



University of London  
**BOARD OF TRUSTEES**

Monday 24 November 2008  
4.00 pm  
Room NG15, Stewart House

## MINUTES

### PRESENT

Ms Jenny Abramsky (Chair)  
Mr Abdul Bhanji  
Professor Geoffrey Crossick  
Sir Graeme Davies\*  
Ms Judith Evans  
Mr Steven Fogel

Mr Edward Hartill  
Professor Stephen Hill  
Mr Maxwell Hutchinson  
Mrs Suzanne McCarthy  
Mr Charles Perrin

### APOLOGIES

Mr Ian Grainger  
Professor Peter Rigby

Professor Geoff Whitty

### IN ATTENDANCE

Mr Martin Burchett\*  
Mr Richard Cryer\*  
Miss Damaris Currie\*

Ms Collette Cushion\*  
Mr Kim Frost  
Miss Catherine Swarbrick  
Professor Rick Trainor (for  
Minutes 0107-0111 only)

\* not present for Minutes 0106-0111

### Minutes of the Meeting Held on 15 October 2008

0097 The Board confirmed the minutes of the meeting held on 15 October 2008.

### Matters Arising

0098 All matters arising from the previous meeting were covered elsewhere on the agenda.

### Vice-Chancellor's Report

0099 The Board received and noted the Vice-Chancellor's report (Document BT019). The Vice-Chancellor highlighted the following matters.

### *University Marine Biological Station Millport (UMBSM)*

0100 The Vice-Chancellor reported that discussions on the transfer of UMBSM to the Scottish Association for Marine Sciences were progressing according to

plan. The draft due-diligence report had been received and would shortly be reviewed by the Director of Finance. A copy of the report would also be passed to Mr Bhanji for his consideration in due course. Members were informed that a valuation of assets at UMBSM was being sought.

***20 Russell Square – Bids from the School of Oriental and African Studies (SOAS) and the Institute of Advanced Legal Studies (IALS)***

0101 The Vice-Chancellor explained that the address in question consisted of the space between a row of four Georgian buildings and the IALS building on Russell Square. Members noted that slow progress was being made in respect of resolving this issue, and that it now seemed unlikely that a joint development would occur. The Vice-Chancellor hoped to be in a position to bring a recommendation to the Board of Trustees meeting on 28 January 2009.

**Appointment of Deputy Chair of the Board of Trustees**

0102 At the previous meeting, the Chair had proposed that any member who was interested in serving as Deputy Chair of the Board of Trustees and who felt that they would be able to devote the necessary time to the role, should contact the Secretary to the Board (BTMM 0013-0014 refer).

0103 The Chair reported that Mr Bhanji had volunteered to undertake the role, and the Chair recommended his appointment as Deputy Chair of the Board. Members approved the appointment.

0104 It had also been agreed at the meeting on 15 October 2008 that members interested in serving on the Strategic Planning Group should contact the Secretary. The Chair reported that she had appointed Mrs McCarthy to serve on the Group. In addition, the Chair would attend meetings when available.

0105 **AGREED**

To appoint Mr Abdul Bhanji as Deputy Chair of the Board of Trustees for the 2008-09 session.

**Appointment of the Vice-Chancellor**

0106 The Vice-Chancellor and other officers were not present for this item, with the exception of the Secretary to the Board and also the Director of Human Resources, who remained in attendance in the light of the Board's agreement, at its previous meeting, that the expertise and advice of the Director of Human Resources on this issue should be sought as required.

0107 Professor Trainor joined the meeting at this point, and was welcomed by the Chair who had invited him to attend in his capacity as one of the two Heads of College appointed by the Collegiate Council to the Joint Appointments Committee. The Chair explained that she had felt it to be important that at least one of the Heads of College appointees on the Joint Appointments

Committee should be present at the meeting and the other appointee, Professor Rigby, had not been able to attend.

