



University of London  
**BOARD OF TRUSTEES**

Wednesday 14 October 2009  
4.00 pm  
Room 104, Senate House

## MINUTES

### PRESENT

Dame Jenny Abramsky (Chair)	Mr Ian Grainger
Mr Abdul Bhanji	Mr Edward Hartill
Professor Geoffrey Crossick	Mrs Suzanne McCarthy
Sir Graeme Davies	Mr Charles Perrin
Ms Judith Evans	Professor Rick Trainor
Mr Steven Fogel	Professor Geoff Whitty

### APOLOGIES

Mr Maxwell Hutchinson	Professor Peter Rigby
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### IN ATTENDANCE

Ms Bridget Boylan (for BTMM 0521-33 only)	Mr Kim Frost
Mr Martin Burchett	Ms Janet Hoskin (for BTMM 0503-13 only)
Mr Richard Cryer	Mr Robert Pearce QC (for BTMM 0503-13 only)
Miss Damaris Currie	Miss Catherine Swarbrick
Ms Collette Cushion	

### Terms of Reference, Constitution and Membership

0496 Document BT137 detailed the functions, constitution and membership of the Board of Trustees for the 2009-10 session. Four members' terms of office were due to end on 31 July 2010. Although all four were eligible for reappointment, Mr Perrin had indicated he would not wish to serve for a further term of office. A meeting of the Nominations Committee would be arranged for the spring term 2010 to take forward the process for filling the three vacancies for independent members. Members noted that the vacancy for a Head of College was a matter for the Collegiate Council to determine.

0497 **AGREED**

(i) That a meeting of the Nominations Committee be arranged for the spring term 2010 to take forward the process for filling the three vacancies for independent members on the Board of Trustees from 1 August 2010.

(ii) The Collegiate Council to be asked to consider the vacancy for a member from 1 August 2010.

### Minutes of the Meeting Held on 15 July 2009

0498 The Board confirmed the minutes of the meeting held on 15 July 2009 with one amendment: that a sentence should be added to BTM 0433 to indicate

that there had been an increase of £1M between the budget figures presented at the Board meeting on 13 May 2009 and those considered at its meeting on 15 July 2009.

### **Matters Arising**

- 0499 The Board noted Document BT138 on matters arising from previous meetings.
- 0500 In response to a query regarding how the Strategic Plan was being implemented within the University, the Secretary reported that the Boards of the Central Academic Bodies and Activities would be confirming their own strategic plans, aligned with the University Strategic Plan, during the autumn term 2009. Operational plans were also being developed with a view to being approved at the Boards' spring term meetings. Information regarding the plans would be presented to the Collegiate Council and the Board of Trustees in due course.

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

- 0501 The Vice-Chancellor introduced his report (BT139). He advised the Board that the discussions between Royal Holloway, University of London, and St George's, University of London, on a possible merger had been discontinued. It was noted, however, that the two Colleges would continue to work closely together.
- 0502 The Vice-Chancellor highlighted two matters within his report: paragraphs 3 to 6, which related to recruitment at the University of London Institute in Paris (ULIP), and also paragraph 7 on Foundation Day. Members noted that Mr Nicholas Hytner, Director of the National Theatre, had recently accepted an invitation to receive an Honorary Degree at the Foundation Day Ceremony on 25 November 2009.

### **The Warburg Institute**

- 0503 Ms Janet Hoskin of the University's solicitor, Pinsent Masons, and Mr Robert Pearce QC, were present for this item.
- 0504 The Board received Document BT140 on the Warburg Institute, including Appendices BT140A Instructions to Counsel and BT140B Draft Opinion from Counsel. All documents were confidential.
- 0505 Ms Hoskin introduced Mr Robert Pearce QC to the Board. Counsel drew the Board's attention to his draft Opinion at Appendix BT140B. He advised members that, having considered the documentation on the Warburg Institute, and taking into account the conflicting views of the University and the Warburg Institute Advisory Council, he had concluded that the only realistic way forward was to make an application under the Cy Pres procedure to alter the terms of the Trust Deed. He suggested that the next steps should be to give thought to a realistic scheme to propose to the Court, which should preserve the ethos of the Warburg Institute whilst enabling the University to implement

its desired management solutions. He advised that the University could seek to replace the existing Deed in whole or in part.

