



**UNIVERSITY  
OF LONDON**

## **BOARD OF TRUSTEES**

Wednesday, 30 November 2016, at 4.00 pm  
Court Room, Senate House

### **MINUTES**

<b>PRESENT</b>	Sir Richard Dearlove (Chair) Ms Jane Andrewartha Ms Stella Beaumont Mr Abdul Bhanji Professor Edward Byrne Professor Simon Gaskell Mr Andrew Halper Professor David Latchman	Professor Paul Layzell Mr Kieran Murphy Professor Stuart Reid Mr Malcolm Roberts Professor Sir Adrian Smith Mr Mark Storey Mrs Rosalyn Wilton
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<b>APOLOGIES</b>	Ms Emma Burns	Mr Philip Clark
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<b>IN ATTENDANCE</b>	Ms Maureen Boylan (University Secretary) Mr Chris Cobb (Pro Vice-Chancellor (Operations) and Chief Operating Officer) Miss Damaris Currie (Central Secretariat) Mr Kim Frost (Director of Human Resources) Professor Roger Kain (Pro Vice-Chancellor (Research) and Dean and Chief Executive of the School of Advanced Study) Mr Andrew Murphy (Chief Financial Officer) Mr John G Stewart (Director of Legal Services)
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#### **Welcome**

3574 The Chair welcomed Professor Edward Byrne, who was attending his first meeting of the Board, following his appointment as Deputy Vice-Chancellor.

#### **Minutes of the Meeting Held on 19 October 2016**

3575 The Board confirmed the minutes of the meeting held on 19 October 2016.

#### **Matters Arising**

3576 The Board noted the update within the Matters Arising report (Document BT1054) on the appointment of the University Secretary. As agreed at the Board's October 2016 meeting, members had been consulted by correspondence on the appointment. It had been confirmed, on 1 November 2016, that the Board approved the appointment of Kim Frost as University

Secretary/Secretary to the Board with effect from 1 January 2017. He would succeed Maureen Boylan, who would be retiring on 31 December 2016. Rosalind Frendo would become Deputy University Secretary.

3577 The Board also noted the update in the report on strategic risks.

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

3578 Member noted the list of the Vice-Chancellor's activities since the previous meeting (BT1055). The Vice-Chancellor reported on a successful University visit to New York and Washington, which had included, among a number of events listed in the report, a positively received University of London Panel Debate and Reception in New York on the future of higher education.

### **Annual Report of the Audit and Risk Assurance Committee (ARAC) to the Board of Trustees and the Accountable Officer for 2015-16**

3579 The Board considered the Annual Report of the ARAC for 2015-16 (BT1056), including:

- (i) The Committee's Terms of Reference and Constitution (Appendix BT1056A).
- (ii) The Uniac Annual Internal Audit Opinion for 2015-16 (Appendix BT1056B).

3580 A query was raised about the nature of the process issues mentioned in the report, which the Financial Process Improvement Project sought to address. The Chief Financial Officer reported that a significant proportion concerned data input procedures for Agresso, where processes were currently manual with no automatic interface. The Enterprise Resource Planning Programme, the business case for which the Board would consider later in the meeting (see BTMM 3617-19 below), would address these issues.

3581 It was commented that, although the internal auditors had not made any 'fundamental' recommendations during the session, there were a significant number of 'high priority' recommendations. The Chief Financial Officer reported that University management had specifically asked Uniac to review two areas of known concern and that the majority of the recommendations had arisen from these audits. It had, therefore, been likely that there would be more recommendations than the yearly average, especially in relation to the improvements needed for the processes for core financial systems. Members were informed that most of the recommendations in question had been implemented, with the remainder either in progress or having been superseded by events.

3582 **AGREED**

To approve the ARAC's annual report for inclusion with the University's Annual Accountability Return to the Higher Education Funding Council for England (HEFCE).

## **Annual Report on Value for Money (VFM)**

3583 The Board considered the Annual Report on VFM (BT1057 and Appendix BT1057A). The Chief Financial Officer advised the Board that this was the first year that HEFCE had required the mandatory submission of a VFM Report. The report had been scrutinised by the Vice-Chancellor's Executive Group (VCEG) prior to its presentation to the ARAC. The Board noted that the report had been structured to align with the University's Strategy (2014-19), in common with all the University's planning and performance review documents and processes. Members were informed that HEFCE was keen to understand sector approaches to ensuring institutional efficiency and that the primary purpose of the report was to provide assurance to HEFCE and the University's Board of Trustees that, across the range of its activities, the University's work was aligned to VFM principles.

