Present
Mr Paul Shelton (Chair), Mr John Biggs, Professor Philip Dewe, Mr Hugh Ferrand, Professor David Latchman, Dr Ruth Thompson

By invitation
Mr Robert Allison

In attendance
Mr Keith Harrison (Secretary and Clerk to the Governors), Mr Peter Westley (Director of Finance), Mr Dean Pateman (Academic Registrar), Mrs Naina Patel (Director of Human Resources), Ms Megan Reeves (Deputy Secretary), Mrs Katharine Bock (Head of Governance and Corporate Support), Ms Roisin Lynch (Corporate Support Intern)

Apologies for absence
Mr David Butler, Professor John Kelly, Mr Harvey McGrath, Mr John Poggioli, Mr Sean Rillo Raczka

30 DECLARATION OF INTERESTS
Noted
30.1 Members of the Committee were asked to disclose in advance any actual or potential conflicts of interest in relation to the matters on the meeting agenda.

30.2 No substantive conflicts were identified. Mr Robert Allison noted a consultancy agreement with KPMG, the College’s external auditor.

31 MINUTES
Confirmed
31.1 The Minutes of the meeting of 12 March 2012.

32 REPORT TO THE GOVERNORS
Noted
32.1 Governors’ receipt of the report of the Committee following its last meeting (F 2011 12)

33 MATTERS ARISING
Noted
Study Assistance Scheme
33.1 The Study Assistance Scheme of fee support for staff taking Birkbeck courses had been approved by the Governors and discussed with the Trade Unions. Under the scheme staff members would contribute 5% to the cost of their course, with a College contribution of 50% and Schools or Professional Services departments contributing 45%. The scheme would be reviewed after one year.

Students’ Union
33.2 As previously reported, the Students’ Union did not submit its 2010-11 financial statements on schedule because its projected deficit and its debt to the College were larger than its
reserves. The College and the Union had agreed that the remedy was restructuring of the Union.

33.3 The College/SU restructuring task force had made good progress and had confirmed the SU’s core functions of advocacy and representation on student issues. The shop and the counselling service would transfer to the College. The College would assume management accounting responsibilities for the Union.

33.4 The task force had agreed the principles for a restructuring agreement and a memorandum of understanding setting out the conditions attached to future grants from the College to the Union. This, and the outstanding financial statements, would be presented to F&GPC at its next meeting.

34  FORECAST BUDGET OUTTURN 2011-12
Considered
34.1 A report on the forecast outturn for 2011-12 (F 2011 26)

Noted
34.2 A surplus of £4.026M was forecast compared with a surplus of £2.512M reported in March. The variation was due to release of contingency pay provision which was not called on during the year. Provision for student financial support had increased by £1M, offset by a reduction in general contingency provision.

34.3 Provision for bad debt had been increased to £1.5M. Greater provision was needed because student numbers had grown and the fees had increased, increasing the potential total amount of debt.

34.4 Members asked about the nature of the bad debt. Some debtors were students who had applied unsuccessfully for the Part Time Grant and were now unable to pay their fees. Much of the debt was in the current year and some would be paid off before the academic session ended. Students who had withdrawn might also appear initially as debtors if their withdrawal had not been notified properly. F&GPC was satisfied that the College had made sufficient and prudent bad debt provision.

34.5 As was the case in 2010-11, much of the surplus came from one-off savings, so it was not appropriate for the College to make significant new recurrent commitments. However, where Schools were in surplus, some new posts linked to increased student numbers had been agreed by the Master.

34.6 The year-end outcome would depend on the extent to which the remaining £1M contingency in the income and expenditure budget was called on, as well as investment gains and losses.

34.7 The Committee discussed risk of investment losses. The financial markets were fluctuating and the outcome would depend on the position on 31 July, the last day of the College’s financial year. On the day of F&GPC’s meeting long term investments were down by about £750K but there was a revaluation reserve of £1.1M and the income and expenditure position would only be affected if the losses exceeded this figure.

