



University of London
BOARD OF TRUSTEES

Wednesday 26 May 2010
4.00 pm
Room G35, Senate House

MINUTES

PRESENT	Dame Jenny Abramsky (Chair) Mr Abdul Bhanji Sir Graeme Davies Ms Judith Evans His Honour Judge Ian Grainger Mr Edward Hartill	Professor David Latchman Mrs Suzanne McCarthy Mr Charles Perrin Professor Peter Rigby Professor Geoff Whitty Professor Rick Trainor
APOLOGIES	Mr Steven Fogel	Mr Maxwell Hutchinson
IN ATTENDANCE	Mr Mazdak Alizadeh* Mr Martin Burchett Professor Geoffrey Crossick Mr Richard Cryer Miss Damaris Currie	Ms Collette Cushion Mr Kim Frost Ms Janet Hoskin ⁺ Mr Robert Pearce ⁺ Miss Catherine Swarbrick

*present for BTMM 0850-59

⁺present for BTMM 0811-17

Welcome

0804 The Chair welcomed Professor David Latchman to his first meeting of the Board and the Vice-Chancellor designate, Professor Geoffrey Crossick, as an observer.

0805 The Board's congratulations were extended to Professor Rigby on his recent election as a Fellow of the Royal Society.

Minutes of the Meeting Held on 24 March 2010

0806 The Board confirmed the minutes of the meeting held on 24 March 2010.

Matters Arising

0807 There were no matters which members wished to raise that were not covered elsewhere on the agenda.

Membership

0808 Members noted Document BT228, providing an update on the Collegiate Council's decision regarding Heads of Colleges to serve on the Board.

Vice-Chancellor's Report

0809 The Board considered the Vice-Chancellor's Report (BT229) including the biographical details of honorary graduands at Appendix BT229A. Members noted the update regarding the work of the Library Strategic Planning Board and that a draft revised Strategic Plan derived from Extended Option 1A would be considered by the Collegiate Council at its meeting on 2 July 2010. If the Collegiate Council was content, the revised Plan would be submitted to the Board.

Warburg Institute

0810 The University's Counsel, Mr Robert Pearce QC, and Ms Janet Hoskin from Pinsent Masons were present for this item.

0811 The Board considered a report on progress in respect of the Warburg Institute. The report included: the Draft Scheme for the Warburg Institute (BT230A) together with accompanying notes (BT230B); a letter from the Chairman of the Warburg Institute Advisory Council to the Chair of the Board of Trustees dated 7 May 2010 (BT230C) with associated appendix (BT230D); and a Note from Counsel (BT230E) reviewing the proposed application for a Scheme in the light of the Advisory Council's response. The report and its appendices were Confidential.

0812 The Board discussed the documentation and sought initial views from Counsel on a number of matters. Counsel advised that, whilst he did not believe the points made within Appendix BT230C and BT230D undermined the legal basis for pursuing a Scheme, they gave rise to the need for further work to be undertaken by Counsel and Ms Hoskin. He pointed out that the historical material included with the letter from the Chairman of the Warburg Institute Advisory Council was important as the Court would need to consider not only the terms of the original gift but also the spirit in which it was made. It would also need to compare the University's current circumstances with those at the time the Trust Deed was established. In view of the work to be undertaken, Counsel suggested that the Board be asked to make a final decision on whether to seek a Scheme at its meeting on 14 July 2010, to allow time for that work to be undertaken.

0813 Counsel indicated that, should the Board support this approach, he would welcome the establishment of a small group of members of the Board to provide guidance as required in the interim. Counsel confirmed that he was not proposing that any powers of the Board be delegated to this group.

0814 Notwithstanding the further work to be undertaken, Counsel wished to offer advice regarding issues raised in the letter from the Chairman of the Advisory Council relating to conflicts of interests. Counsel stated that the intentions of

those who gave the Warburg chattels to the University had been to create a Trust of that gift and for the University to be the Trustee of it. It could not, therefore, be a criticism of the University that it now found itself with dual responsibilities arising from its roles as Trustee of the University and as Trustee of the Institute.

0815 Counsel advised the Board that, where its duties to act as Trustee to the University generally, and to the Warburg charity specifically, came into conflict, the Board was not entitled to give precedence to one over the other. When the Board made a decision, it must be clear in what capacity it was making it.