3584 **AGREED**

To approve the University's Annual Report on VFM for submission to HEFCE.

## **University Financial Statements for 2015-16**

3585 The Chief Financial Officer presented the University Financial Statements for 2015-16 together with an accompanying report (BT1058, Confidential and Appendix BT1058A). Also appended were the following:

- (i) the Management Report from the External Auditors (Appendix BT1058B);
- (ii) the Letter of Representation to the External Auditors (Appendix BT1058C); and
- (iii) a Letter of Comfort in respect of Senate House Services Limited (Appendix BT1058D).

3586 The Board was informed that the Financial Statements had been considered by the ARAC at its meeting on 9 November 2016, which had recommended their adoption and subsequent transmission to the HEFCE as a constituent of the Annual Accountability Returns. The Chief Financial Officer reported that a number of amendments had been made to the Financial Statements subsequent to their consideration by the ARAC; these had been authorised by the Chair of the Committee. The Chief Financial Officer also highlighted a number of minor changes made following the circulation of the Financial Statements to the Board. He additionally informed members of an amendment to page 20 of the External Auditors' Management Report removing the note in relation to the disclosure of cash balances in the University and Senate House Services Ltd following adjustments made by the University.

3587 In common with the rest of the UK Higher Education sector, the University was producing its Financial Statements under Financial Reporting Standard (FRS) 102 for the first time, and this had resulted in a change to the presentation of the Financial Statements. The Chief Financial Officer highlighted the two elements of the new presentation:

- (i) The format of the Financial Statements had changed. There was no longer a separate Income and Expenditure Account and Statement of Consolidated Total Recognised Gains and Losses. These had been merged into a combined Statement of Comprehensive Income and Expenditure (SoCI). There was also a key change to the balance sheet where endowment assets were no longer separately disclosed but were included within non-current asset investments.
- (ii) The University had amended its accounting policies to align them with the new standard. Members noted that the largest changes for the University related to the requirement to include its share of the past service deficit on the USS and SAUL pension schemes, and the University taking the opportunity to revalue its land and buildings to the fair value as at 1 August 2014.

3588 The Board was informed that the changes, which were reported in detail in Note 31 to the Financial Statements, did not affect the cash position of the University.

3589 The Chief Financial Officer explained that the financial results provided at the previous meeting had been presented in the management accounts format. These had showed a net operating deficit for 2015-16 of £1.9M. The deficit had been £1.6M, when £0.3M realised from the sale of the Guilford Place toilets was taken into account. Under FRS102, the Financial Statements showed an operating deficit of £3.7M, which compared to an FRS102 prior year operating deficit of £4.8M. The University was showing a surplus of £9M for 2015-16 after including the unrealised gain on its investment assets, compared to a surplus in the prior year of £14M. The Board noted the table within the report showing the differences between the management accounts and the financial accounts for 2015-16.

3590 Members commented on the increased degree of volatility arising from the new format of the Financial Statements under FRS102 and agreed that it was important to make the underlying cash position of the University clear to ensure that the overall financial picture was meaningful. The Chief Financial Officer informed members that he would be addressing this issue in forthcoming reports and he drew attention to paragraph 11 of his report, which set out how he intended to present the management accounts to the Board in future periods. These had previously been prepared on the same basis as the Financial Statements. Further to the adoption of FRS102, this would change and, to enable meaningful performance monitoring, a number of items that were outside the control of management, resulted in volatility and were difficult to measure during the year, would be excluded from the management accounts and reflected in the Financial Statements only at the year end.

3591 Members noted the key financial highlights of the year as presented in the report. It was commented that the amount of 'other income' appeared relatively high, and the Chief Financial Officer reported that this included some tuition fee income and services income that were not identified elsewhere; the nature of the University's activities resulted in the latter forming a higher proportion of its turnover than for other higher education institutions (HEIs).

3592 Prior to the adoption of FRS102, the University's share of the past service deficit on the USS and SAUL pension schemes had not been reflected in the balance sheet as it was now (see also BTM 3587(ii) above). Members noted that the next valuation of the scheme was due to take place in March 2017 and commented on the potential impact on future Financial Statements.