Recommended to Governors
34.8 Approval of the forecast budget out-turn for 2011-12
35 BUDGET AND INCOME DISTRIBUTION MODEL 2012-13
Considered

35.1 A report on proposed budget estimates and the predictive Income Distribution Model for 2012-13 (F 2011 27)

Noted

35.2 The budget and IDM had been endorsed by the Strategic Planning Committee and incorporated the results of the Schools’ detailed student numbers planning, together with Schools’ and Professional Services spending estimates. Including contingency provision, a surplus of £770K was predicted.

35.3 Schools had planned their student numbers based on current recruitment indications, with a 35% drop in undergraduate part time applications in reaction to the new fee and funding system offset by expected good recruitment in other areas, including more three-year degree students and a 10% increase in international student recruitment. In other areas, recruitment was expected to be at similar levels to 2011-12.

35.4 Despite the projected decrease in recruitment, undergraduate degree income was expected to be boosted by the increased new system tuition fees by £9M. Overall, fee income was forecast to increase by £12M to £53M. This was offset by a £7M drop in HEFCE income.

35.5 £3.9M of tuition fee contingency provision was included, reflecting the substantial recruitment risks in the new system. The contingency had been set School by School, to reflect the different risk profiles and planning issues being faced by each School. Overall, income was projected to increase by 1% including contingency and 7% excluding contingency.

35.6 Spending was forecast to increase by 6% overall, accounted for by increased operating costs especially where student numbers had increased, for instance in Business and Law. The substantial (51%) increase in student financial support spending was caused by three main factors: increased demand for the old system part time grant holders’ top-up scheme from increased student numbers and a bigger gap between the grant level and the Birkbeck fee level; the new fee and loan system’s requirement for enhanced student financial support; and the introduction of several fee reduction initiatives to incentivise recruitment in 2012-13.

35.7 As in 2011-12, a formal mid year budget review was proposed. This would allow budgets to be reviewed against concrete data on enrolments and invoiced fees, ensuring that ongoing spending commitments were made on the basis of a firm picture of income.

35.8 To manage the additional recruitment risks in 2012-13, SPC had instigated monthly meetings with the Pro Vice Master (Strategy) and the Executive Deans, to monitor projected tuition fee income based on the current recruitment position. The focus would be on late recruitment strategy changes and, if income forecasts were lower than planned, early adjustments to spending assumptions before the mid year budget review. It would be important to understand the impact of recruitment of different groups of students on different fee levels to the overall tuition fee income.

35.9 The Committee asked if there were any trends affecting assumptions about student recruitment for 2012-13. It was reported that student number trends had been reviewed during the planning round and that recruitment was currently following these trends. The
College would continue to closely monitor student recruitment and indications of changes to the student body.

35.10 Surplus positions were projected for some Schools and deficits for others. The position for Science and Arts had deteriorated most. This reflected Schools’ estimations of the impact of recruitment trends, with some more optimistic than others. College management noted that, in general, the key indicators of staff costs as a proportion of income and staff student ratios were improving. The College continued to work towards a balanced position of surplus and minimised deficit among the five Schools, and was working with Executive Deans to address areas of longstanding financial deficit.

35.11 As well as the £3.9M tuition fee contingency provision, there was a general contingency of £500K and provision for in-year HEFCE grant reductions. Members asked if the tuition fee contingency covered bad debt. It was noted that this was an overarching contingency intended to cover over-forecasting, withdrawals and bad debt. It was agreed that future reports should make a distinction between these provisions.

**Recommended to Governors**

35.12 Approval of the 2012-13 budget estimates, subject to ongoing monitoring of the likely impact of recruitment on income and the outcome of the mid-year budget review.

**36 FINANCIAL FORECASTS**

**Considered**

36.1 Proposed financial forecasts (F 2011 28) to be forwarded to the Governors and submitted to HEFCE

**Noted**

36.2 This was an update of the interim document that had been sent to HEFCE in December 2011.

36.3 The starting point was the forecast position for 2012-13, projected forward based on modelling of likely tuition fee income and HEFCE grant, taking into account the phasing in of the new system and the phasing out of the old system. The forecasts assumed no change in staff costs. They would be updated again in December 2012 to take into account 2012-13 recruitment. F&GPC agreed that it was not appropriate to attempt more finely tuned forecasts at this stage.

