16 DECLARATION OF INTERESTS
Noted
16.1 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.
16.2 No substantive conflicts were identified. Mr Robert Allison noted a consultancy agreement with KPMG, the College’s external auditor.

17 MINUTES
Confirmed
17.1 The Minutes of the meeting of 12 November 2012.

18 REPORT
Noted
18.1 Governors’ receipt of the report of the committee following its last meeting. (F 212 13)

19 MATTERS ARISING
Noted
Pension liabilities
19.1 At the last meeting it had been noted that both pension schemes of which the College was a member had valuations lower than their predicted liabilities. The College was monitoring the employer contribution rates and the likelihood of these increasing, which would be taken into account for planning and risk assessment. It
was noted that this was a sector wide issue dependent in large part on the health of the stock markets.

**London International Development Centre**

19.2 F&GPC had recommended to Governors that Birkbeck should consider withdrawing from the LIDC if an acceptable alternative to the ‘last man standing’ exit arrangement from the shared property could not be agreed. Birkbeck had communicated this to its partners in the Bloomsbury Consortium and the colleges were in the process of renegotiating the agreement and creating a business model in which costs above income would be shared between the Colleges proportionally according to the benefits received.

**UKBA Compliance**

19.3 The internal auditor had confirmed to the Audit Committee that recommendations on UKBA compliance for international student immigration had been implemented. The College was proceeding with attendance monitoring and record keeping and was alert to changes to UKBA requirements.

**Sessional staff harmonisation**

19.4 The agreement on harmonisation of pay and conditions for Teaching and Scholarship staff had been ratified by the Universities and Colleges Union and was now in place and operating.

19.5 The Committee thanked the Vice Master, the Human Resources department and other colleagues in professional services for their hard work on the National Pay framework negotiations.

**MID YEAR REVIEW AND BUDGET ESTIMATES 2012-13**

**Received**

20.1 A report on the mid year review of income and expenditure in the Schools and Professional Services and the updated Income Distribution Model. *(F 2012 14)*

20.2 College level budget estimates showing revised forecast income and expenditure following the mid year review. *(F 2012 15)*

**Noted**

20.3 In response to the uncertain impact of the new system, the Pro Vice Master (Strategy) had chaired regular meetings leading into the mid year review, to monitor the financial impact of student recruitment and identify strategies to offset lower than forecast income. Estimates of School pay spend had reduced by £1.3M following re-forecasting, supported by improved management information and confirmation that some proposed replacement posts had been frozen because of insufficient student numbers.

20.4 F&GPC commended the Schools on their input to this process which had led to an effective and necessary review.

20.5 The forecast surplus was £1.5M, compared with £0.77M when the budgets were approved in summer 2012 and £1.12M reported in autumn 2012.
20.6 Predicted tuition fee income was £49.7M, compared with the original forecast of £53.2M. The difference, which was within the £3.9M tuition fee contingency provision, was mainly due to lower than expected recruitment on both undergraduate and postgraduate taught programmes; and a higher than expected proportion of undergraduates entering on the old system and paying lower fees.

20.7 Forecast spending on National Scholarship Programme (NSP) fee waiver awards for new system students had increased by £1.3M to cater for much higher than forecast demand.

20.8 There had been delays in the processing and payment of new system undergraduate student loans. There were a variety of reasons including students who had applied for NSP not providing prompt proof of income; and students not completing their applications to the Students Loan Company (SLC). Work continued with the SLC and students to address these delays. This had been the College’s first year of dealing with student loans on a large scale and the experience gained would be used to improve the processes for 2013-14.

20.9 Contingency provision totalling £2.1M had been retained, due to uncertainty in completion rates, student financial support uptake and call on the bad debt provision. It was likely that not all of this would be needed, in which case the surplus position would improve.

20.10 Members noted that the bad debt provision had been significantly increased in 2011-12 to take into account the higher tuition fees. This provision would be monitored carefully in the future alongside withdrawal trends to ensure the provision was adequate. The Committee heard that around 300 students who had enrolled on the basis of student loans had still not applied for them. The debt was being transferred to the individual students and the automated debt collection process initiated.

20.11 2012-13 was the first year in which part time students were eligible for loans. The College had not expected so many students to significantly delay their applications. There had also been little available feedback from the Students Loans Company that allowed these students to be identified and contacted. Student loan applications would be much more tightly monitored and controlled during this admissions cycle. The College’s Academic Registrar was the Chair of the SLC’s part time working group focusing on improvements for 2013-14.