- 0506 Counsel advised that it would be beneficial to proceed, as far as possible, on the basis of agreement between the interested parties, i.e. the University, the management and the Advisory Council of the Warburg Institute and the Attorney General.
- 0507 In response to a request for a rough estimate of the costs involved in taking the matter to court, Ms Hoskin advised that these could be well in excess of £100k, and that the University would be liable for the costs of the Attorney General.
- 0508 The Board considered the draft Opinion and sought clarification in respect of a number of issues including:
- (i) the role of the Attorney General in a Cy Pres application;
  - (ii) the view expressed in the draft Opinion on formal mediation;
  - (iii) the scope for a Memorandum of Understanding;
  - (iv) the governance structure of the Institute; and
  - (v) ownership of books and assets of the Institute.
- 0509 The Board noted the following:
- (i) its responsibilities as Trustee of the Warburg Institute, but also that the University's responsibilities were extensive and did not relate only to the Warburg;
  - (ii) the accountability of the University for making appropriate use of Higher Education Funding Council for England (HEFCE) funds;
  - (iii) that the Review of HEFCE Special Funding for the School of Advanced Study (SAS) led by Sir Ivor Crewe had stressed the need for robust central management of the School; and
  - (iv) that there had to be an acknowledgment that the University's circumstances had changed since the 1944 Trust Deed had been agreed.
- 0510 The Vice-Chancellor stated that, as the University's accounting officer, he wished to highlight the ongoing deficit of the Warburg Institute which was expected to be ca. £100k in 2008-09.
- 0511 It was agreed that the letter of 6 May 2009 from the Chair of the Warburg Institute Advisory Council to the Chair of the Board, received by the Board at its previous meeting, should be answered as soon as possible, now that the Board had received Counsel's advice and had been able to consider the issues fully.

- 0512 Members agreed they would wish to receive progress reports from Pinsent Masons at each meeting.
- 0513 The Chair thanked Counsel and Ms Hoskin for their contribution to the discussions. Both then left the meeting.

**AGREED**

- (i) That the Board should move towards an application under the Cy Pres procedure.
- (ii) That, in drawing up the application, efforts should be made as far as possible, to reach consensus between the interested parties.
- (iii) That the Chair should respond to Professor Reeve's letter of 6 May 2009.

**Review of Effectiveness**

- 0514 The Secretary introduced Document BT141 on the Review of Effectiveness. Attached to the report were a copy of the email invitation to respond to the Review (BT141A) and the Summary and Results of the Review (BT141B). The Board had previously agreed that a formal review of the governance structure should take place in the academic year 2012-13 (BTM 0111 refers), but agreed that, in the interim, and in accordance with Ordinance 7, which required an annual review by boards and committees of their effectiveness, the current review by questionnaire should be undertaken. The exercise had yielded some interesting results which could be explored more fully and would enable improvements to be made. It was noted that the Board would receive a report on other committees' reviews of effectiveness at its meeting on 1 December 2009.
- 0515 The 2008-09 review process had involved consultation with members of the Board only. Following a suggestion from a member of the Board, it was agreed to give further consideration, in any future consultation, to seeking the views of officers. However, it was recognised that it was essential that the independence of the Board should be maintained in any future exercise.
- 0516 One member referred to the series of visits made by members of the Board to Colleges during the 2008-09 session, and the Board agreed it would be useful for members to feed back on the visits. Attempts to find a date for an informal meeting of the Board, which would provide the most appropriate forum for this discussion, had so far proved unsuccessful. It was agreed that efforts should continue to fix a date for this meeting. It was suggested that an informal meeting of the Board could be held approximately every six months.
- 0517 The statement 'The Board has sufficient understanding of the Institution' had received two 'Disagree' responses. To assist in this area, it was proposed that arrangements should be made for the Board to visit some Central Academic Bodies and Activities.