**Agreed**

36.4 To endorse the financial forecasts and refer them to the Chair of Governors for approval, in order to meet the HEFCE deadline which was before the next Governors’ meeting.

**37 INVESTMENT COMMITTEE**

**Received**

37.1 The Report of the Investment Committee (F 2011 29)

**Noted**

37.2 The College’s investment strategy had been changed to reduce the proportion held in equities and increase the proportion held in cash, to offset the risks from volatility in the financial markets.

**38 STRATEGIC PLANNING COMMITTEE**

**Received**

38.1 The Report of the Strategic Planning Committee (F 2011 30)
Noted

**National HE policy**

38.2 SPC was monitoring developments in HE funding policy and the College’s lobbying campaigns to influence it, which were currently focused on the point that not enough had been done nationally to inform prospective students about part time options. Although the Government had spoken supportively on part time issues, practical commitment and engagement was now needed.

38.3 The long term objective of the campaign was to bring true equality and flexibility for part time HE provision and students. The Master had met with the Minister for Universities and Science David Willett, who had agreed that there should be an information campaign on part time higher education. The indications were that this would be directed at the 2013-14 session, although the College had a design brief ready if it happened sooner.

38.4 The College had also put significant resources into its own advertising and awareness raising campaigns for 2012-13. The Master had met with the Chief Executive of UCAS Mary Curnock Cook and discussed how links to part time courses could be more effectively displayed on the UCAS website. Liaison with the Student Loans Company continued, with evidence of increasing engagement on part time issues.

38.5 The College was responding to HEFCE’s consultation on changes to teaching funding, including the possible removal of the part time premium. Given the strong evidence of a decline in demand among part time students, this was not the right time to remove the funding.

38.6 New performance criteria had been agreed with HEFCE following the successful achievement of most of the 2008 Strategic Review objectives. The criteria included continuing portfolio review and review of fees; student retention and completion; growth in international income; diversification of income sources; student to staff ratios; and staff costs as a proportion of income. SPC would report on performance against these criteria.

**Birkbeck Association**

38.7 SPC reported an update on progress with the Birkbeck Association. A survey of potential users had indicated that former students were very keen to be involved in a scheme of this kind.

38.8 Members noted that the Birkbeck Association had significant potential as a vehicle for fundraising. This would be explored further in the future, but the initial launch would focus on the link to the lifelong learning mission of the College.

**Research Excellence Framework**

38.9 SPC had endorsed a draft Code of Practice on selection of staff for the REF. The document was designed to ensure equal opportunities in the selection of staff. The actual selection criteria would be defined separately. All eligible staff would be assessed for potential submission on the basis of the following:

- Research meeting the REF-published definition of research.
- The equivalent of four items of research output for each person submitted, excepting a reduction of the number of items in individual circumstances.
- Quality of research.
- Fit of research in terms of the overall context of the submission.
38.10 Members asked whether fewer staff would be submitted compared with previous research assessment rounds. HEFCE had confirmed that its future research funding would be allocated only for research rated as world leading and internationally excellent (4* and 3*) in the REF; and not to research rated as internationally relevant (2*). In addition, future Research Councils funding was likely to be based on league table metrics. While in previous returns the College had adopted an inclusive approach, these factors required it to become more selective in the current submission, which would made towards the end of 2013.

Three Year Degree Programmes
38.11 SPC had asked the Vice Master to review the three year intensive degree programmes that recruited students via UCAS. These programmes had been conceived as intensive versions of existing four year degrees, offering additional flexibility and multiple routes to a degree including three, four and six year versions. The programmes had recruited well and more programmes had been added to the portfolio. The review would include the strategic, academic and operational aspects of this developing portfolio.

Fees, Bursaries and Scholarships
38.12 SPC's Fees, Bursaries and Scholarships Committee reported that no changes to undergraduate degree fees in 2013-14 were anticipated. The Government had confirmed that the fee cap of £6/9,000 would be retained, with no inflationary increase.

