



University of London
BOARD OF TRUSTEES

Wednesday 27 January 2010
4.00 pm
Court Room, Senate House

MINUTES

PRESENT

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

IN ATTENDANCE

Ms Bridget Boylan ⁺	Mr Keith Harrison*
Mr Martin Burchett	Mr Jack Jacobs*
Mr Richard Cryer	Professor David Latchman*
Miss Damaris Currie	Mr Garth Pollard*
Ms Collette Cushion	Mr Philip Rous [#]
Mr Kim Frost	Miss Catherine Swarbrick

⁺ present for BTMM 0691-98

^{*} present for BTMM 0667-76

[#] present for BTMM 0661-81

Minutes of the Meeting Held on 1 December 2009

0653 The Board confirmed the minutes of the meeting held on 1 December 2009.

Matters Arising

0654 The Board considered Document BT184 on matters arising from previous meetings.

0655 **AGREED**

- (i) To authorise the Vice-Chancellor to approve, on its behalf, replacement members to the Safety Committee as detailed in paragraphs 1 and 2 of BT184.
- (ii) To refer responsibility for monitoring of the University's loan arrangements to the Investments Committee for 2010.

Vice-Chancellor's Report

- 0656 The Vice-Chancellor reported that, as agreed at the previous meeting (BTMM 0630-1 refer), he had contacted the Dean of the London Business School (LBS) and would be meeting with him on 4 February 2010.
- 0657 The Board noted that the LBS had recently been ranked top in the Global Business School MBA Rankings and requested that its congratulations be passed on to the School.
- 0658 The Vice-Chancellor informed members that the Director of The Courtauld Institute of Art, Professor Swallow, wished to invite members of the Board to visit the Institute. Members would be contacted in connection with the visit in due course.
- 0659 The Vice-Chancellor drew members' attention to a document he had tabled for the Board's information showing the location of the University estate.
- 0660 **AGREED**
- (i) That Officers should forward the Board's congratulations to LBS regarding the recent Business School rankings.
 - (ii) The Secretariat to take forward arrangements for the Board to visit The Courtauld Institute of Art.

Birkbeck and Senate House North Block

- 0661 The Director of Estates and Facilities introduced Philip Rous, Director of Special Projects and former Director of Estates, who would be present for this item.
- 0662 The Chair advised that the Master of Birkbeck, Professor David Latchman, would also be present for part of this item, in line with the Board's request at its previous meeting (BTMM 0634-5 refer) that he should be invited. The Master would be accompanied by: Keith Harrison (Secretary and Clerk to the Governors at Birkbeck); Garth Pollard (Deputy Chair of Governors at Birkbeck); and Jack Jacobs (ex-Governor and Fellow of the College).
- 0663 Members' attention was drawn to Appendix BT186C (Confidential) of the report (BT186) for this item, which had been circulated to the Board subsequent to the main dispatch of papers. The Director of Estates and Facilities advised members that this appendix expanded upon his previous report, considered by the Board in December 2009 (BT186A), and did not constitute a response to BT186A, the report from the Master of Birkbeck. It was confirmed that the Master of Birkbeck had been sent Appendix BT186C by email on 26 January 2010 – the same date members would have received it by post. The Board noted the recommendations contained in the report.
- 0664 A query was raised regarding the level of rent Birkbeck would have paid over the period of its occupancy had it not occupied Senate House North Block on

a rent-free basis. Mr Rous confirmed that this had not been calculated but gave a rough estimate.