- 0518 Several 'Neither Agree nor Disagree' responses had been received for statement 15 of Section B on whether the Board was kept sufficiently informed on all material matters between meetings. It was suggested that the response probably reflected the fact that members were unaware of any information they could have received between meetings. Officers agreed to give consideration as to whether there had been any information which could usefully have been provided between meetings, and to advise the Board at its meeting on 1 December 2009.
- 0519 There were several questions where a significant number of 'neither agree nor disagree' responses had been received. Members suggested that one, statement 16 of Section B, which related to reports to the Collegiate Council, had probably elicited this response because members did not have sufficient information on those reports to answer otherwise.
- 0520 **AGREED**
- (i) That consideration should be given to asking officers for views as part of future reviews of effectiveness.
  - (ii) That officers should consider whether there was any information that could usefully have been provided to the Board between meetings during the 2008-09 session, and to advise the Board at its meeting on 1 December 2009.
  - (iii) To continue to seek a date for an informal meeting of the Board.
  - (iv) That arrangements should be made for members of the Board to visit some Central Academic Bodies and Activities.

### **Business Change Programme – Progress Report**

- 0521 The Programme Sponsor, Catherine Swarbrick, introduced Bridget Boylan, the Programme Manager for the Business Change Programme (BCP), who had joined the meeting for this item. Miss Swarbrick informed the Board that the Senior Management Team (SMT), which served as the Programme Board for the BCP, had been pleased to hear of the Board's support for the Programme as expressed at its previous meeting on 15 July 2009 (BTMM 0449 and 0453 refer).
- 0522 Ms Boylan introduced Document BT142 which updated the Board on the BCP. She reported that the Programme had commenced well, and highlighted four key areas.

#### *Engagement of Senior Management Team*

- 0523 The first area of focus related to the increasing engagement of SMT members. As mentioned previously (see BTM 0521 above), the SMT formed the Programme Board, and Ms Boylan reported that Programme Board meetings were very well attended. At the most recent, held on 12 October 2009, members had received a presentation providing an introduction to programme assurance by Mr Jon Poore, who had been newly appointed to

undertake a programme assurance role on the Programme Board. The meeting had taken the form of a half-day workshop and feedback received from Programme Board members had been positive. Further group work would take place over the coming weeks with a view to producing a blueprint for how the University would look at the end of the BCP. A further half-day event would be held in December 2009.

#### *Involvement of Staff*

- 0524 Ms Boylan reported on increasing staff involvement in the Programme. To date, six University staff had been seconded to project management roles and were receiving appropriate training. Interest had also been shown in respect of other posts associated with the Programme.

#### *Communication*

- 0525 A series of 40 staff workshops would be taking place before the end of term, attended, it was hoped, by approximately 250 staff – this represented one-third of full-time-equivalent staff. The BCP had been a key theme of the Vice-Chancellor's All Staff Meeting held on 29 September 2009 where Ms Boylan had addressed staff and responded to questions. She would also be attending staff meetings of The Careers Group and SAS.

#### *Programme Control*

- 0526 Members noted that the software product 'Execview' was being used to control the projects within the BCP, and could provide a clear visual summary of each area of the Programme. As an example, the first status report produced using 'Execview' had been provided for the Board's information at Appendix BT142A. The focus at this stage was on milestones and deliverables; the content of the reports would mature as the BCP progressed. One forthcoming activity was the identification and recording of project-level risks for the Programme Board. Other priorities for the coming months related to resourcing, planning and programme development and the continuing communication of the BCP.
- 0527 Summarising, Ms Boylan invited questions from the Board and requested feedback on the format of the report.
- 0528 Members welcomed the report. A query was raised regarding likely future funding constraints for the University and how these would impact the Programme. Ms Boylan reported that, as with all projects of this type, some changes were likely to occur as the BCP progressed. There would be continued analysis of the BCP by the Programme Board. Ms Boylan also stressed that the targets within the Programme had been drawn up with the assistance of the Director of Finance and that staff were working towards the 'stretch' targets detailed in the Programme Brief. From November 2009 the Programme Board would be actively tracking benefits.