38.13 FBSC also reported discussion on fees for modular courses. There was a large number of courses in liberal arts subjects in the Schools of Arts and Social Sciences priced at a level that would make a loss when HEFCE T funding was reduced in 2012-13. SPC endorsed an incremental approach to raising the fee. The first step would be to raise the Tier 1 per 30 credit fee from £650 to £800, the Tier 2 fee from £950 to £1,000 and the Tier 3 fee from £1,150 to £1,200. The Tier 4 and 5 fees would stay at £1,500 and £2,000.

38.14 SPC also endorsed FBSC's ongoing work to move to a transparent fee structure for all provision, in which fees reflected costs. This would require ongoing review of Certificate and modular provision, also taking into account the outcome of negotiations on harmonisation of pay and conditions for teaching and scholarship (sessional) lecturers delivering the courses.

38.15 FBSC and SPC endorsed Birkbeck’s Access Agreement for 2013-14, setting out expected income from fees and spending on student financial support and widening access. The focus was on how to manage National Scholarship Programme (NSP) rules and allocations. The NSP, consisting of a Government allocation based on student numbers matched by funding from the institution, was launched by the Government to mitigate the impact of higher fees on the poorest students.

38.16 The Government rules for NSP were not helpful for part time provision. For part time students the scheme was restricted to fee waivers, whereas full time students could receive a combination of fee waiver, cash bursary and discounted accommodation. NSP was directed at the first year of study, with the entire Government portion restricted to first-years. SPC noted that part time students need as much help with living and learning expenses as did full time students; and that the focus on funding the first year did not recognise the particular need in part time provision to promote student retention.

38.17 SPC had agreed that the most equitable way to allocate the funding, striking a balance between making as many awards as possible and making them of equal value to part time students, was to award fee waivers worth £3,000 against the first 120 credits of study,
regardless of study intensity; to review the scheme annually; to seek to extend fee waivers with donation income; to continue with the separate College scheme to award cash bursaries to less well-off students; and to make a strong case for changes to the NSP rules on awarding cash bursaries and funding continuing years.

38.18 SPC forwarded a summary of the student financial support schemes operating during 2012-13 in the old and new fee and funding systems. In 2011-12, demand for student financial support had exceeded the budget. For 2012-13 the budget had been increased. F&GPC asked whether the allocations were sufficient. The changes to the fees and financial support system meant that 2012-13 was an unknown quantity for the Higher Education sector generally. In addition, the College had never had access to means testing information on its students, so predicting uptake of new system schemes was uncharted territory. Uptake would be monitored and there was a good probability of obtaining donor support if the budget was insufficient. There were also plans for fundraising to enhance student financial support in general, for undergraduates in the new system and for postgraduate students and students at Stratford.

38.19 SPC also reported on international student recruitment, noting that enrolments had increased by 90% over three years. It had approved proposals for a scholarship scheme targeted at high achieving international students, to be launched in the first instance in three countries identified as price-sensitive and with the potential for growth in student numbers: Thailand, Vietnam and India.

38.20 Members asked about international alumni groups. The College did not yet have enough international students for alumni groups to flourish but activity was now expected to grow.

38.21 The College was monitoring the government’s approach to student immigration, in relation to Birkbeck’s plan to increase international student numbers. In common with all HE institutions with sponsor status in relation to international student visas, the College was being monitored by the UK Border Authority (UKBA). There could be significant resource and processing implications for the College if UKBA decided that processes and systems were not robust enough.

38.22 F&GPC discussed the market for sponsored students in the current economy. Approximately 7% of students were directly sponsored by their employer. Conversations with businesses had indicated a significant appetite for an arrangement in which individual students took out loans which their employer would repay on completion of the course. It was likely that as the College moved increasingly towards making agreements with professional bodies that there would be more of these kinds of arrangements.

39 REMUNERATION COMMITTEE
Noted

40 ESTATES COMMITTEE
Received

40.1 The Report of the Estates Committee (F 2011 32)

Noted

Olympics Planning

40.2 Estates Committee continued to monitor planning to offset disruption during the London 2012 Olympics. The Olympics media hub would be based at Russell Square and the main impact was expected to be crowding and limited access. Schools and Professional Services
were producing and sharing business continuity plans and plans for dealing with security incidents. The College expected to maintain most main services and was increasing IT and telecommunications provision for staff to work remotely, but would not be holding any major events on site during the Olympics period. Building was expected to continue at Stratford, with materials delivered in advance and changes to delivery timings to accommodate local disruption.