- 0108 Professor Trainor thanked the Chair for the opportunity to attend the meeting. He updated the Board on comments he had received from Heads of Colleges subsequent to the meeting of the Joint Appointments Committee.
- 0109 The Board considered in detail the discussions and recommendations of the Joint Appointments Committee set out in Document BT021 (Confidential).
- 0110 The Board approved the recommendations set out in the report. Members also considered the timing of the recruitment process for a successor. It recognised the need to achieve a balance between identifying a successor too early and allowing for a sufficient handover period. The Board agreed that the appointment process should start in early 2009 and that it was important to announce the reappointment of Sir Graeme Davies at the same time as announcing the appointment process for a successor.
- 0111 **AGREED**
- (i) That Sir Graeme Davies should be re-appointed Vice-Chancellor for a further period of one year only, from 1 September 2009 to 31 August 2010, under the same terms and conditions as at present.
- (ii) That four additional key roles, as set out in paragraph 6 of the report (Document BT021, Confidential), should be added to the formal role and duties of the Vice-Chancellor set out in Ordinance 13.
- (iii) That the Joint Appointments Committee, as currently constituted, should continue and undertake the appointment process for the current Vice-Chancellor's successor. Additionally, the Collegiate Council should be consulted on this matter.
- (iv) That, subject to the Board's approval of the above recommendations, reviews of the new governance structure and the role of the Vice-Chancellor should be delayed from 2011-12, for one academic year, to 2012-13.

### **Annual Report of the Audit and Risk Committee**

- 0112 The Board received the Annual Report of the Audit and Risk Committee (Document BT022). The Chair of the Audit and Risk Committee, Mrs McCarthy, advised that the report covered the 2007-08 session when the previous governance arrangements had been in place. Mrs McCarthy drew the Board's attention to paragraphs 12-14 of the report, which indicated a number of positive outcomes of the audit programme for 2007-08, and to the achievements by the University in respect of Value-For-Money as outlined in paragraph 28.
- 0113 Paragraph 29.3 of BT022 and Paragraph 2.4 of Appendix BT022A (Internal Auditors' Annual Report) indicated that the Audit and Risk Committee had not received sufficiently robust sources of assurance in respect of the

management and quality assurance of data provided to bodies such as the Higher Education Funding Council for England (HEFCE) and the Higher Education Statistics Agency during 2007-08 to express an opinion in this area.

- 0114 The Board was advised that the reason for this was that higher education institutions (HEIs) had only been informed by HEFCE of this requirement after the 2007-08 programme had commenced. The Committee had been informed at its October 2008 meeting that work on data integrity would be included within the scope of the internal audit for 2008-09, and in future years, in order to meet the requirement.
- 0115 **AGREED**  
To approve the Annual Report of the Audit and Risk Committee.

### **Financial Statements for 2007-08**

- 0116 The Director of Finance introduced his report (BT023) on the Financial Statements for 2007-08 (Appendix BT023A). Members noted that a few minor typographical amendments had been made to the Financial Statements since they had been circulated. These included an expansion of Note 30 at the request of the External Auditors. The External Auditors' Management Letter was at Appendix BT023B.
- 0117 The Director of Finance acknowledged that the Statements demonstrated that significant work was required to achieve operational surplus on normal recurrent expenditure. The concluding section of the report listed areas where determined and prompt action was needed to eliminate the deficit.
- 0118 The Chair of the Audit and Risk Committee reported that the Committee had considered the Financial Statements and the External Auditors' Management Letter at its meeting on 13 November 2008. The Committee had received satisfactory responses to the questions it had raised, and was able to recommend the Financial Statements to the Board of Trustees for approval and subsequent transmission to HEFCE.
- 0119 Members noted that the sale of an investment property in Tavistock Place had contributed significantly to the operating surplus achieved for 2007-08. In response to questions raised, members were advised that the property had been acquired specifically as an investment property. It was noted that the circumstances in which it had been sold, i.e. to provide finance required for the Senate House Project, had been exceptional. Members requested clarification of the process which had led to the decision to take forward the rewiring and refurbishment of Senate House and the Board was informed that a number of options had been considered in detail before it had been agreed to proceed.
- 0120 Members agreed that there would be some challenging financial issues for the Board's consideration during the 2008-09 session, in particular in relation to the future of the Senate House Library.