20.12 The Schools of Business, Law and Social Sciences were predicting surplus positions and the Schools of Arts and Science were predicting deficits. The College was considering mechanisms to reward Schools that were in significant surplus positions, for example by allowing surplus Schools to approve replacement posts without central approval, providing that the replacement was at a junior level. Strategic Planning Committee had agreed an arrangement in which Schools with an established structural surplus would be able to transfer a percentage of their surplus into School reserves, if the College’s financial position allowed. This would allow Schools to build up contributions towards future centrally approved strategic projects. It was
noted that it would be important to ensure that such spending was limited to capital outlay and did not increase recurrent commitments.

**Approved**

20.13 The updated IDM (F 2012 14) and College level budget estimates following the mid year review (F 2012 15).

21 **HEFCE FUNDING 2013-14**

Received

21.1 HEFCE’s notification to HE institutions on sector-wide funding for 2013-14. (F 2012 16)

Noted

21.2 The expected sector level HEFCE funding was in line with expectations and previous forecasts. Teaching funding was reducing because more students were now on the new loan funded system. Research funding had been kept at the previous year’s level.

21.3 Birkbeck would be notified of its grant on 18 March 2013 and this would be reported to Governors on 19 March.

21.4 The College would continue to lobby for the preservation of part time premium teaching funding as a way of addressing the national downturn in part time recruitment. It was notable that the part time premium was being preserved in Wales to offset decline in part time numbers.

21.5 Future financial forecasting would take into account the outcome of the 2013 Research Excellence Framework, which was likely to have an impact from 2015-16.

22 **STRATEGIC PLANNING COMMITTEE**

Received

22.1 The report of the Strategic Planning Committee. (F 2012 17)

Noted

22.2

22.5 The College had successfully appealed against HEFCE’s in-year grant reduction for exceeding the student number control for recruitment onto three year undergraduate programmes in 2012-13. The College had also applied for an increase in its Student Number Control for three year undergraduate degree student intake from 428 to 700 in 2013-14, to support the development and enhancement of the three year programme. Once the new target was confirmed work would begin with the Schools on planning for recruitment. Members noted that the three year evening programmes presented another opportunity for the College to fulfil its mission to educate working Londoners, by attracting students who might not have studied if they could not also work at the same time.
Note: HEFCE has confirmed the College’s increased SNC of 700 entrants to three year undergraduate programmes in 2013-14.

22.6 SPC continued to oversee strategy for tuition fees and student financial support through its Fees, Bursaries and Scholarships Committee. Fee tiers for 2013-14 had been agreed and Schools were confirming the assignment of programmes to tiers prior to publication of the fees.

22.7 The College was seeking ways to accommodate students asking to change their study intensity to suit their life commitments. As this was a complex issue involving regulation and entitlement to financial support as well as pastoral and pedagogical factors, SPC had agreed a set of guidelines for Schools.

23 INCOME SCENARIOS

Received

23.1 Income scenarios for 2012-13 to 2017-18, that had been considered by SPC as part of its Awayday discussion on the development of future strategy.

Noted

23.2 SPC held its annual Awayday meeting in January, to discuss future strategy for the College. It discussed the impact on income of current recruitment levels and different future scenarios. The scenario most likely to lead to recovery of lost income was an increase in recruitment to three year undergraduate programmes, where there had been significant growth between 2011-12 and 2012-13. Increased international recruitment and recovery of postgraduate taught numbers would also assist recovery.

23.3 SPC also considered an initial report on the market survey of 2012-13 undergraduate entrants and people who applied but did not enrol. This indicated that students were concerned over the value of a degree and the return on their investment rather than the price outright; that this was most apparent in the reduced numbers of middle income students enrolling; that undergraduate students on three year programmes were younger and more likely to have got their information from national websites and that students on four year programmes were older and more likely to have relied on Birkbeck’s website for their information.

23.4 Having considered this information SPC agreed a number of actions to develop the College’s next phase of strategic response to the new system. This includes:

- Development and enhancement of the three year undergraduate portfolio
- More international student recruitment
- Launch of the new building at Stratford
- Review of tuition fee and bursary strategy, aiming to extend the reach to middle income students
- Technology Enhanced Learning, aiming to widen awareness of Birkbeck and to support and enhance face to face teaching, but not to replace it
- Segmented marketing strategies to recruit to the three year and the four year programmes
Continuation of the review of postgraduate taught programmes, including an emphasis on flexibility of provision

Continuation of the strategy to maximise the College’s position in the 2013 Research Excellence Framework.