**Estates strategy update**

40.3 Estates Committee reported good progress on previously agreed projects; with laboratory fit-out for Biological Sciences progressing, the Earth Sciences department and the Institute for Children, Families and Social Issues relocated as planned, the main building goods lift replaced, the basement Library storage area completed and the new chillers in the main building installed.

40.4 Estates Committee had agreed the following projects for the 2012-13 programme:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refurbishment of a ground floor room at 12 Gower Street as a staff/reception room for the School of Law.</td>
<td>£6,000</td>
</tr>
<tr>
<td>Re-modelling of reception, teaching and catering space at Gordon Square, including facilities for teaching Theatre Studies, which will be relocating from 32 Tavistock Square.</td>
<td>£304,000 (£177,000 of Higher Education Innovation Fund allocation, private donation of £50,000; £77,000 from the Catering Fund)</td>
</tr>
<tr>
<td>Relocation of the department of Geography, Environment and Development Studies (GEDS) to 32 Tavistock Square.</td>
<td>£27,000</td>
</tr>
<tr>
<td>Consolidation of Biological Sciences and Computer Science accommodation.</td>
<td>£23,000</td>
</tr>
<tr>
<td>Postgraduate research student facility for the School of Business Economics and Informatics, on the first floor of the Clore building.</td>
<td>£129,500</td>
</tr>
<tr>
<td>Improvements at 26-27 Russell Square including a “knock through” to connect the two houses.</td>
<td>£10,000</td>
</tr>
<tr>
<td>Improvement and expansion of lecture theatres.</td>
<td>£109,000</td>
</tr>
<tr>
<td>General programme to improve teaching space and facilities</td>
<td>£200,000</td>
</tr>
<tr>
<td>Provision of two IT teaching rooms on the fourth floor of the Main Building, to replace two rooms in Gordon Square repurposed to accommodate the Gordon Square refurbishment; re-provision of Students' Union offices.</td>
<td>£100,000</td>
</tr>
<tr>
<td>Addition of an awning to the balcony area of the fifth floor catering facility, to increase seating capacity.</td>
<td>£95,000, from the Catering Fund</td>
</tr>
<tr>
<td>Additional offices for new Psychological Sciences staff.</td>
<td>Relocation only</td>
</tr>
</tbody>
</table>

40.5 It had been agreed that the Chair of Estates Committee would consider and sign off a prioritised and timetabled programme of work before the programme started.
Master planning
40.6 Estates Committee reported on progress in the master planning exercise to evaluate the Bloomsbury site, identify future requirements for space and present options for the development of new and refurbished accommodation. The College had assembled a team of professional advisers. It would commission a new building condition survey to run concurrently.

Birkbeck Stratford
40.7 Estates Committee reported on the University Square Stratford building project. It was confirmed that appropriate due diligence had been done in relation to UEL’s ability to sustain its financial contributions to the building project.

Financial Reports and Project Progress
40.8 Estates Committee had considered and was satisfied with reports on

- The operational Estates and Facilities budget
- The capital programmes budget
- The University Square Stratford Island project

Long Term Maintenance Programme
40.9 Estates Committee was satisfied with progress on implementing the 2011-12 Long Term Maintenance programme. It would review the programme after the building condition survey had concluded.

Environmental Management
40.10 Estates Committee was pleased to report that Birkbeck and its partner Bloomsbury Colleges successfully achieved phase 3 of the BS8555 Environmental Management System standard in February 2012, ahead of the target date of July 2012. The Colleges were working towards phase 4 and 5 assessment at the end of the year.

40.11 Estates Committee had agreed Terms of Reference and a Scheme of Membership for the Environmental Management Group to be a working group reporting to the Estates Committee, subject to clarification on reporting lines for the approval of specific policies, the Scheme of Membership and quorum.