- 0529 The Chair stressed that it was important to remember that the Programme was not simply a cost reducing exercise, but was aimed at achieving a world class, value for money, efficient organisation.
- 0530 Questions were raised as to the level of control the Programme Manager had over the various aspects of the BCP, and action she could take to ensure matters progressed. It was suggested that, should difficulties arise in this regard, the related issues could be raised with the Board which could take appropriate action. Ms Boylan reported that she met with the Programme Sponsor, Catherine Swarbrick, on at least a weekly basis and was able to raise any issues at these meetings. Ms Boylan was content that she had the authority and support she required from the Programme Sponsor. It was noted that the Programme Sponsor chaired the Programme Board.
- 0531 In response to a related query, Ms Boylan reported that there were no projects about which she had particular concerns at this early stage of the Programme. A clearer picture would be available at the end of the autumn term 2009 once the Programme had been underway for a longer period.
- 0532 It was suggested that the level of detail in the current report was such that it might be difficult for the Board to follow the 'story' of the projects as the Programme progressed. Consequently, it was proposed that future reports might include a focus on specific projects. Any areas of concern should also be highlighted. Members confirmed that it would not be necessary for the Board to receive future 'Execview' status reports. The Vice-Chancellor advised that the next report on the BCP would be presented to the Board's meeting in January 2010.
- 0533 **AGREED**  
That future reports to the Board should include more details on specific projects and highlight any concerns. 'Execview' status reports would not be required for future meetings.

## **Finance Report**

- 0534 The Director of Finance introduced his report (Document BT143), updating the Board on the income and expenditure account for 2008-09 and the management accounts for the two months to 30 September 2009. He reported that, on the whole, turnover between 2007-08 and 2008-09 had been relatively static. The 2008-09 figures had been inflated as a result of a profit of approximately £7M arising from the sale of a single investment property. Additionally, the component relating to the London Deanery had decreased and the changes relating to London Higher had also had an impact.
- 0535 There had been an increase in income as a result of the External System benefiting from the weakness of sterling during 2008-09. Additionally, income from 'student services' had been £1.4M greater than originally forecast, a major factor in the increase being the newly refurbished College Hall. Not only had 2008-09 represented the first year of College Hall being back in operation, but higher fees had been charged for this Hall to reflect the superior accommodation on offer. The Director of Finance reported that the

Income and Expenditure Account showed that the underlying performance of the University had improved, and provided a good benchmark as the starting point for the BCP.

- 0536 In terms of fixed assets, the Director of Finance highlighted the effect of the delay in the sale of 27-29 Russell Square arising from the prolongation of the Senate House Project. As a result, these properties had not become available until later than originally anticipated and the sale to Birkbeck had not been completed until October 2009.
- 0537 The Board noted that the Balance Sheet revealed an illiquid position as at 31 July 2009. The importance of the BCP in achieving a positive cash flow moving forward was stressed by the Director of Finance.
- 0538 A preliminary snapshot of income and expenditure in the two months to 30 September 2009 was provided in paragraph 13 of the report. The Director of Finance stated that he had no concerns at this stage, but wished to bring to the Board's attention that a possible adjustment might be required in respect of undeclared VAT arising from transactions between the University and Senate House Services. Work was ongoing with the University's External Auditors, Deloitte LLP, in relation to this.
- 0539 The Board was invited to comment on the report. A question was raised regarding the size of the increase in respect of External System income. The Vice-Chancellor advised that it was in the region of 14%. The possibility of the upward trend continuing depended on the performance of sterling during 2009-10.
- 0540 In response to queries on the Balance Sheet regarding the net liabilities estimate, the Director of Finance advised that a fuller picture would be available with the five-year forecast which would be presented to the Board's meeting on 1 December 2009.