23.5 The current message to staff in Schools was to focus their efforts on recruiting as many students as possible. Applications and offers were being monitored fortnightly so that interventions could be made where necessary...

23.6 Members heard that January applications were significantly up from 2011-12 as 21 new UCAS programmes had been introduced. A higher proportion of applicants were young and the conversion rate among these students was likely to be lower than Birkbeck’ previous experience, because they would also be applying to other universities.

23.7 As younger students had different needs from the ‘traditional’ Birkbeck mature student the College was working on making sure that its provision, including careers services, was appropriate. Birkbeck’s career provision was being developed to include more work with the University of London careers service, mentoring schemes, and other courses and support based on student feedback. Members noted it was important that this provision was outlined on the website where students would see it.

23.8 The Committee endorsed SPC’s commitment to developing Technology Enhanced Learning within the College, hand in hand with a commitment to retaining face to face teaching. To achieve this, TEL at Birkbeck was being approached through two projects. One would look at enhancing existing teaching and learning through making wider use of technology. The other would formulate an online strategy for Birkbeck, taking in existing and potential new partnerships. The overall aim of both projects was to use TEL to improve the student experience.

23.9 Members asked why the decrease in recruitment was particularly being seen in middle income students. A possible explanation was that, as these students were already earning a reasonable income, they were wary of taking on a commitment that might not improve their career position. The marketing campaign for 2013-14 focused on the benefits of studying at Birkbeck.

23.10 Postgraduate applications were expected to drop significantly when the first cohort of undergraduates with large amounts of debt from higher undergraduate fees reached postgraduate stage, in 2015-16. It was therefore important for the College to reposition its postgraduate offer in a way that differentiated it from other Colleges of the University of London and to market the benefits of its provision persuasively.

24 RESEARCH GRANTS AND CONTRACTS

Received

24.1 The annual report from the Research Grants and Contracts Officer on research income for the financial year 2011-12 (F 2012 19)
24.2 Birkbeck’s annual research income decreased from £9.1M in 2010-11 to £8.4M in 2011-12, largely due to the National Evaluation of Sure Start research contract coming to an end.

24.3 The picture in terms of future funding was more positive. Several large new contracts had been picked up and the total value of new projects in 2011-12 was £13.4M compared with £6.6M the previous year.

25 **INVESTMENT COMMITTEE**

Received

25.1 The draft report of the Investment Committee. *(F 2012 20)*

Noted

25.2 The College continued to hold high levels (£38M) of cash deposits against current uncertainties. The investment portfolio had returned the equivalent of an average 7.5% per annum since its inception in 2009.

25.3 Members heard that this was the fourth year of the College’s arrangement with Newton Investment Management. The arrangement was due to be reviewed after five years.

26 **STUDENTS’ UNION FINANCIAL STATEMENTS 2011-12**

Received

26.1 The financial statements of the Students’ Union for the financial year 2011-12. *(F 2012 21)*

Noted

26.2 While the statements had not been formally signed off, the auditor had confirmed that any further variations would be below the materiality limit and would not have an impact on the statements. It was confirmed that the financial statements had been presented to the Students’ Union’s Trustees.

26.3 The Committee would review the Financial Memorandum between the Students’ Union and the College at its summer term meeting.

27 **PERFORMANCE INDICATORS**

Noted

27.1 Key financial performance indicators. *(F 2012 22)*

27.2 HEFCE had issued new guidance on institutional sustainability indicators. SPC would consider these in the first instance and would then make a proposal via F&GPC to Governors.

28 **ESTATES COMMITTEE**

Received
28.1 The Report of the Estates Committee. *(F 2012 33)*

**Noted**

28.2 As reported last term, a feasibility study and master planning exercise had been taking place on potential developments in and around Torrington Square. A report had been circulated setting out options for development:

- A: Redevelopment of the 1960s extension wing of Main Building (11,475m²)
- B: Extension to the end of the Main Building facing Senate House (1,160m²)
- C: Extension adjoining the recessed corner of Main Building facing Malet Street and Senate House (2,290m²)
- D: New Block on the vacant plot of land adjoining the North East corner of Senate House (4,865m² - larger option)
- E: Infill development on the vacant site between 32 Torrington Square and The Warburg Institute (421m²)
- F: Standalone building on the site of the North Heating Chamber in Torrington Square facing onto Byng Place (3,486m²)

28.3 Zone E was identified as the most immediately achievable project, to provide expansion space for the Centre for Brain and Cognitive Development to establish a ‘Toddler lab’ facility to complement the existing Babylab. Estates Committee reported that the College had formally registered its interest in this site with the University of London and had submitted a funding proposal to the Wolfson Foundation.