- 0665 A further question sought clarification as to whether the nature of the Birkbeck occupancy was such that the College would not have to pay maintenance if the Memorandum between the University and Birkbeck was not in place. Mr Rous indicated that, in addition to the Memorandum, it was also the customary practice of the University for Colleges leasing/occupying University property to pay maintenance and in accordance with the currently agreed Estate Strategy.
- 0666 Members noted the quote in BT186C from a previous Director of Estates at Birkbeck, David Sanders, who had confirmed that the agreement between the University and Birkbeck was such that work undertaken by the University, which was of benefit to Birkbeck, constituted a chargeable service. Mr Rous suggested that the work to date on the Senate House Project had benefitted Birkbeck; had the work not been carried out, Birkbeck would not have been able to continue to occupy the space in the North Block. Members noted the suggestion by the College in BT186A that, if it did have to make a payment for maintenance, this should be calculated on a pro-rata basis, assuming a thirty year life.
- 0667 The representatives from Birkbeck joined the meeting.
- 0668 The Master of Birkbeck thanked the Board for the opportunity to present Birkbeck's views. He stressed that the College did not wish to be in dispute with the University, but that he had a duty to protect Birkbeck's interests. He stated that he had come to the meeting in the spirit of compromise.
- 0669 The Master stated that there were two key issues relating to the matter under discussion: (i) what contribution, if any, Birkbeck should make towards maintenance in respect of the Senate House Project; and (ii) what compensation, if any, the University should pay to Birkbeck. He suggested that it was unfortunate that there was no clear signed agreement in relation to these matters; in his view it was debatable as to whether the 2004 Memorandum covered major refurbishment. He reported that Birkbeck had no record of any agreement that the College would not contribute to a sinking fund.
- 0670 The Master made reference to the 1990 condition survey and funding provided by the Higher Education Funding Council for England (HEFCE) towards the required work on Senate House. He suggested that, as this work had not been carried out by the University at that time, costs had escalated. Additionally, Birkbeck had not been asked to make a contribution on that occasion. The Master reiterated the position expressed in his paper, i.e. that, should Birkbeck be deemed liable for any contribution to maintenance, this contribution should be calculated on a pro-rata basis of 4-5/30ths based on a departure date in 2010.
- 0671 The Master informed the Board that, originally, Birkbeck had planned to return to Senate House following the rewiring work, based on the understanding that

it had a right to return. However, the College had decided it was more appropriate not to exercise this right and the issue of compensation had arisen. He suggested that Birkbeck's position was analogous to that in respect of the School of Slavonic and East European Studies (SSEES) and UCL. He further suggested that the University would be able to generate income from the space being vacated by Birkbeck. He informed the Board that the College was not seeking to recover the full costs of its move from Senate House.

- 0672 The Board was advised by the Master that the Vice-Chancellor, in a letter dating from December 2008, had outlined a scenario which would result in a significant compensation payment to Birkbeck and he suggested that, in retrospect, the College should possibly have accepted this 'offer'.
- 0673 The Master stressed again that Birkbeck had come to the meeting in a spirit of compromise. The College had no desire for a public dispute. He suggested that some form of payment to Birkbeck was required but indicated that this might take the form of a contribution to the cost of property.
- 0674 A member asked whether the Master was making a case in relation to the amount referred to in the Vice-Chancellor's letter or whether Birkbeck was seeking a larger sum. The Master confirmed that he believed the College was entitled to a larger sum but, as a compromise, it might be prepared to accept a smaller amount. He pointed out that the compensation referred to above (see BTM 0672) was roughly equivalent to the amount Birkbeck would be paying for its share of 31 Tavistock Square.
- 0675 A member of the Board suggested that the distinction between the central Institutes and Colleges made in BT186C was a key issue and asked the Master to comment. The Master replied that he did not accept this distinction since, in the past, the relationship between the University and Colleges had been different, with the latter being funded through the University.
- 0676 In summation, the Master indicated that, whilst there were extensive arguments on both sides, he hoped an agreement could be reached. The Birkbeck representatives then left the meeting.
- 0677 In response to queries from the Board, Officers confirmed that there were no comparable arrangements with other Colleges. However, the Board was advised that, in a sense, all property matters were linked – if the Board accepted Birkbeck's arguments in principle, there was potential for other Colleges to seek similar arrangements. Members noted that other Colleges occupying University property mostly now paid for maintenance in full. The point was also made that there would be a resulting financial burden on the University should Birkbeck not contribute to maintenance. The Board was advised that the £619k maintenance contribution quoted in the documentation only represented the period up to July 2007.
- 0678 The Board considered the arguments put forward by Birkbeck and discussed how to proceed. Members highlighted the spirit of compromise in which Birkbeck's case had been presented. The view was expressed that it was to

be regretted that the terms of the College's occupation of Senate House North Block had not been clearer and that work on the scale of the Senate House Project had not been anticipated at the time the agreements were drawn up. It was noted that the formal agreements now in place in respect of University property meant a similar situation should not arise in the future.

