

# THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

## COUNCIL

25 June 2024

### CONFIRMED MINUTES

A meeting of the Council was held at 15:00 on Tuesday 25 June 2024 in hybrid format (in person and by electronic platform).

**Present:** Dr Susan Liautaud (Chair), Ali Nikpay (Vice-Chair and Senior Independent Director), Sir Masood Ahmed (Independent Member), Professor Pauline Barrieu (Vice-Chair of Academic Board), Dr Julia Biggane (Professional Services Staff nominee), Sonali De Rycker (Independent Member), Marie Fuchs (Students' Union nominee), Professor Tamar Gendler (Independent Member), Sir David Higgins (Independent Member), Johannes Huth (Independent Member), Dr Musimbi Kanyoro (Independent Member), Professor David Kershaw (Academic Board nominee), Professor Larry Kramer (President & Vice Chancellor), Professor Niamh Moloney (Academic Board nominee), Gavin Patterson (Independent Member), James Relf (General Secretary of the Students' Union), Stuart Roden (Independent Member), Dr Angela Spatharou (Independent Member), and Professor Wim Van der Stede (Academic Board nominee).

**In attendance:** James Aitken (Head of Executive Office and Strategy Delivery), Mike Ferguson (Chief Financial Officer), Joanne Hay (Deputy Chief Operating Officer), Professor Emma McCoy (Vice President & Pro-Vice Chancellor (Education)), Professor Susana Mourato (Vice President & Pro-Vice Chancellor (Research)), Louise Nadal (School Secretary), Professor Eric Neumayer (Vice President & Pro-Vice Chancellor (Planning & Resources)), Professor Charles Stafford (Vice President & Pro-Vice Chancellor (Faculty Development)), Dr Andrew Young (Chief Operating Officer), Hilary Hunter (Head of Governance Services, committee secretary), and *(for item 3)* Tim Frost (Chair of Investments Subcommittee) and Sam Macdonald (Farrer), *(for item 4)* Richard Jenden (Director Property and Space Strategy), Julian Robinson (Director of Estates) and Ian Spencer (Director of Residential Services).

**Apologies:** Ben Plummer-Powell (Chief Philanthropy & Global Engagement Officer) *(normally in attendance)*.

#### **1. PRELIMINARY**

##### **1.1 QUORUM**

1.1.1 The Chair confirmed the meeting was quorate.

##### **1.2 DECLARATION OF INTERESTS**

1.2.1 Items 6.4 and 6.5 included proposals concerning the appointment/reappointment of some members to Council/ Council committees. These members would not participate in those decisions. There were no further declarations of interest, noting that the Chair asked members to be particularly mindful on potential interests in relation to item 3.

##### **1.3 MINUTES**

**PAPER A**

1.3.1 Council approved the minutes of the meeting held on 7 May 2024.

##### **1.4 MATTERS ARISING**

1.4.1 There were no matters arising to report.

## **2. PRESIDENT & VICE CHANCELLOR'S REPORT** **PAPER B**

- 2.1 Council noted the paper and the oral report of the President & Vice Chancellor, which provided an update on School matters, strategic progress and sector updates.

## **3. INVESTMENTS** **PAPER C**

- 3.1 Council considered and discussed a report and recommendations from a sub-group of Finance & Estates Committee concerning the School's investments and in the context of a May 2024 report produced by the LSESU Palestine Society '*Assets in Apartheid: LSE's Complicity in Genocide of the Palestinian People, Arms Trade, and Climate Breakdown*' (with the full report available to Council members). Council also received and took account of: a) the draft Finance & Estates Committee minutes from the meeting held on 11 June, which included its consideration of this matter; b) a report extract from Investments Sub-committee to Finance & Estates Committee from the meeting held on 28 May, providing its consideration of this matter; c) a paper prepared by students for Council summarising their proposals for School responsible investment practices, relating to those set out in the May 2024 LSESU Palestine Society report; d) a memo by School staff prepared for Council concerning divestment.
- 3.2 Council noted and thanked all students, staff and committee members for their hard work and extensive efforts in providing input into this discussion and decisions. Council also recognised the deep impact of the ongoing violence and humanitarian crisis in Gaza, Israel and Palestine on so many people in the region and in the School community.
- 3.3 Key points noted in discussion:
- a) the complexity of the issues raised and that a range of representations had been made to the School from within the community and from external parties expressing divergent views and concerns;
  - b) an overview of the School's current investment approach through fund managers and limitations to individually select/ deselect investments, also noting that the School was compliant with its current Environmental, Social & Governance (ESG) Policy;
  - c) Council's duties and responsibilities as charity trustees of the School when making investment decisions and the obligations of higher education institutions, in particular undertaking actions for the purpose of furthering the School's charitable and corporate objective as set out in the Articles of Association, the limitations on taking political positions through investment decisions, and that determining investment policy and endowment management was a fiduciary responsibility and not a democratic process;
  - d) recognising the concerns of the School community and the changed external context since the previous review, the planned ESG Policy review would be brought forward, covering investment policies and practices and appropriate arrangements for ongoing governance and oversight. It was important not to take early decisions on divestment at this meeting to avoid pre-empting the outcomes of a full and thorough review of the Policy (noting those points excluded at 3.4 c and d below). However, the process would be designed so the School could begin implementing changes to its investment policy as decisions were reached on particular matters, without having to wait for final decisions on every issue to begin implementation on any.
- 3.4 Council:
- a) agreed the School's investments and endowment holdings should be made as transparent as feasible. The Investments Sub-committee would be responsible for developing a process after appropriate consultation with external experts and members of the School and Students' Union societies. This would begin as soon as possible;