28.4 Members heard that the University of London was developing its own Estates Strategy, which would include a coordinated approach to the Torrington Square site.

28.5 As Governors had reserved responsibility for decisions on major Estates developments, Estates Committee would forward a detailed proposal via F&GPC for Governors’ consideration once University of London and funding matters were clarified.

**Endorsed**

28.6 The further development of the proposal to develop an infill building in the east side of Torrington Square.

28.7 Estates Committee’s recommendation that the College sign up to a long term teaching space rental agreement with Friends House. The agreement covered a ten year period, with a five year break, for £229,500 per year subject to inflation, securing good quality, popular space for Birkbeck teaching and enabling the College to participate in specifying the renovation plans for the building.

**Noted**

28.8 Estates Committee reported on the operational estates budget for 2012-13 and the capital projects budget. Budgets for completed work had now been cleared from the current budget report, with a final overspend of £335K against the £5.37M budget. There was £8.65M of funds for current and future projects, of which £3.5M
was earmarked for Stratford, £2.44M was allocated to current approved projects and £2.7M was unallocated. The current projects were £74K over budget.

28.9 Estates Committee had endorsed new protocols for proposing and agreeing the annual works programme in advance. The Estates Strategy Group and Estates Committee would consider, prioritise and agree proposals in the spring term prior to summer works.

28.10 Estates Committee reported that the construction work was 15 working days behind schedule and that this would require monitoring in order to manage the risk of impact on plans for the opening of the building for the autumn term 2013.

28.11 The operational groups were making good progress in developing front of house services and a staffing structure had been agreed. UEL’s current contractors would be approached about catering, cleaning and security services through an extension of current contracts, although they would need to demonstrate that this would provide value for money.

28.12 Estates Committee confirmed that the new building would be fully accessible. Disability access specifications would be re-confirmed prior to the fit out. Estates Committee asked Schools to ensure optimal use of the new space, including moving provision from less popular external teaching venues when appropriate.

28.13 The University of East London (UEL)’s Vice Chancellor had resigned in January 2013. It was reported that the interim Vice Chancellor had confirmed UEL’s ongoing commitment to the project.

28.14 Estates Committee endorsed recommendations for the establishment of a multifaith prayer and contemplation facility. A room would be fitted out as part of the 2013 summer works programme, with a view to opening at the beginning of the 2013-14 academic year.

28.15 Members heard that this room was likely to be in the basement of the main building, the working party’s preferred site. The use of the room would be monitored over twelve months and a report made to the Estates Committee with recommendations on continuing provision.

28.16 The Bloomsbury Colleges ‘Greenthing’ environmental management project won a ‘Highly Commended’ award in the Best Newcomer category in the Green Gown Awards for environmental excellence in higher education. A new Bloomsbury Colleges Environmental Manager had been recruited and was reporting to Estates Committee on the potential for further improvement and Bloomsbury Colleges collaboration on environmental issues.

29 HR STRATEGY AND POLICY COMMITTEE
Received
29.1 The Report of the HR Strategy and Policy Committee. (F 2012 24)
Noted
29.2 HRSPC was continuing its policy review, aiming to identify areas where HR policies could be simplified and take into account legislative changes. It was confirmed that the Unions had been consulted on and had agreed to the new policies forwarded for approval.

29.3 Members heard that the College was aiming for a take-up rate of at least 60% in the staff survey. This was on advice from the survey provider that this was an achievable rate within the sector. A comprehensive communication plan was being put together to alert staff to the survey and encourage them to answer it, and work was being done to optimise the design of the survey so that it was easy to answer and provided the right information. The survey would also be sent to Teaching and Scholarship staff.

**Recommended to the Governors:**

29.4 Approval of:

- Fixed Term Contracts policy
- Redundancy policy
- Redeployment Policy

30 **SAFETY COMMITTEE**

Received

30.1 The annual Report of the Safety Committee. (**F 2012 25**)

   Noted

30.2 The Committee asked for the report’s statement on under-reporting of incidents to be reviewed.