0816 The Board agreed to consider the issue of whether to seek a Scheme at its meeting on 14 July 2010. It would be important for the documentation to make clear the capacity in which the Board was making that decision – this would be as Trustees of the Warburg Institute. Members also agreed to establish a small steering group of three to four members as suggested by Counsel. The Chair and Vice-Chancellor would be consulted as to the constitution of the group.

0817 **AGREED**

(i) To consider the draft Scheme for the Warburg Institute at the Board's meeting on 14 July 2010.

(ii) To establish a small steering group of three to four members to provide guidance to Counsel as required; the Chair and Vice-Chancellor to be consulted as to the constitution of the group.

0818 Mr Pearce and Ms Hoskin left the meeting at the conclusion of the item.

BTMM 0819-0824 are considered exempt from disclosure in accordance with section 41 of Part II of the Freedom of Information Act 2000

The University Marine Biological Station Millport (UMBSM)

0825 The Vice-Chancellor introduced Document BT232 (Confidential) on the discussions of the Board of the University Marine Biological Station on options for the future for the Station. Appended to the report were: a summary of options; key financial data; and documentation considered by the Board of the University Marine Biological Station (UMBS) (BT232A Confidential).

0826



[This information is considered exempt from disclosure in accordance with section 36 of Part II of the Freedom of Information Act 2000] The Vice-Chancellor reported that, since the preparation of the report, he had received an email from the local Member of

the Scottish Parliament regarding potential funding sources for securing external capital for the redevelopment option.

- 0827 It was suggested that the report by Jura Consultants was based on the assumption that it would be possible to increase conference revenue and a query was raised regarding the viability of this approach. The Vice-Chancellor reported that, following investigation, the consultants had concluded that there was a sufficient market for conference facilities of the type that the UMBSM would be able to offer.
- 0828 The report proposed that the Board approve the disposal of the detached house at 16 Kanes Bay, Millport, known as Bellevue, formerly used as a residence for the UMBSM Director. The proceeds from the sale would be earmarked for the benefit of the UMBSM. The Vice-Chancellor confirmed that the University no longer had a need for the property. The Board approved the disposal and authorised the Director of the Institute or the Institute's Finance and Administration Manager to sign the associated disposition.
- 0829 **AGREED**
- (i) That Option 3(c) (one of a number of redevelopment options) should be considered the preferred option for the future for the UMBSM (subject to minimising the costs of the project as indicated in paragraph 11 of Document BT232).
 - (ii) That consultations with potential funding sources to secure external capital for the redevelopment option should be pursued as a matter of urgency.
 - (iii) To approve the disposal of the Bellevue property as proposed in Document BT232.
 - (iv) To authorise the Director of the Institute or the Institute's Finance and Administration Manager to sign the disposition associated with the sale of the Bellevue property.

Report from the Nominations Committee

0830 The Board considered a report from the Nominations Committee regarding the vacancy for an independent member of the Board which would arise from 1 August 2010 (BT233, Confidential). Attached to the report was the *curriculum vitae* for Mr David Beever (BT233A, Confidential).

0831 **AGREED**

- (i) To appoint Mr David Beever as an independent member of the Board of Trustees, for a term of office of four years from 1 August 2010 to 31 July 2014.
- (ii) To appoint Mr David Beever as Chair of the Investments Committee for a period of four years from 1 August 2010 to 31 July 2014.