Prayer Room
40.12 Estates Committee considered the provision of a Prayer Room, following discussion at the Spring term Governors’ meeting. A case for the College to provide a multi faith facility was presented by student representatives and it was noted that other University institutions in London provided such facilities. Estates Committee agreed in principle to the provision of a multi faith facility, subject to the resolution of practical and resource factors. As a first step, a steering group would be set up, to include representatives of different faiths. The possibility of securing a donation to set up the room would also be explored.

Gordon Square: Participation in Public Events
40.13 The School of Arts’ base at Gordon Square had historical links with the Bloomsbury Group. Vanessa Bell and later John Maynard Keynes lived at no. 43, where paintings by Bell and Duncan Grant hung in the recently refurbished Keynes Library. Estates Committee agreed that the College should enter the property into the Open House London event from 2013. Gordon Square – and in particular the cinema - would also feature in the Bloomsbury Festival in October 2012.
41  **HUMAN RESOURCES POLICY AND STRATEGY COMMITTEE**

Received

41.1 The Report of the HR Policy and Strategy Committee

Noted

41.2 F&GPC noted the considerable amount of policy and strategy development that was coming through HRSPC and commended the Committee and the HR department on their work.

**Progress and Development Reviews (PDR)**

41.3 HRSPC had followed up on Audit Committee’s concerns about low take-up of PDR among academic staff. It had established that in some areas PDR discussions were taking place but were not formally documented. The planned link between PDR and academic promotion was intended to help embed PDR across the College and improve return rates. The PDR forms would be revised for easier completion.

**People Strategy**

41.4 HRSPC had endorsed a new People Strategy, placing greater emphasis on leadership and management development and change management. There was a new section on employee well-being and engagement, to underline the need for a capable and flexible workforce going forward.

41.5 All staff members, as well as the Trade Unions, had been consulted about the People Strategy, and some helpful feedback had been received. It had been agreed that HR would meet with the Unions to discuss the action plan further.

41.6 The People Strategy included a triennial staff survey. F&GPC asked whether this was sufficiently frequent and it was agreed that frequency would be kept under review.

41.7 HRSPC forwarded a number of policies with a recommendation that F&GPC endorse them for Governors’ approval.

**Recommended to Governors**

41.8 Approval of new and revised policies:
- Revised recruitment and selection policy, in line with legislative changes around equality and immigration.
- Revised job evaluation policy, placing a greater emphasis on evaluating roles in relation to other College posts and sought to ensure that the evaluation process was focused on the job description rather than the individual undertaking the role.
- Revised performance management policy (formerly known as the Capability policy).
- New secondment policy, which provided guidance on the use of internal and external secondments.

**Teaching and Scholarship (Sessional) Staff**

41.9 HRSPC reported on its monitoring of negotiations between management and Trade Unions on harmonisation of pay and conditions for Teaching and Scholarship (Sessional) staff. Further meetings had been scheduled with a view to concluding negotiations before the end of the academic/financial year. Implementation of new terms and conditions had been budgeted for in the current year. However, agreement with UCU depended on ratification at national level, which could delay implementation.
Employment Tribunals

41.10 F&GPC asked how frequently the College was involved in Employment Tribunals (ETs) and heard that occurrences were infrequent.

Agreed

41.11 Future reports of HRSPC would include a note of any current or upcoming ETs.

42 COMMITTEES OF F&GPC 2012-13
Noted and agreed

42.1 The Terms of Reference and Schemes of Membership of the Committees reporting to F&GPC in 2012-13 (F 2011 34), subject to the removal of the condition that a co-opted member be present for the Investment Committee to be quorate.
- Estates Committee
- Human Resources Policy and Strategy Committee
- Strategic Planning Committee
- Investment Committee
- Safety Committee

43 ELECTION OF CHAIR FOR 2012-13
Agreed

43.1 Election of Mr Paul Shelton as Chair of the Finance and General Purposes Committee for 2012-13.

44 DATES OF MEETINGS IN 2012-13
Noted

44.1 Dates of meetings for the 2012-13 session:
- Tuesday 13th November 2012
- Tuesday 5th March 2013
- Wednesday 19th June 2013