- 0121 A further question was raised in respect of the University's reserves policy. The Director of Finance reported that the current policy was to cover three months' operational costs and that, at the present time, reserves slightly exceeded the required amount. It was agreed that the Board would consider the reserves policy in more detail at a future meeting.
- 0122 **AGREED**
- (i) That the Board approved the University's Financial Statements for 2007-08.
- (ii) That the Board authorised the Vice-Chancellor to sign the Financial Report.
- (iii) That the Board authorised the Chair, the Vice-Chancellor and the Director of Finance to sign the balance sheets on its behalf.
- (iv) That the Board authorised the Chair, the Vice-Chancellor and the Director of Finance to sign, on its behalf, the Letter of Representation to the External Auditors.
- (v) That the Board should consider the University's Reserves Policy at a future meeting.

### **Financial Results and Forecast Tables**

- 0123 The Board received a report from the Director of Finance (BT024), together with financial tables for 2008 (BT024A) and an accompanying commentary (BT024B).
- 0124 Members' attention was drawn to the assumptions underpinning the projections for 2009-10 set out in paragraph 7 of BT024. The tables at BT024A showed a predicted operating deficit for 2008-09 and 2009-10, but a projected surplus for 2010-11 and 2011-12. The Board was advised that decisions taken in relation to the Senate House Library could have a significant bearing upon these figures.
- 0125 A query was raised as to whether the figures relating to the University of London Institute in Paris (ULIP) were optimistic. The Vice-Chancellor stated that he did not believe this to be the case, citing the recently completed restructuring at the Institute and the fact that recruitment of students at ULIP was increasing, against the current trend for modern languages.
- 0126 Members queried the impact a recession might have upon the University's income. The Director of Finance suggested that the University should not be affected as much as other HEIs since it did not rely significantly on overseas recruitment. There was no indication as yet of any adverse impact upon the External System. A suggestion was made that the biggest risk arising from the economic downturn related to possible changes in Government funding. The Board agreed it would need to be alert to any developments in this respect, and to be well apprised of the major risks to the University.

0127 It was agreed that the Board should receive, at its next meeting, a report on the major risks for the University, and on action that could be taken to mitigate the risks.

0128 **AGREED**

(i) To approve the financial results and forecast tables, and the commentary thereon for submission to HEFCE.

(ii) That the Board should receive, at its next meeting, a report on risks for the University and possible action to mitigate those risks.

**Corporate Planning Statement 2007-08**

0129 The Board received the Corporate Planning Statement for 2007-08 and noted the progress achieved against objectives. The Vice-Chancellor drew members' attention to paragraph 3 of the covering report (BT025) which indicated that one section of the Corporate Planning Statement (CPS) (BT025A) was awaiting further information, namely 'Helping to ensure the continued effectiveness of London's Health Service', which related to the London Deanery. Consequently, the Board was being asked to delegate authority to the Vice-Chancellor to approve this section when complete, together with any other minor amendments.

0130 The Board agreed that it would like to receive more information on the London Deanery and its role. It was noted that Deanery activity had increased in recent years and that its annual turnover was in excess of £20M. A report would be presented to the Board's meeting on 25 March 2009, providing historical background and financial information on the Deanery.

0131 **AGREED**

(i) To approve the Corporate Planning Statement 2007-08, delegating responsibility to the Vice-Chancellor to approve the one incomplete section and any other minor amendments.

(ii) That the Board should receive a report on the London Deanery at its March 2009 meeting.

**Annual Monitoring Statement 2008**

0132 The Board considered the Annual Monitoring Statement for 2008 (BT026 and BT026A) and noted the progress achieved against objectives. The Vice-Chancellor reported that the information required to complete the outstanding section had been received. The responses given to questions 4 and 5, which related to the Teaching Quality Enhancement Fund, would be 'Yes' and 'No' respectively. Question 6 only required a response if question 5 had been answered in the affirmative.

0133 **AGREED**

To approve the Annual Monitoring Statement 2008, delegating responsibility to the Vice-Chancellor to approve the one incomplete section and any other minor amendments.

**Appointment of Internal Auditors and of External Auditors**

0134 As Chair of the Audit and Risk Committee, Mrs McCarthy drew members' attention to paragraph 6 of the report (BT027) on the appointment of external auditors which proposed that a group of the Board would be established under her stewardship to consider tenders received. This process would commence in early 2009, with a view to a recommendation being made to the Board at its meeting on 25 March 2009.

0135 With respect to internal audit, members noted that the type of provision within HEIs varied; whilst some institutions engaged an independent firm, others had their own internal audit team, or entered into a collaborative arrangement with other HEIs.