Finance Report

- 0832 The Board considered the Finance Report (BT234) which included the Monthly Finance Report for April 2010 (BT234A), Schedules of Income and Expenditure (BT234B), the Group Balance Sheet as at the 9 months to April 2010 (BT234C), Cash Flow Statement (BT234D) and the Update regarding VAT (BT234E). All papers were Confidential.
- 0833 The Director of Finance drew members' attention to the table at paragraph 2 of the report which provided a summary of the figures presented in the appendices. He advised the Board that the treatment of restructuring costs had been adjusted so that their categorisation as "above" or "below" the line conformed to Financial Reporting Standard 3 – *Reporting Financial Performance*. In previous reports all restructuring costs had been shown as "below" the line.
- 0834 The Director of Finance reported that the projected deficit of £547k was broadly in line with budget. He advised that the valuation of investments in the Balance Sheet had taken place on 30 April 2010; since then there had been some volatility in the markets.
- 0835 Members noted the revised draft budget for 2010-11. This had yet to be fully reviewed by the Senior Management Team (SMT) as the Divisional reviews which it reflected had only recently been completed. The budget would, therefore, be presented for approval at the Board's meeting on 14 July 2010. Members were pleased to note that the revised budget showed a surplus of £2.2M which represented an improvement of £3.0M on the first budget submission.
- 0836 A query was raised as to whether these budget projections were realistic in terms of income for 2010-11; this was in the context of a comparison of the original projected income for 2009-10 with actual income for that period. The Director of Finance assured the Board that he considered the projected figures for 2010-11 to be realistic.
- 0837 The Director of Finance updated members on the recent Treasury statement regarding savings to be made in the Higher Education sector. Whilst it was hoped that the contingency included within the 2010-11 budget would cover any impact of these savings upon the University, concern was expressed as to the potential effects of the Government's emergency Budget on 22 June 2010 and the autumn spending review, in particular in respect of the special funding received by the School of Advanced Study (SAS).
- 0838 The Board considered the Monthly Finance Report and welcomed, in particular, the strong performance of the University of London Computer Centre (ULCC) and the External System. Members were also pleased to note that higher than budgeted income might derive from the Intercollegiate Halls. However, concern was expressed at the forecasted deficits for several Central Academic Bodies. It was noted that, in the case of the University of London Institute in Paris, a critical review of its Business Plan was ongoing and it was anticipated that the introduction of a number of postgraduate courses in 2011-

12 should assist significantly with income generation. The Director of Estates and Facilities reported that his Division was working with SAS to establish whether there were opportunities for space reduction within the School which could assist in reducing expenditure.

- 0839 Members welcomed the Cash Flow Statement (BT234D) provided following the Board's request at its previous meeting (BTMM 0748 and 0751 refer). The Director of Finance confirmed that this would be presented to each meeting of the Board.

University Subscription and Charges for 2010-11

- 0840 The Board received a report on the University subscription and charges for 2010-11 (BT247). The Director of Finance reported that the proposals regarding Charges for 2010-11 and the subscription detailed in the accompanying spreadsheet (BT247A) had been agreed by the Collegiate Council at its meeting on 30 April 2010, with the exception of the proposed charges by the Institute of Advanced Legal Studies (IALS) to the Law Schools. At that stage the IALS charges had yet to be presented to the Laws Schools Resources Policy Committee and had, therefore, been unavailable. The Board approved the subscription and charges for 2010-11 with the proviso that the IALS charges were to be agreed by the Collegiate Council.

0841 **AGREED**

To approve the subscription and charges for 2010-11 as presented in Appendix BT247A, subject to the IALS charges being agreed by the Collegiate Council.

Business Change Programme

- 0842 The Board considered a progress report on the Business Change Programme (BCP) (BT235). Members commented that they had been impressed by their recent visit to the ULCC (as part of a programme of visits to Divisions), and a query was raised as to whether there had been a recent review of Information Technology (IT) Strategy to determine the scope for undertaking major IT projects. The Secretary reported that the SMT was due to consider the report of a recent review of IT, Information Systems (IS) and Communications Strategy, and more information would be provided to the Board in due course. In the meantime, a copy of the Executive Summary of the Report would be circulated to the Board for information.

0843 **AGREED**

That a copy of the Executive Summary of the Report on IT, IS and Communications Strategy would be circulated to the Board.

Report from the Investments Committee

- 0844 Mr Perrin, Chair of the Investments Committee, introduced his report on business conducted at the Investments Committee meeting of 21 April 2010. Attached to the report were the Unaudited Financial Statements for the

Unified Trust Fund (UTF) for the half-year ended 31 January 2010 (BT236A) and Managed Cash - returns for 2009-10 to date (BT236B).

0845 The Board noted the work being undertaken by the Committee and approved the appointment of Newton Investment Management Ltd as Investments Manager from 1 August 2010 to 31 July 2011 as recommended.

0846 **AGREED**

To approve the reappointment of Newton Investment Management Ltd as Investments Manager from 1 August 2010 to 31 July 2011 with responsibility for investments held by the UTF and the Institute of Historical Research (IHR).

University's Loan Arrangements

0847 At its meeting on 24 March 2010, the Board of Trustees had noted that the University's £10M loan from Barclays was repayable on 28 October 2010 (BTMM 0749 – 0750 refer). The Board had also agreed that the Chair be authorised to consider a recommendation from the Investments Committee on this matter, and either refer the matter to the Board's meeting on 26 May 2010 or, if satisfied with the recommended approach, sign a new loan agreement. However, it had not proved possible to proceed as speedily as intended and a full report for the Board's consideration had been provided (BT237, Confidential).