- 0679 Members suggested that, from the Master's comments, it appeared Birkbeck was no longer pursuing a comparable deal to that made with regard to SSEES and was not seeking more than the Vice-Chancellor had stated in his letter of 3 December 2008.
- 0680 Following discussion, the Board agreed that the Chair and the Vice-Chancellor should take forward negotiations with Birkbeck with a view to a compromise being reached on the basis of the amount cited in the Vice-Chancellor's letter of 3 December 2008. The Board also agreed that any maintenance payment from Birkbeck should be made on a pro-rata basis.
- 0681 **AGREED**
- (i) That the matter should be taken forward on the basis of a compromise based on: (a) the amount cited in the Vice-Chancellor's letter of 3 December 2008, and (b) any maintenance payment from Birkbeck being made on the basis of time of occupation following the start of work on Senate House.
 - (ii) That the Chair and the Vice-Chancellor should take forward negotiations with Birkbeck.

Warburg Institute

- 0682 The Board considered a progress report in relation to the Warburg Institute (BT187A). The Vice-Chancellor advised that work was continuing on the draft scheme which would shortly be sent to the Chairman of the Warburg Institute Advisory Council. It was intended that the draft scheme, together with the comments of the Advisory Council, would be submitted to the Board's March 2010 meeting.
- 0683 The Chair had tabled a letter she had received from the Chair of the Warburg Institute Advisory Council dated 14 December 2009. The Chair confirmed that she had written a response indicating that discussions with advisors on the draft scheme were ongoing.

Management Accounts to 31 December 2009 and Forecasts 2009-10

- 0684 Members received and considered Document BT188 on the Management Accounts for the period to 31 December 2009 and the forecasts for 2009-10. Attached to the report were the Monthly Finance Report for December 2009 (BT188A), the Total Income and Expenditure for the five months to 31 December 2009 (BT188B) and Divisional Income and Expenditure for the same period (BT188C), together with the Balance Sheet as at 31 December 2009 (BT188D). In response to a question regarding the impact of delays in reaching some of the Business Change Programme (BCP) targets (see

BTMM 0691-98 below), the Director of Finance advised that the BCP had not been factored into the budgeted surplus. The current expectation was that the full-year result would fall slightly short of the budgeted surplus; the new forecast predicted a surplus on continuing operations of £709k.

Budget 2010-11

Budget Parameters and Outlook

- 0685 Document BT189 provided an update on work being undertaken on the preparation of the 2010-11 budgets. The budget parameters which had been agreed by the Senior Management Team on 15 December 2009 had been provided for the Board's information (BT189A). The Director of Finance reported that it was not yet known how the reductions in funding, outlined in the letter of 22 December 2009 from the Secretary of State for Business, Innovation and Skills to the Chairman of the HEFCE (BT189B), would affect the University's block grant. Recurrent grants to institutions would be announced on 17 March 2010.
- 0686 The Board was advised that the first draft budgets, in preparation, took account of a number of known reductions together with a precautionary 1.5% reduction in grant, as set out in paragraph 7 of BT189. The draft budgets would be refined once the six-monthly accounts were available. The Director of Finance advised that the budgets were drawn up on the basis of a 3% surplus. Divisions were being asked to budget for a 3% surplus on turnover. Members noted the pay parameters set out in the report and Officers confirmed that these were contractual.