0136 **AGREED**

(i) That a full tendering exercise should be carried out in early 2009 for the appointment of the University's external auditors, to take effect in respect of the financial year 2008-09 and subsequently.

(ii) That a group of the Board of Trustees would be constituted under the stewardship of the Chair of the Audit and Risk Committee to consider the tenders received.

(iii) That the University's current internal audit provider, Grant Thornton UK LLP, should be re-appointed for a further term of twelve months for the year 2009-10, with a full tendering exercise to be conducted during 2009-10 to determine the future provision of internal audit services to the University beyond 2009-10.

**Strategic Risk Register**

0137 The Board considered the Strategic Risk Register (BT028A), together with an accompanying report from the Chair of the Risk Management Steering Group (BT028). The Audit and Risk Committee had received the Register at its meeting on 13 November 2008, and had recommended it to the Board.

0138 Members noted that the University's risk appetite was defined on the Strategic Risk Register and that, at its November meeting, the Audit and Risk Committee had suggested that the Board might wish to give this further consideration in due course. It was agreed that the Board could consider this matter at its next meeting in conjunction with its discussions on the major risks for the University (see Minute 0106-08 above).

0139 **AGREED**

(i) To approve the Strategic Risk Register (BT028A).

(ii) That the Board would consider the 'risk appetite' for the University at its meeting on 28 January 2009.

**University of London Union Financial Statements for the Year Ended 31 July 2008**

0140 The Board of Trustees received the University of London Union (ULU) Financial Statements and the Report of the ULU Board of Trustees for the year ended 31 July 2008 (BT029 and BT029A). The Board acknowledged the significant turnaround of ULU's income and expenditure account during this period.

0141 In response to a query regarding the constitution of the ULU Board of Trustees, members were advised that the membership included external trustees with a business and financial background.

0142 Members noted that ULU's financial forecasts and business plan would be reported to the Collegiate Council, and it was agreed that the Board should receive a copy for information.

0143 **AGREED**

That the documentation considered by the Collegiate Council in respect of ULU's financial forecasts and business plan would be circulated to the Board for its information.

**University of London Union Building – Report from the Trustees Review Group**

0144 At its meeting on 15 October 2008 (BTMM 0074 refers) the Board had established a Review Group to report back on:

- (i) the process which had taken place leading to the decision to grant the lease of the University of London Union (ULU) Building to ULU;
- (ii) the information provided to the original Working Group established by the Estates Committee; and
- (iii) the concerns raised by the Provost of UCL.

0145 The Review Group which had met on 13 November 2008, had been chaired by Ms Evans who expressed her gratitude for the comprehensive documentation which had been provided to the Review Group. A list of this documentation was at Appendix BT030A. The Report of the Review Group was at Document BT030.

0146 Ms Evans advised the Board that the conclusions of the Group, as outlined in the report, were:

- (i) that it was satisfied that the process taken, which led to the decision to grant the lease of the building to ULU, was appropriate;
- (ii) that sufficient information had been provided to the Working Group established by the Estates Committee to enable it to make a decision; and
- (iii) that the concerns expressed by the Provost of UCL had been sufficiently addressed by the Vice-Chancellor.

0147 However, the Review Group had been of the opinion that, since the time of the original decision, a number of changes had occurred, particularly in respect of the economic climate. In addition, it was the view of the Group that, rather than being a solely estates-related matter, there were a number of strategic and political issues involved, relating to the federal nature of the University.

0148 The Review Group had queried whether the recent economic downturn brought into question the timing of any agreement to consider granting a long lease, given the poor market conditions for such a property transaction.

0149 The Group had been aware of the improved financial management and governance structure of ULU but, notwithstanding these improvements, the Group considered it important that the Board was able to satisfy itself that ULU would be able to achieve continued financial sustainability.

0150 A further issue highlighted by the Group had been more strategic in nature, and related to the views of the Collegiate Council regarding ULU, and whether these had changed since the recent review conducted by the Heads of Colleges. The Group had suggested that it was important to seek, from the Collegiate Council, its clear view on whether the specificity of the Colleges' requirements of ULU had changed.

0151 Several members of the Board reported that they had recently visited the ULU building. Observations included that members had been pleasantly surprised at the general state of repair of the building which, although some work was required, was generally satisfactory, and that they had found there to be a lively atmosphere.