- b) agreed there would, separately, be a full review of the School’s ESG Policy, which guides the School’s investment practices. Alongside other matters, the review would consider current policies related to investment in fossil fuels and arms manufacturing. This would include whether to change them, and if so, how. The review, which had been scheduled for 2026, would be brought forward to begin in Autumn Term 2024, concluding no later than the end of Spring Term 2025. It would provide meaningful opportunities for staff and student input through the creation of a Task Force to engage with the School community (terms of Reference for the Task Force, including both membership and procedures, would be determined in the coming summer months. The Task Force would include members with relevant expertise, as well as representation from School students and academic and professional services staff);
- c) strongly endorsed the principle, set out in the School’s Code of Practice on Free Speech, that the School should not take institutional positions on political or international disputes. Following this approach, Council concluded that the School would not adopt an investment strategy of identifying and divesting from companies that do business in certain countries if the reason for and / or the primary effect of such action is to communicate a political position – as is the case with the request to divest from companies that do business in or with the state of Israel. This did not mean the School would never change investment approaches for reasons other than financial returns; however, it would not do so to express an institutional position on political disputes;
- d) agreed that the request to divest from certain institutions that provide financial services was not feasible, given how financial institutions continuously shift their investment portfolios. Managing an investment portfolio that required avoiding or divesting from a continually changing list of financial institutions could not be done in a way that fulfilled Council’s fiduciary responsibilities or meets the School’s broader environmental, social or governance goals;
- e) noted and supported existing commitments made by the School Management Committee on a number of substantive matters, including scholarships, assistance for Scholars at Risk, and other actions for those in the School community impacted by the ongoing crisis in Gaza, Israel and Palestine.

**4. PROPERTY MATTERS** **PAPERS D AND E**  
**Restricted and Confidential**

**5. STUDENT FEES AND 2024 FINANCIAL PLAN AND 2024/25 BUDGET** **PAPERS F AND G**

5.1 Council considered the papers setting out the School’s fee levels for 2025 entry (*Paper F*) (following recommendation by Academic Planning & Resources Committee) and the 2024 Financial Plan and 2024/25 operating and capital budgets (*Paper G*) (following recommendation by Finance & Estates Committee).

5.2 Council approved:

- a) the full time tuition fees and fee amounts for executive MSc programmes to be applied in 2025/26;
- b) the 2024 Financial Plan, its associated assumptions and operating and capital budgets for 2024/25;
- c) the 2024 Financial Plan as a basis for the OfS Financial Forecast, **[Restricted and Confidential]**.

**6. ITEMS FOR APPROVAL AND NOTING**

**6.1 ANNUAL REPORT ON EQUITY, DIVERSITY & INCLUSION** **PAPER H**

- 6.1.1 Council noted the report.
- 6.2 ACCESS & PARTICIPATION PLAN (APP) PAPER I**
- 6.2.1 Council noted the School's Access and Participation Plan for 2025/26-2028/29 ahead of submission to the Office for Students.
- 6.3 GENERAL COUNSEL PAPER J**
- 6.3.1 Council formally approved proceeding with recruiting a General Counsel.
- 6.4 GOVERNANCE COMMITTEE RECOMMENDATIONS PAPER K**
- 6.4.1 Council noted the paper setting out Council and committee membership for 2024/25 and approved membership appointment and reappointment proposals as set out. This included:
- a) the appointments of Johannes Huth and Masood Ahmed as chairs of Finance & Estates Committee and Audit Committee respectively from 1 January 2025 – end date coterminous with their respective Council term appointments;
  - b) the reappointment of Gavin Patterson for a second term of office on Council as an Independent member and a member of the Audit Committee from 1 August 2024 – 31 July 2027;
  - c) the reappointment of Wim Van der Stede for a second term of office on Council as an Academic Board nominee and a member of the Finance & Estates Committee from 1 August 2024 – 31 July 2027;
  - d) the appointment of Divyata Ashiya for a first term of office to Investments Sub-committee as an External member from 1 August 2024 – 31 July 2027.
- 6.5 STUDENTS' UNION COUNCIL MEMBER NOMINATION PAPER L**
- 6.5.1 Council approved the appointment of the Students' Union nomination for Council membership: Marie Fuchs from 1 July 2024 – 30 June 2025.
- 6.6 BANK ACCOUNT PAPER M**
- 6.6.1 Council approved the proposal to open an LSE bank account as set out in the paper.
- 6.7 SECRETARY'S REPORT PAPER N**
- 6.7.1 Council noted the report.
- 6.8 COMMITTEE REPORTS PAPER O**
- 6.8.1 Council noted the reports.
- 7. ANY OTHER BUSINESS**
- 7.1 There was no further business.
- 8. DATE OF NEXT MEETING**
- 8.1 1 October 2024, Away Day.
- 9. CLOSED SESSION OF COUNCIL**

9.1 There was a closed session of Council members only.