 5-10 years.

4544 Details of the proposed review had been shared with the Chair of the Board, who was supportive of the intended approach, and also with the Vice-Chancellor's Executive Group at a recent meeting at which the Vice-Chancellor designate had also been present.

4545 The Secretary to the Board highlighted the intention to ensure that the working group and stakeholder reference group for the review would include external and specialist expertise, to help develop and advise on any potential new governance structure. Members noted that they would be invited to complete a questionnaire as part of the review process. It was envisaged that the questionnaires would be circulated early in the summer term 2019.

4546 The Board confirmed that it was content to proceed with the governance review as proposed in the report. The Board’s comments earlier in the meeting (BTM 4539 above refers), on the possible value of establishing a Finance Committee to undertake additional scrutiny of financial matters, would be considered as part of the review.

4547 **AGREED**
The Board agreed to the undertaking of the review as set out in the report.

**Winding Up of Senate House Services Limited (SHS Ltd)**

4548 The Joint Acting Director of Finance (Financial Services, Tax and Treasury) reported that, as there had been no trading in SHS Ltd during the year to 31 July 2018 and thereafter, it was proposed that SHS Ltd should be wound up.
and all assets should be transferred to its sole shareholder and parent company, the University of London. The Board considered the details of the proposal as set out in the report (BT1329) and noted the information on the financial position of SHS Ltd and the process for its winding up.

**AGREED**

4549 The Board of Trustees approved the proposed winding up of SHS Ltd.

**Remuneration Committee Annual Report 2017-18**

4550 The Board noted a report on the business transacted by the Remuneration Committee (BT1330). Appended to the report were the Committee’s terms of reference (Appendix BT1330A) and a summary of the University’s Strategic Plan and Objectives 2014-19 (Appendix BT1330B).

**Report from the Investments Committee**

4551 The Board noted a report on the issues considered by the Investments Committee at its meeting on 6 March 2019 (BT1331).

**Acceptance of Donations and Bequests**

4552 The Board noted a report on gifts, donations and bequests made to University departments and activities in the first half of the 2018-19 financial year (BT1332, Confidential).

**Unconfirmed Minutes of the Collegiate Council meeting on 14 December 2018**

4553 The Board noted the Unconfirmed minutes of the Collegiate Council meeting held on 14 December 2018 (BT1333, Confidential).

**Action Taken Under Delegated Authority**

4554 The Board noted a report on action taken under delegated authority since its previous meeting (BT1334).

**Dates of Future Meetings**

4555 The Board noted the dates of future meetings as follows (all meetings were scheduled to commence at 4.00 pm):

**2018-19**
- Wednesday, 22 May 2019
- Wednesday, 17 July 2019

**2019-20**
- Wednesday, 16 October 2019
- Wednesday, 27 November 2019
- Wednesday, 29 January 2020
Wednesday, 25 March 2020
Wednesday, 20 May 2020
Wednesday, 15 July 2020