0848 The Board considered the report and agreed that the University's extant unsecured loan of £10M with Barclays, which was repayable on 28 October 2010, should be refinanced with Barclays with immediate effect over a five-year period on the terms outlined within the Letter of Variation dated 12 May 2010 (BT237A, Confidential).

0849 **AGREED**

To approve the resolution (detailed at Appendix BT237B, Confidential, and set out below) to execute the Letter of Variation dated 12 May 2010 from Barclays Bank:

1. The Board of Trustees duly and properly resolves:

THAT the University should execute the letter of variation dated 12 May 2010 from Barclays bank whereby the term of the existing £10M loan, currently repayable on 28 October 2010, be extended to 30 September 2015 with the following other changes to the existing terms:-

- a. That the Bank's margin to apply to the advance be reduced from 1.00% to 0.95% per annum over the London Interbank Market rate
- b. That revised financial covenants should apply as noted in the Schedule to the letter of variation.
- c. That an arrangement fee of £10,000 would be payable to Barclays on acceptance

2. In accordance with the above the Board duly authorises the Director of Administration, Catherine Swarbrick and the Director of Finance, Richard Cryer to execute the letter of variation and to take any other necessary action under or in connection therewith.

University of London Union (ULU) Constitution

- 0850 The Vice-President of ULU, Mr Mazdak Alizadeh, joined the meeting for this item. He reported that, although work had been undertaken previously on a new ULU Constitution, the Union had not been able to approve the document at that time as the ULU Senate had been inquorate. Since then, as detailed in the report (BT238), the National Union of Students (NUS) had produced a model constitution upon which the new ULU Constitution now being proposed (BT238A) was based.
- 0851 The Board noted that the proposed constitution had been approved by the ULU Senate at its meeting on 11 May 2010 and also by the ULU Board of Trustees. The Vice-President of ULU reported that College Students' Unions had been consulted during its preparation.
- 0852 Members noted that the University's solicitor, Pinsent Masons, had reviewed the proposed Constitution and highlighted a few areas where amendments would be required for reasons of clarification. ULU would consider these amendments alongside any others requested by members of the Board of Trustees and present revisions for consideration at the Board's next meeting on 14 July 2010.
- 0853 The Board requested clarification of the key differences between the new constitution and the existing version. The Vice-President of ULU stated that, for the most part, the structure of the Union and the way it functioned were unchanged, although the ULU Trustees would have some additional powers under the new version. At the request of the Board, he agreed to provide a document for its next meeting detailing the main changes.
- 0854 The Board raised concerns regarding paragraph 40 of the Constitution relating to the appointment of Trustees. This did not specify a minimum number of members for each of the constituencies and the Board agreed this must be addressed, with a minimum and maximum being stated. The Vice-President agreed to change the paragraph but advised that this wording had been based on the NUS model.
- 0855 Paragraph 28 stated that a general meeting of the Union would be called on receipt of a requisition to that effect signed by at least 250 members. It was agreed that this required clarification to indicate whether physical signatures were required, or whether these could be gathered electronically.
- 0856 A query was raised in respect of paragraphs 33 and 34 of the proposed Constitution, as to whether, in order to be counted as part of the quorum for a general meeting of 250, members had to be present in person rather than a proxy being permitted. The Board was reassured that proxies were not permitted to be counted as part of the quorum. Members again agreed that

this needed to be clarified. It was stressed that if the requested matters of clarification were not specified in the Constitution, they must be covered by accompanying regulations or guidance notes.

0857 It was noted that the wording of paragraph 89 was such that a meeting of the ULU Board of Trustees could be quorate without an External Trustee being present. The Board agreed the paragraph should be amended so at least one External Trustee had to be in attendance.

0858 It was further suggested that an explanatory note on the wording of the Constitution should be produced as it would be useful for future reference.

0859 **AGREED**

(i) The Board of Trustees approved the proposed ULU Constitution in principle, subject to the following amendments which were to be presented to the Board for approval at its meeting on 14 July 2010:

(a) The amendment of Paragraph 40 to clarify a minimum and maximum number of Trustees for each constituency.