## **20 Guilford Street**

- 0541 The Board considered Document BT144 (Confidential) on discussions regarding the disposal of 20 Guilford Street and on investigations undertaken at the request of the Board. Members' attention was drawn to paragraph 2 relating to discussions with UCL. Due to funding constraints, UCL was not able to proceed with the acquisition of the property, as originally agreed, in the immediate future. The Board noted that UCL's response to a request to withdraw formally so that the University was free to talk directly to Great Ormond Street Hospital (GOSH) and any other interested parties, had met with a qualified response: UCL was content for the University to negotiate the disposal of the premises with GOSH but wished to reserve its position in the event that those negotiations did not lead to a transaction. The Board agreed that this was an unreasonable restriction on the University's ability to negotiate the best way forward for the University, and for the federation as a whole.

0542 **AGREED**

- (i) That UCL's request to reserve its position in the event that negotiations with GOSH did not lead to a transaction was an unreasonable restriction on the University's ability to negotiate the best way forward for the University, and for the federation as a whole.
- (ii) To endorse the proposed way forward detailed in paragraph 10 of the report, namely that the University should negotiate with GOSH over a short-term letting and also about the disposal of a 99-year lease for a sum which reflected the open market value of the site and took account of future value.

**Estates Matters**

0543 Members considered Document BT145 on a number of estates-related matters.

0544 **AGREED**

- (i) That, in the event of competing interests, a small group constituting the Vice-Chancellor and two Heads of Colleges (whose institutions had not expressed an interest), and chaired by the Vice-Chancellor, should reach a decision, based upon academic priorities, on the disposal of 31 and/or 35 Tavistock Square by way of a long-term lease; the decision to be reported to the Board of Trustees.
- (ii) To approve a lease supplemental to the main lease of the Institute of Education's headquarters building at 20 Bedford Way, and to approve the part surrender of the Institute of Education's lease of 15 Woburn Square.
- (iii) To approve the granting of a lease extension of three years to the end of March 2013 to the Gower Street Practice for 18-20 Gower Street.
- (iv) Further to its decision on 13 May 2009 (BTM 0399 refers), to approve the granting of a lease to Birkbeck for 39-47 Gordon Square.
- (v) The Board noted the developments regarding 53 Gordon Square and 20 Russell Square.

**Strategic Risks**

0545 Document BT146 provided a review of the action plans in place to review the University's high-level risks. An extract from the Strategic Risk Register October 2009 was attached as Appendix BT146A. Members discussed the likely level of funding for higher education in the future and how this might impact upon the University. The Vice-Chancellor suggested that all Colleges were probably preparing for cuts in funding. Because the University currently received little teaching grant it would be less affected than other higher education institutions if teaching funding was cut. He felt that the special funding received by SAS was also not particularly vulnerable at this time.

- 0546 Comments were invited from the Heads of Colleges on the Board, who agreed that research funding was less susceptible than teaching funding at present, but pointed out that this situation might alter should there be a change in Government at the next General Election. It was felt that funding for arts, humanities and social sciences was particularly vulnerable to future cuts. It was suggested that the BCP would be of especial importance going forward; as Colleges came under increasing financial pressure, they were likely to subject University expenditure and services to even closer scrutiny.
- 0547 The Director of Finance indicated that detailed consideration was being given to income generation and attempts being made to diversify income sources. Due to the high demand for student accommodation in London, the identification of opportunities for improving income in this respect was a key area of focus. It was noted that the External System was also an important area for income generation.