Intercollegiate Accommodation Fees for 2010-11

- 0687 The Board considered Document BT190 on Intercollegiate Accommodation Fees for 2010-11 and approved the fee increases as proposed in the report.
- 0688 **AGREED**
To approve a general fee increase of 4% for 2010-11 with the exception of a 3% increase for Lillian Penson Hall and Clandon House, and a 6% increase for College Hall.

Annual Transparent Approach to Costing (TRAC) Return for 2008-09

- 0689 Members considered Document BT191 on the preparation and outcome of the TRAC Return for 2008-09. The report included an appendix providing an Explanation of TRAC (BT191A), the Completed Checklist/Key Risk Sign Off for the 2008-09 TRAC Return (BT191B) and the 2008-09 TRAC Return (BT191C). The Board approved the Return and the accompanying checklist and authorised the Vice-Chancellor to approve the accompanying Declaration.
- 0690 **AGREED**
(i) To approve the 2008-09 TRAC Return and checklist for submission to HEFCE by 29 January 2010.

- (ii) To authorise the Vice-Chancellor to sign the Declaration on Page 2 of the 2008-09 TRAC Return confirming that:

"the costs, income and charge-out rate information reported in the attached return have been prepared in accordance with the TRAC requirements as set out in the Statement of Requirements issued in March 2009 and the updates issued in October 2009 and this has been confirmed by [the Board of Trustees]".

Business Change Programme (BCP)

- 0691 The Programme Manager for the BCP, Bridget Boylan, joined the meeting and introduced the report (BT192). She highlighted some key developments in the Programme, including a number of the projects for the quarter January to March 2010. Ms Boylan drew attention to the area of procurement where it had become clear that the Procurement Unit, as established, was not going to achieve the targets it had been set. She reported that the Director of Finance had acted quickly to address this matter. An interim procurement consultant had recently been appointed and had taken up post in January 2010. Consideration was being given to the appointment of a second procurement professional. However, despite the steps taken, there would be a significant adverse impact upon the benefits which would be realised at the end of year one of the BCP.
- 0692 Looking at the overall picture in respect of the BCP, it was anticipated that the University would achieve £410k of savings by 31 July 2010. Although this was disappointing when considered in the light of the original targets, Ms Boylan was confident that ground could be made up and reported that the procurement consultant had expressed the opinion that the University was a 'green field' site in respect of procurement.
- 0693 A member expressed concern at an apparent lack of urgency in taking steps to ensure the original targets were met. Ms Boylan assured the Board that the matter was being taken very seriously and that the Programme Board would be discussing the issue at a meeting the following day. In addition, a workshop on 1 February 2010 would be considering all the projects in the BCP and deciding which to prioritise to maximise savings.
- 0694 The Director of Finance advised members that it was important to take a longer term view to ensure that the required savings were achieved over the period of the project. Steps were being taken to re-tender a number of contracts with a view to achieving significant savings, although, due to the required notice to be given in respect of the existing arrangements, the benefits would not start to be realised until the 2010-11 academic year.
- 0695 Another member of the Board stressed the need to be realistic about what was achievable in the immediate future and also highlighted the long-term nature of the BCP. With this in mind, he suggested steps should be taken to ensure the targets set for years one and two were achieved by the end of the second year.

0696 Members discussed the change in the vision statement as set out in paragraph 11 of the report. Ms Boylan informed the Board that the new statement had been devised in response to feedback from staff, who had not found the original version sufficiently inspiring. Concerns were expressed by the Board that the statement no longer referred to the specific target of achieving not less than a 3% annual surplus on total income, or to value for money. The Programme Sponsor, Catherine Swarbrick, assured the Board that staff were fully aware of the need to meet specific targets. She advised that the change had arisen following comments at staff workshops where participants had expressed their desire to be part of excellent services driven by customer needs and their wish to be valued by the University. She stressed the importance of staff support for the Programme in ensuring its goals were achieved. It was agreed that the Board's comments would be reported to the Programme Board with a view to a revised vision statement being presented to the Board at its March 2010 meeting.