3593 **AGREED**

- (i) That the Board approved the University's Financial Statements for 2015-16.
- (ii) That the Board of Trustees authorised the Chair of the Board of Trustees, the Vice-Chancellor and the Chief Financial Officer to sign on its behalf:
  - a. the balance sheets;
  - b. the representation letter to the External Auditors; and
  - c. the letter of comfort in respect of the subsidiary, Senate House Services Limited.

**Financial Commentary for 2015-16**

3594 The Board was informed that the University was required to submit a financial commentary as part of the Annual Accountability Return to HEFCE. HEIs were no longer asked to submit financial tables as part of the annual accountability return process. Instead, the relevant data would be collected via the Higher Education Statistics Agency finance record and forwarded on to HEFCE.

3595 **AGREED**

That the Board approved the Financial Commentary (BT1059, Confidential) for submission to HEFCE.

**Academic Governance: Quality and Enhancement of Provision and of the Student Academic Experience: First Annual Report**

3596 The University Secretary presented a report on the Quality and Enhancement of Provision and of the Student Academic Experience (BT1060). As discussed in detail at the Board's October 2016 meeting, the new provisions of the *Revised Operating Model* for academic quality assessment required university governing bodies to assure themselves, and subsequently HEFCE, that the institution had in place measures to secure and continuously improve the quality of provision and of the students' academic experience. At the previous meeting, the Board had considered how to address the new requirement and had agreed that this was best achieved through the existing governance structure of the three Central Academic Bodies (CABs); the terms of reference for the Boards of the CABs were being amended accordingly to take account of their enhanced role.

3597 The University Secretary explained the difficulty in timing for the first annual report. The short notice and the requirement to report on the 2015-16 session had not provided sufficient time to adjust existing internal timetables to allow for the full quality assurance process that would be undertaken in future

years. While the procedures for 2014-15 were complete, those for 2015-16 were at a relatively early stage. To address this situation, some spot comparisons of the 2014-15 data with that for 2015-16, where available, had been made; there had been no indication of any declining performance.

3598 Having scrutinised the report, the Board was content to approve the submission of the assurance statement to HEFCE.

3599 **AGREED**

To approve submission to HEFCE of the assurance statement included within Document BT1060.

### **Annual Assurance Return**

3600 The Board considered a report incorporating the proposed Annual Assurance Return for the year ended 31 July 2016 (BT1061).

3601 **AGREED**

The Board approved that the Vice-Chancellor should sign the Annual Assurance Return, included within Document BT1061, as the University's 'accountable officer', and on behalf of the Trustees.

### **Prevent Compliance: Annual Report**

3602 The Board considered the first annual report on compliance and implementation in relation to the Prevent Duty (BT1062). It was noted that the University's responsibilities in this regard and the provisions made under the Duty had been discussed by the Board of Trustees at several meetings during the 2015-16 session.

3603 Members enquired about interaction with Colleges in connection with the Duty and the University Secretary reported that an effective network had been established across London-based HEIs, which shared good practice and ideas. Active communication channels and procedures were also in place between the University and Colleges in relation to the University's student accommodation provision.

3604 Clarification was sought about the levels of training in relation to Prevent, and the Board was informed that, while all staff needed to be aware of the Prevent Duty, not all required a formal programme of training. The number of employees who received training would increase over time and it was expected that the availability of relevant benchmarked training provision for the sector would improve.

3605 **AGREED**

The Board approved the first annual submission to HEFCE on the Prevent Duty as presented at Document BT1062.

### **Singapore Branch Office Business Case**

3606 The Board received a report (BT1063, Confidential) on the plan to establish a branch office of the University in Singapore to support expanded delivery of

University of London International Programmes in Singapore and South East Asia. The report included a copy of the associated Business Case (Appendix BT1063A, Confidential).

- 3607 It was noted that a significant number of International Programmes students were based in Singapore and that the majority of these were at the Singapore Institute of Management (SIM). There had, however, been a decline in the number in recent years.
- 3608 The Board was informed that, as part of SIM's 30<sup>th</sup> anniversary events in April 2016, the Vice-Chancellor had signed a Memorandum of Understanding (MoU) with SIM which sought to address this decline and envisaged, among other things, the establishment of a University-SIM Regional Centre to place more concentrated focus and resource into market development, not only for Singapore but also more widely across the region. Appropriate legal and tax advice had been sought in connection with the venture and the risks had been assessed. It was proposed to establish a Branch Office of the University at SIM with the appointment of a locally-recruited 'Market Development Manager SE Asia', who would work alongside a SIM secondee to the Centre, and would report to the International Programmes Global Engagement Directorate. It was suggested that the Development Manager would need to have specific knowledge and experience of the region.
- 3609 Members expressed their support for the initiative. The Deputy Vice-Chancellor welcomed the plans detailed in the Business Case and commented that, in the future, it would be worth exploring the possibility of joint activities with, and support from, other Colleges, such as King's College London and UCL, which had a number of established links with Singapore.