### **Annual Report of the Safety Committee**

- 0548 Document BT147 reported on the work of the Safety Committee during the 2008-09 session and sought to provide assurance on the arrangements for health and safety across the University. The Chair of the Safety Committee, Mr Ian Grainger, introduced the Annual Report. He drew attention to Annex G, the Health and Safety and Fire Plan for 2009-10. It was noted that the wording of the first point of Annex G was incorrect and should read: 'To review and update Divisional Health and Safety Policies, *etc.*' The Annex provided details of the practical work to be carried out during 2009-10.
- 0549 Mr Grainger reported that, to improve reporting arrangements to the Board of Trustees going forward, the University Health and Safety Adviser's work programme would operate on the basis of the academic year in future.
- 0550 Mr Grainger stated that the Committee's lack of knowledge regarding the health and safety arrangements at the University of London Institute in Paris (ULIP) represented an area of concern. The Director of Human Resources advised that the University's Health and Safety Adviser kept in contact with the health and safety adviser at ULIP. Both the Director of Human Resources and the Director of Estates and Facilities confirmed that they were content with the health and safety arrangements in place at the Institute.
- 0551 The Chair reported that Mr Grainger would be resigning as Chair of the Safety Committee from 19 October 2009 in view of his recent appointment as a Circuit Judge which took effect from that date. Officers would take forward the process to identify a new Chair. Members congratulated Mr Grainger on his appointment.

0552 **AGREED**

That officers should take forward the process to identify a new Chair of the Safety Committee.

**Unconditional Benefactions**

0553 The Director of Finance introduced Document BT148 which sought the approval of the Board to a policy on the use of unrestricted gifts and bequests made to the University.

0554 **AGREED**

(i) To add the unconditional gifts received during the past five years (listed in paragraph 2 of Document BT148) to the 'free funds' of the University and not to earmark them for any specific purpose.

(ii) To adopt a similar policy for any further unrestricted donations or bequests which were made to the University.

**Amendments to the Financial Regulations**

0555 Document BT149 set out proposed amendments to the Financial Regulations. Appendix BT149A detailed a Proposed New Section 8.1 on Fraud Prevention and Detection and the current Financial Delegations of Authority were at Appendix BT149B.

0556 Members were content with the proposed amendments to the Financial Regulations. However, it was noted that the primary delegations detailed at Appendix BT149B did not appear to give authority to approve changes in the net budget surplus/deficit between £150k and £500k. The Director of Finance agreed to investigate this matter and report back to the Board at its next meeting with proposed revisions.

0557 **AGREED**

(i) To approve the amendments to the Financial Regulations as set out in Document BT149 and Appendix BT149A.

(ii) That the Director of Finance would investigate the primary delegations with respect to changes to the net budget surplus/deficit and report to the Board's December 2009 meeting with proposed revisions.

**Memberships of Committees of the Board of Trustees for 2009-10**

0558 Members noted Document BT150 on the memberships of Committees of the Board for the 2009-10 session.

**Internal Audit Review of Corporate Governance**

0559 Document BT151 and Appendix BT151A presented the findings of the review by the University's Internal Auditors, Grant Thornton UK LLP, of the University's corporate governance. The Board noted the report.

### **Senate House Project**

0560 Document BT152 (Confidential) on current progress of the Senate House Project was noted by the Board.

### **Appointment of the Vice-Chancellor**

0561 Members noted progress regarding the appointment of the Vice-Chancellor as detailed in Document BT153.

### **Action Taken under Delegated Authority**

0562 The Board noted the action taken under delegated authority since its previous meeting on 15 July 2009, as listed in Document BT154.

### **Sealings**

0563 Members noted Document BT155 on sealings of documents undertaken since the report to the Board's meeting of 15 July 2009.

### **Election of Fellows to the British Academy**

0564 Document BT156 detailed the election of members of the University to the British Academy in 2009.

### **Dates of Future Meetings**

0565 The Board noted the dates of meetings of the Board of Trustees in the 2009-10 session (all meetings to commence at 4.00 pm):

Tuesday, 1 December 2009  
Wednesday, 27 January 2010  
Wednesday, 24 March 2010  
Wednesday, 26 May 2010  
Wednesday, 14 July 2010