0697 The Chair stated that it was important to remember that the BCP was aimed not only at delivering savings but was also about changing the way the University operated. However, in view of the difficulties being experienced in some areas of the BCP, she was concerned as to how realistic the original targets had been. Ms Boylan acknowledged this point and stated that much was being learnt from the early stages of the Programme.

0698 **AGREED**

- (i) That the Board's concerns regarding the vision statement and the failure to meet targets would be reported to the Programme Board.
- (ii) That the Programme Board should report back to the Board in March 2010 with revised plans to demonstrate achievement of year 1 and year 2 targets by end of year 2, and a revised vision statement.

Library Strategic Planning Board

0699 Document BT193 reported on business conducted at the two meetings of the Library Strategic Planning Board (LSPB) held in the autumn term 2009. The report included the University of London Research Library Services Strategic Plan 2009-14 (BT193A), the Project Schedule for 2010 and 2011 for the implementation of the Strategic Plan (BT193B), and a UK Research Reserve (UKRR) Press Release of 12 January 2010 (BT193C), which included a list of institutions participating in the UKRR.

0700 The Vice-Chancellor drew members' attention to paragraph 6 of the report which indicated that a project team had been established by the Director of the Institute of Historical Research (IHR) to aid the implementation of those parts of the Schedule which related to the IHR. A separate Advisory Body to the IHR, which included representatives from Colleges and librarians from the higher education sector, had also been established.

0701 The Vice-Chancellor reported that progress was also being made in respect of the ULRSL Subscription Allocation Model.

Equality and Diversity Annual Report

- 0702 The Board considered the Equality and Diversity Annual Report (BT194). Appended to the report were a number of charts providing details of the workforce by ethnicity (BT194A), recruitment by ethnicity (BT194B), external and internal training (BT194C), a breakdown of staff awarded performance pay (BT194D), and details of the workforce by gender (BT194E), by disability (BT194F) and analysed by age band (BT194G).
- 0703 In response to a query regarding statistics for ethnicity within central London, the Director of Human Resources suggested that these figures would not be particularly useful as a comparator for the University's workforce, as staff came from a much wider area. However, it was noted that Colleges would also produce data on ethnicity and diversity and that this could provide a more appropriate comparison.
- 0704 **AGREED**
Director of Human Resources to investigate using data from Colleges as a comparison with University figures.

Update on Human Resources Strategy 2009-10

- 0705 The Board noted progress against the University's Human Resources Strategy for 2009-10, as set out in Document BT195 and Appendix BT195A.

Remuneration Committee Annual Report 2009-10

- 0706 The Board considered the Annual Report of the Remuneration Committee for 2009-10. Members noted that Directors of Institutes, Professors employed by the University, and administrative and other staff employed by the University on Level 10 of the academic-related salary scale, or its equivalent, had agreed to abstain from a performance pay review in support of the University's financial Recovery Plan. The Board expressed its appreciation for this decision and asked that this be passed on to the relevant staff.
- 0707 **AGREED**
- (i) To approve an increase to the limit in the Committee's terms of reference over which the Remuneration Committee would approve severance settlements from £75k to £100k.
 - (ii) The Board's appreciation to be communicated to senior staff in respect of their decision to abstain from a performance pay review.

Estates Matters

- 0708 The Director of Estates introduced his report on estates-related matters (BT197). Members noted that a meeting with Great Ormond Street Hospital would be taking place on 2 February 2010 in respect of 20 Guilford Street. Knight Frank, which had been instructed to offer the premises for disposal, in

line with the Board's decision at its previous meeting (BTMM 0636-8 refer), had indicated that there was a good deal of interest in the property.