### **Duncan House**

- 3610 The Chief Financial Officer presented a report on the progress of the Duncan House development project (BT1064, Confidential), which included a detailed document on the background to the project (Appendix BT1064A, Confidential). He updated the Board on the financial arrangements, highlighting the information provided on the reference gilt rate which demonstrated the effects of movements in the financial markets over the preceding six months.

*BTMM 3611-3613 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

- 3614 The Board considered also the updates in the report on: fees and investment in the SPV; the overall financial position of the project; and the funding, legal and commercial risks. It noted that a tax review of the transaction had been undertaken by Pinsent Masons and PricewaterhouseCoopers LLP.
- 3615 Members were informed that detailed scrutiny of the financial arrangements had been undertaken by the Estates Committee. Noting that it was anticipated that Financial Close should be achievable by mid-December 2016, the Board reiterated its support for the project, welcoming the contribution it would make to the target within the University Estate Strategy of providing an

additional 2,000 bed spaces by 2020. Members commended, and expressed their appreciation for, the immense amount of work undertaken by staff to ensure that a successful commercial settlement was achieved and that the project could proceed.

3616 **AGREED**

The Board reconfirmed its approval of the proposed transaction and agreed that work should continue to conclude a satisfactory commercial settlement.

### **Enterprise Resource Planning (ERP) Programme Business Case**

3617 The Board considered a report on the proposed Enterprise Resource Planning Programme (BT1065, Confidential). The Pro Vice-Chancellor (Operations) explained that the Business Case for the Programme (Appendix BT1065A, Confidential) was being presented to the Board due to the combined value of the various components of the project. The Programme included:

- (i) The HR and Payroll Systems replacement;
- (i) the Finance Process Improvement Project; and
- (iii) the acquisition and implementation of UNIT4 Research Management modules.

*BTMM 3618- 3619 is considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

### **University of London Annual Modern Slavery Statement**

3620 The Chief Financial Officer presented a report on a proposed Modern Slavery Statement for the University (BT1066). He explained that, in order to comply with section 54 of the Modern Slavery Act 2015, the University was required to publish an annual statement outlining the steps it had taken during the previous financial year to ensure that slavery and human trafficking was not occurring in its business or supply chains. The proposed statement was presented at Appendix BT1066A for the Board's consideration. Once agreed by the Board it would be published on the University website.

3621 **AGREED**

The Board approved the Statement at Appendix BT1066A.

### **Recommendation from the Honorary Degrees and Fellowships Committee**

3622 The Board was informed of a recommendation from the Honorary Degrees Committee (BT1067, Confidential) for the award of an Honorary Fellowship at the 2017 University of London International Academy (UoLIA) Graduation Ceremonies in London. The Vice-Chancellor reported that the Committee had proposed that a Fellowship should be awarded to John McConnell, former Director of the External System, who had been instrumental in the development of the External System, which had later become UoLIA. A

supporting statement for the nomination of Mr McConnell had been provided for members' consideration (Appendix BT1067A, Confidential).

3623 **AGREED**

To approve that Mr McConnell should be invited to receive a University Honorary Fellowship at the UoLIA Graduation Ceremonies in London in 2017.

**Annual Status Report on the Exercise of Staffing Functions**

3624 The Director of HR presented the Annual Status Report on the Exercise of Staffing Functions (BT1068). Members noted the report.

**Estates Matters**

3625 The Board considered a progress report on a number of estates-related matters (BT1069, Confidential). It was noted that the incoming Director of Property and Facilities Management, Dr Ghazwa Alwani-Starr, would commence her appointment on 1 December 2016 and would attend the next meeting of the Board.