0152 Members discussed the report and supported the findings of the Review Group. Whilst, therefore, the Board was minded to grant the lease to ULU, it supported the view of the Review Group that a final decision should not be taken until the Collegiate Council had considered the broader strategic and political issues and questions raised in paragraph 7 of the Review Group's report.

0153 The Collegiate Council was due to meet on 12 December 2008. It was agreed that the Board would consider the views of the Collegiate Council at its meeting on 28 January 2009. Members stressed the importance of a decision

being made at that meeting and noted the comments in the Review Group's report that a continuing delay would be increasingly financially damaging to ULU as it was unable to implement its improvement plans.

0154 The Board also noted the view of the Review Group, expressed in its report, that the Collegiate Council's discussion on this matter should be conducted outwith the presence of the Provost of UCL, who had a declared commercial interest. The Board supported this view.

0155 It was agreed that, for reasons of clarification, a few minor amendments should be made to the information in the report for presentation to the Collegiate Council.

0156 **AGREED**

- (i) That the Board was satisfied that the process taken, which had led to the decision to grant the lease of the building to ULU, was appropriate.
- (ii) That sufficient information had been provided to the Working Group established by the Estates Committee to enable it to make a decision.
- (iii) That the concerns expressed by the Provost of UCL had been sufficiently addressed by the Vice-Chancellor.
- (iv) That the implementation of the Estates Committee's decision on the ULU building should remain in abeyance until the Collegiate Council had resolved the broader strategic and political issues referred to in paragraph 7 of the Review Group's report, and that these should be resolved with some urgency.
- (v) That, for reasons of clarification, a few minor amendments should be made to the information in the Trustees Review Group report for presentation to the Collegiate Council.
- (vi) That the Board would wish to be in a position to take a decision regarding the leasing of the ULU building at its meeting on 28 January 2009.

### **Lease Approvals**

0157 The Board considered Document BT031 which sought the Board's approval to a number of leases and to delegate authority to the Vice-Chancellor to approve the granting or taking of some leases. Members were advised of two minor typographical errors: under the second recommendation on the first page of the report where paragraph 6 should refer to paragraph 7, and in paragraph 2.5, where 'mid-2010' should read 'mid-2018'.

0158 The Director of Estates reported that, in addition to the leases set out in paragraph 2, approval for the following was sought:

(i) The addition of Syntax Integration to the list of leases for IT equipment in paragraph 2.5.

(ii) Great Ormond Street Hospital to have a lease to allow them to remain at Guilford Street until the end of March 2009; and

(iii) A two-year lease to the School of Oriental and African Studies in respect of the 30 Torrington Square first-floor flat.

0159 Members noted that any approvals granted by the Vice-Chancellor under delegated authority would be reported to the next meeting of the Board of Trustees.

0160 **AGREED**

(i) To approve the leases listed in paragraph 2 of the report, together with the additional leases set out in Minute 0158 above.

(ii) To delegate authority to the Vice-Chancellor:

(a) to take or renew Head Tenancy leases for periods of up to one year;

(b) to grant or renew leases for individual rooms within University premises for periods of up to two years.

(c) to grant or renew leases of equipment space to third parties in the Stewart House computer suite for periods of up to two years.

Any approvals to be reported to the next meeting of the Board.

(iii) To approve the amendment of Ordinance 1 set out in paragraph 7 of the report.

### **Equality and Diversity Data**

0161 The Board received and noted the report (BT032) from the Director of Human Resources together with the data on the University's position on ethnicity, gender and age (BT032A-D).

### **Academic Promotions and Titles Committee Terms of Reference and Constitution**

0162 The Board considered the report (BT033) from the Director of Human Resources setting out the proposed terms of reference and constitution for the Academic Promotions and Titles Committee. A member of the Board queried whether the wording of point 5 of the terms of reference was in line with current practice. The Director of Human Resources agreed to investigate this further and to make any necessary changes to the terms of reference.

0163 **AGREED**

(i) To approve the proposed terms of reference and membership of the Committee, subject to any amendments required to point 5. Point 1 of the terms of reference relating to the procedure for the appointment and promotion of Professors and Readers would be submitted to the Collegiate Council for approval.