(b) The amendment of Paragraph 89 to state that the Quorum for Trustees' meetings must include an External Trustee.

(c) Clarification of Paragraphs 28, 33 and 34 within Guidance Notes and/or Regulations to accompany the Constitution.

(d) The further revisions required for reasons of clarification as stated in Document BT238.

(ii) That to assist the Board's understanding of the new Constitution, it should be provided with the following at its meeting in July 2010:

(a) An explanatory note regarding the Constitution.

(b) Guidance notes and Regulations. These should clarify the matters raised by the Board regarding Paragraphs 28, 33 and 34 (if these were not covered by the amended Constitution).

(c) Details of the differences between the new Constitution and the previous version.

0860 The Vice-President of ULU left the meeting at the conclusion of the discussion.

Estates Matters

0861 The Board considered a report on a number of estates-related matters (BT239). The Director of Estates and Facilities drew members' attention to the appointment of Knight Frank to assist the University in preparing a strategy for the future development of the Intercollegiate Halls of Residence. The Board also noted developments in relation to the Guilford Street site, and the

arrangements of the settlement between the University and Birkbeck regarding Senate House North Block.

0862 **AGREED**

- (i) To delegate joint authority to the Chair, the Vice-Chancellor and one independent member of the Board to approve the disposal of the University's Guilford Street property, should a recommendation need to be agreed before the date of the Board's meeting in July 2010.
- (ii) To delegate to the Vice-Chancellor (or in his absence, the Deputy Vice-Chancellor, or in the absence of both, to the Director of Administration) the authority to enter into a contract on 27 May 2010 for the supply of electricity to the University's half-hourly metered buildings.
- (iii) To approve the granting of five-year leases to the Hellenic Society, the Roman Society, the Joint Association of Classical Teachers, the Classical Association and the British School in Athens.

Strategic Risk Register

0863 The Board received a report regarding the ongoing revision of the University's Strategic Risk Register (BT240). Members were advised that a revised version of the Strategic Risk Register would be presented to the Board at its meeting in July 2010. The report provided details of the two risks on the draft revised Register with a residual risk score of 12 or greater. The Secretary assured the Board that the matters relating to these risks were being closely monitored by the SMT and the Risk Management Steering Group. Additionally, workshops were being held to ensure Divisions considered how the risks related to their own risk registers.

Higher Education Funding Council for England (HEFCE) Assessment of Institutional Risk

0864 The Board received and noted a report on HEFCE's assessment of the accountability, risk and sustainability of the University, based on annual accountability returns submitted in December 2009 (BT241). The letter from the HEFCE Chief Executive to the Vice-Chancellor on HEFCE's assessment was attached to the report (BT241A).

Senate House Project

0865 The Board noted a report from the Director of Special Projects providing an update on current progress in respect of the Senate House Project (BT242).

ULU Annual Report

0866 Members noted the ULU Annual Report 2008-09 (BT243 and BT243A). Members were reminded that they had received the ULU Financial Statements for the year ended 31 July 2009 at their meeting on 1 December 2009 (BTMM 0646-7 refer).

Universities Superannuation Scheme (USS)

0867 The Board received a report from the Director of Human Resources on the discussions taking place on the future funding and provisions of the USS and the possible implications for institutions. Members noted the report.

Action Taken under Delegated Authority

0868 The Board noted the action taken under delegated authority since its previous meeting on 24 March 2010, as detailed in Document BT245.

Sealings

0869 Members noted a report from the Vice-Chancellor on sealings of documents (BT246).

Dates of Future Meetings

0870 Members noted the dates of future meetings of the Board as follows.

2009-10

Wednesday, 14 July 2010

2010-11

Wednesday, 20 October 2010

Monday, 29 November 2010

Wednesday, 26 January 2011

Wednesday, 30 March 2011

Wednesday, 25 May 2011

Wednesday, 13 July 2011

2011-12

Monday, 10 October 2011

Monday, 21 November 2011

Wednesday, 25 January 2012

Wednesday, 21 March 2012

Wednesday, 23 May 2012

Wednesday, 18 July 2012

0871 All meetings were due to commence at 4.00 pm. However, it was suggested that, in view of the business to be considered at the Board's July 2010 meeting, consideration should be given to commencing the meeting at 3.30 pm.

0872 **AGREED**

Consideration to be given to commencing the Board's meeting on 14 July 2010 at 3.30 pm.