*The Garden Halls*

*BTMM 3626-27 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

*SOAS Senate House North Block Development*

3628 Minor outstanding works following PC were being planned and progressed but these did not affect the full use of the building. Some issues regarding fire evacuation access routes were being discussed with SOAS; the Board noted that this matter had been raised at the Safety Committee's recent meeting and that the Committee had asked to be kept informed.

*BTMM 3629-30 are considered exempt from disclosure in accordance with Part II of the Freedom of Information Act 2000.*

*Bedford Estate*

3631 The Pro Vice-Chancellor (Operations) reported on recent discussions with the Steward of the Bedford Estate to discuss collaborative developments in the Bloomsbury public realm as well as mutual property interests in the area.

**Finance Report**

3632 The Board considered a Finance Report (BT1070, Confidential) by the Chief Financial Officer, including the management accounts and commentary for the three months to 31 October 2016 (Appendix BT1070A, Confidential).

**Private Bill**

3633 The University Secretary updated the Board on the Private Bill (BT1071), which had been deposited in Parliament on 28 November 2016 and was likely

to commence its progress in the House of Lords in January 2017. Lord (David) Willetts would sponsor the Bill in the Lords and Karen Buck MP would serve as sponsor in the Commons.

- 3634 There had been a slight amendment to the wording of the Bill since its previous presentation to the Board. This introduced the term 'Member Institution' as the term for Colleges, schools and, in due course, universities, sitting within the federal University. The final draft Bill had been provided for members' information (Appendix BT1071A).
- 3635 The Board was informed that the Collegiate Council would receive an update on the Bill at its meeting on 9 December 2016. The Board noted the process that Colleges would need to follow should they wish to seek university status. The statutory consultation on changes of name would be undertaken in early summer 2017 and College Governing Bodies would, therefore, need to determine their view on this matter during the spring term 2017. A detailed timetable and action list was being prepared and a workshop, facilitated by Pinsent Masons and HEFCE, would be offered to Colleges in January 2017 to assist them in understanding and timetabling the required internal actions.

#### **Report from the Investments Committee: Unified Trust Fund (UTF) Annual Report and Financial Statements for 2015-16**

- 3636 The Board noted a report from the Investments Committee (BT1072), including the UTF Annual Report and Financial Statements for the year ended 31 July 2016 (Appendix BT1072A).

#### **Trust Funds Committee Annual Report**

- 3637 The Board noted the Annual Report of the Trust Funds Committee for 2015-16 (BT1073).

#### **Annual Report of the Safety Committee for 2015-16**

- 3638 The Board noted the Annual Report of the Safety Committee for 2015-16 (BT1074) including, at Appendix BT1074A, summaries of the work of the Departmental Health and Safety Committees during the session.

#### **Annual Accounts of the ULIP Students' Union**

- 3639 Members noted the Annual Accounts of the ULIP Students' Union covering the 2015-16 session (BT1075).

#### **Unconfirmed Minutes of the Collegiate Council meeting on 30 September 2016**

- 3640 Members noted the Unconfirmed Minutes of the Collegiate Council meeting held on 30 September 2016 (BT1076, Confidential).

#### **Action Taken Under Delegated Authority**

- 3641 The Board noted a report on action taken under delegated authority since its previous meeting (BT1077, Confidential).

### **Dates of Future Meetings**

3642 Members noted the dates of future meetings of the Board as follows (all meetings to commence at 4.00 pm):

#### **2016-17**

Wednesday, 25 January 2017

Wednesday, 29 March 2017 to be held at City, University of London

Wednesday, 24 May 2017 (as part of the Board's Away Day at The  
Courtauld Institute of Art)

Wednesday, 19 July 2017

### **Tribute to Maureen Boylan**

3643 The Board noted that this would be Maureen Boylan's final meeting as University Secretary prior to her retirement on 31 December 2016. The Chair paid tribute to Ms Boylan for her immense contribution to the work of the University and also conveyed his personal appreciation for all her support to him as Chair and to the Trustees. The Pro-Vice Chancellor (Operations) informed members that Ms Boylan's contribution to the University of London had extended to a significant number of the Colleges, where she had worked prior to serving as Deputy University Secretary and then University Secretary. He expressed his gratitude for all the work she had undertaken for the University, highlighting, in particular, that in relation to the former University Marine Biological Station at Millport, Student Central and the Warburg Institute. He was pleased to report that Ms Boylan had kindly agreed to continue to provide support in relation to the ongoing work on the Private Bill. Members also expressed their appreciation and wished Ms Boylan well for the future.