(ii) To authorise the Vice-Chancellor to approve, on behalf of the Board of Trustees, appointments to the remaining vacancies.

**Health and Safety Annual Report 2008**

0164 In introducing the Annual Report on Health and Safety 2008 (BT034), the Director of Human Resources informed the Board that the Safety Committee would hold its first meeting on 8 December 2008. Members noted that, in Appendix BT034A, Summary of Accidents and Incidents, the second column in the tables referred to 2007 rather than 2006 as stated. The Board noted the report.

0165 Appendix BT034B Duties of the Governing Body – UCEA Code of Best Practice on University Health and Safety Management, recommended that various statements should be incorporated into the text of the University's 'general statement of safety policy'. The policy was currently being updated and a revised text, including these points, would be submitted to a future meeting of the Board.

0166 It was anticipated that, in future, the Annual Report of the Safety Committee would be presented to the Board of Trustees at the first meeting of each session<sup>1</sup>.

0167 **AGREED**

That the proposed amendments at sections 7 and 8 of Appendix BT034B should be incorporated into the University's general statement of safety policy.

**Teachers of Anatomy Trust**

0168 Document BT035 proposed changes to the Trust Deed of the Teachers of Anatomy Trust and sought approval to the reappointment of officers of the Trust.

0169 **AGREED**

(i) To give formal approval to the re-appointment of the following officers of the Teachers of Anatomy Trust to serve for the period 1 August 2008 to 31 July 2009:

Chairman: Professor Margaret Bird (Queen Mary, University of London)  
Treasurer: Ms Wendy Birch (UCL)

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<sup>1</sup> Post meeting note: Subsequent to the meeting, clarification of the process determined that the Annual Report of the Safety Committee would be presented to the second meeting of each session.

Secretary: Mr Phillip Addis (St George's, University of London).

(ii) To authorise the Vice-Chancellor to approve the terms of a Supplemental Trust Deed to reflect changes in the arrangements for the Trust following the Human Tissue Act, and to seal the Supplemental Deed.

### **University Annual Report 2007-08**

0170 The Board considered the University Annual Report for 2007-08 (BT036). It was suggested that, in future years, with the development of the University Strategic Plan for 2009-13, the content of the Annual Report could be linked more closely to the Strategic Plan and the University's mission statement. The Board of Trustees would give more detailed consideration to this approach prior to production of the 2008-09 Annual Report.

0171 **AGREED**

To approve the Annual Report for 2007-08, subject to one minor amendment to the membership of the Council on page 26.

### **Strategic Planning**

0172 The Board noted the report updating it on the strategic planning process for the establishment of a University Strategic Plan 2009-13 (BT037).

### **Higher Education Funding Council for England 'Single Conversation'**

0173 Members noted a report, Document BT038, providing background information on the Higher Education Funding Council for England's 'Single Conversation' process.

### **Annual Report of the Investments Committee for 2007-08**

0174 The Board noted the Annual Report of the Investments Committee for 2007-08 (BT039).

### **Outstanding Debt**

0175 Document BT040 advised the Board of the outstanding debt to the University and the principal debtors with balances beyond 90 days. Members noted the report.

### **Senate House Project**

0176 The Board noted a progress report on the Senate House Project (BT041). Mr Hartill, the Chair of the Project Board, informed members that the figures in Appendix BT041A, a summary of the original budget compared to the current cost plan, should be treated as 'Commercial in Confidence'.

### **Finance System Replacement Project**

0177 Document BT042 updated the Board on progress of the Finance System Replacement Project. Appendix BT042A set out HelpDesk Statistics for the Project and the Executive Summary of the Project Closedown Report was at BT042B. The Board noted the report.

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

0178 Members noted the action taken under delegated authority as set out in Document BT043.

### **Sealings**

0179 The Board noted Document BT044 which provided details of Sealings undertaken since the report to the Estates Committee on 4 June 2008, under the previous governance arrangements.

### **Dates of Meetings**

0180 The Board noted the dates of meetings of the Board of Trustees for the remainder of the 2008-09 session:  
Wednesday, 28 January 2009 at 4.00 pm;  
Wednesday, 25 March 2009 at 4.00 pm;  
Wednesday, 13 May 2009 at 4.00 pm; and  
Wednesday, 15 July 2009 at 4.00 pm.