- 0709 Members noted the developments outlined in the report in relation to 31 and 35 Tavistock Square. The Board was advised that UCL had increased its offer for 35 Tavistock Square and that Knight Frank's valuation figure for this property had now been achieved.
- 0710 The Board's attention was drawn to paragraph 8 concerning 16 Acton Street, and the fact that terms for these premises, which were to be used for the London Science and Creativity Park (LSCP), had been agreed. The Vice-Chancellor was pleased to report that the LSCP had recently been awarded £255k by the HEFCE under its Leadership, Governance and Management Fund initiative. A detailed report in respect of the LSCP would be presented to the Board's March 2010 meeting.
- 0711 Members noted and endorsed the proposal in the report for taking forward the review of the University Estate Strategy.
- 0712 **AGREED**
- (i) To approve the disposals of 31 Tavistock Square and 35 Tavistock Square as proposed in Document BT197.
 - (ii) To endorse the approach to be taken in respect of the Estate Strategy as proposed in paragraphs 9-10 of Document BT197.

Review of Effectiveness of Committees

- 0713 The Secretary, Catherine Swarbrick, introduced the report on the Review of Effectiveness of Committees (BT198) which included: the combined responses to the questionnaire from the Committees of the Board (BT198A); attendance rates for committees for meetings in the 2008-09 session and committees' respective response rates to the questionnaire (BT198B); and the Collegiate Council's questionnaire responses (BT198C). She suggested that the results indicated that the governance arrangements were embedding well. A few areas had been highlighted by the review as requiring attention and steps were being taken to address the relevant issues.
- 0714 A query was raised in respect of the low response rate from Collegiate Council members to the questionnaire. However, a Head of College suggested that it was important not to draw too many conclusions from this. The low completion rate was not necessarily due to a lack of engagement with the new governance arrangements.
- 0715 Members agreed that the same questionnaire should be used for 2009-10 to enable a direct comparison of the results. It was suggested that consideration should be given to asking Officers for their views as part of the 2009-10 review.

0716 **AGREED**

- (i) That the same questionnaire and process should be used to review the effectiveness of committees and boards during the 2009-10 session to enable comparative analysis of the results from the 2008-09 review.
- (ii) That consideration should be given to seeking Officers' views as part of the 2009-10 review.

Higher Education Funding Council for England Consultations

0717 The Board considered a report (BT199) on two consultations by the HEFCE on: (i) revisions to the Financial Memorandum; and (ii) HEFCE's information requirement as principal regulator of higher education institutions as charities. The Vice-Chancellor reported that concern had been expressed within the higher education sector about some of the proposed changes to the Financial Memorandum, particularly in relation to governing bodies' responsibilities in respect of academic standards and the proposals regarding the accountable officer. A number of members expressed their concerns regarding these changes.

0718 The Board agreed that the University should submit a response to the HEFCE in respect of the consultations. In view of the timescale for submission, the Board delegated the consideration and approval of the responses to the Audit and Risk Committee.

0719 **AGREED**

- (i) To request that the Audit and Risk Committee considers and approves the responses prepared by Officers to the two consultations for submission to the HEFCE.
- (ii) That members forward any comments regarding the consultations to the Director of Finance by 29 January 2010.

Update on Strategic Planning

0720 The Board noted Document BT200 updating it on the University's Strategic Planning Process.

Senate House Project

0721 The Board noted Document BT201 (Confidential) on progress of the Senate House Project. The Vice-Chancellor reported that the Board would receive a financial report in respect of the Project at its March 2010 meeting.

Strategic Risks

0722 Document BT202 provided an update on the University's Strategic Risk Register. Members noted the report.

New Years Honours

0723 The Board noted awards made in the New Year Honours List 2010. It was reported that, in addition to those mentioned in the report (BT203), David Goldstone (former Deputy Chairman of the Council and Deputy Chairman of the Estates Committee) had received a CBE. It was agreed that the Board's congratulations should be passed on to Mr Goldstone.

0724 **AGREED**

That the Board's congratulations should be communicated to Mr Goldstone.

Action Taken under Delegated Authority

0725 The Board noted the action taken under delegated authority since its previous meeting on 1 December 2009, as detailed in Document BT204.

Dates of Future Meetings

0726 The Board noted the dates of future meetings of the Board of Trustees in the 2009-10 session (all meetings to commence at 4.00 pm):

Wednesday, 24 March 2010

Wednesday, 26 May 2010

Wednesday, 14 July 2010