32 DECLARATION OF INTERESTS
   Noted
32.1 Members of the Committee were asked to disclose in advance any actual or potential
countlicts of interest in relation to the matters listed on the Agenda. No substantive
counters were disclosed. Mr Allison noted a consultancy arrangement with KPMG, the
College’s external auditor.

33 MINUTES
   Confirmed
33.1 The Minutes of the meeting of 4 March 2010.

34 REPORT TO THE GOVERNORS
   Noted
   (F 2009 34)

35 MATTERS ARISING

   Students’ Union Financial Statements
   Noted
35.1 The Committee had expected to receive the audited accounts of the Students’ Union
for the financial year 2008-09 at its last meeting. The accounts had not been
submitted and it was reported that the Audit Committee had asked the College’s internal auditor to report on the financial management of the Union, following reports of concern over expenses reimbursements.

35.2 The auditor had made a number of recommendations which the Students’ Union representative reported were being implemented by the Union’s trustees with a view to the Union submitting its audited accounts to the Governors meeting on 1 July. College management had responded emphasising the need to move on from stated intentions to a position where all could see the accounts and understand the financial position of the Union.

36 FORECAST BUDGET OUTTURNT 2009-10
Considered

36.1 A report from the Director of Finance on the forecast budget outturn for 2009-10 and a comparison with previous estimates. (F 2009 35)

Noted

36.2 The forecast deficit had decreased from £1,005K to £493K since March 2010, an improvement of £512K. The main cause of the variance was an increase in tuition fee income compared with the forecast. The release of portions of the SDF grant into expenditure headings had also improved the overall position. The £300K contingency provision had been released.

Endorsed

36.3 Allocation of an additional £150K to the long term estate maintenance budget. There was a need to ensure the viability of the fabric of the College as well as its finances.

Noted

36.4 The major uncertainty remaining in the 2009-10 budget was the impact of fluctuations in the financial markets on the College’s investments. If there was a loss this would be reflected in the year-end operating position.

36.5 The £500K provision made in 2008-09 for potential clawback of HEFCE funding would be carried forward if necessary. The Committee discussed the possibility of this situation recurring and heard that the College now had a better system in place for predicting fundable student numbers, including assessment of students’ ELQ status.

36.6 F&GPC was pleased to note the increase in room letting income. It was reported that the College aimed to continue to capitalise on its space and was planning additional teaching rooms in the Russell Square premises.

36.7 The increased spending on redundancy costs reflected the operation of the Voluntary Severance and Early Retirement scheme which was being resourced by the SDF grant.

Endorsed and recommended to Governors for approval

36.8 The forecast budget outturn 2009-10.
Budgetary matters referred by the Strategic Planning Committee

37 STRATEGIC PLANS
Noted
37.1 The College Strategic Planning Committee (SPC) had considered the first iteration of School and professional services strategic plans, including School strategies for student recruitment, learning and teaching, research; and professional services plans for supporting these activities. The plans were costed and this was the first time planning had been conducted in and by the Schools, replacing the previous centrally generated budget. The plans set out clear and sensibly argued strategies for each School, marking a positive development in the transformation of the College.

37.2 The School plans included student recruitment targets for 2010-11 to 2013-14, reflecting new programmes including multiple pathway degrees in Arts, Social Sciences and Business as well as expansion of existing programmes at undergraduate and postgraduate taught level in the home and international markets. The targets were ambitious and would if achieved secure the student numbers needed to convert post-ELQ safety net funding into recurrent teaching funding by the last-chance year of 2011-12. The plans forecast significant growth beyond that target.

37.3 SPC had also noted the risks involved in agreeing ambitious targets and planned to monitor student recruitment closely next term.

Endorsed
37.4 SPC’s commendation of the School plans and request for them to work to deliver the forecast numbers and continue to plan for expansion.

38 HEFCE FUNDING
38.1 SPC reported that the College’s provisional recurrent HEFCE funding for 2010-11 had been cut as expected although the actual cut (0.7%) was smaller than anticipated due to £723K of moderation funding, allocated for one year only to mitigate changes in HEFCE funding policy. This roughly equated to the loss to the College from reduction in funding for postgraduate taught programmes, library and classroom based subjects. SPC convened a working group to consider pricing strategy to make up these losses.

38.2 HEFCE had conducted a sector-wide exercise to fine institutions for over-recruiting full time undergraduates in 2009-10. Birkbeck’s HEFCE student number targets were all part-time. Birkbeck recruited c70 full time ELQ non-fundable graduate diploma students in 2009-10. Although these students were not fundable, this triggered a fine of £225K. Having discussed this issue with the funding council, the College would be returning these students in future as part time but with a full time equivalence of one, provided they were being taught in the evening.

Note: The College’s appeal against this fine was successful.

39 FEES BURSARIES AND SCHOLARSHIPS
39.1 The tuition fee income projections in the School plans reflected the move to higher tuition fees, implementing the tiered tuition fees endorsed by F&GPC and agreed by Governors in November 2009. The strategy was to align, incrementally and pro rata, the main undergraduate fee with the current full-time figure fee in the HE sector.
39.2 The national (Browne) review of student funding and finance had entered its second phase with a call for further evidence. Birkbeck responded in partnership with the Open University, making the case for the important contribution of part time HE and the need for accessibility and fair funding.

39.3 SPC reported its agreement of an undergraduate bursary scheme, open to all students in receipt of the state Part Time Student Grant (PTG), “topping up” the PTG to the full tuition fee. This would allow for a strong and positive message for the student recruitment drive and the College’s submission to the Browne review.

39.4 The cost of the undergraduate bursary scheme was forecast to be £1.2M in 2010-11 and provision had been made in the 2010-11 budget estimates. The income would come from the Government's Additional Fee Support Scheme funding, a donor fundraising target of £300K and a College allocation.

39.5 SPC would consider the allocation of funds for bursaries annually, taking into account ongoing commitments to continuing students, the previous year’s tuition fee income, forecast student numbers and income and predicted numbers of new bursary applications. It was also overseeing the development of cost effective postgraduate and international scholarship schemes.

40 BUDGET ESTIMATES AND INCOME DISTRIBUTION MODEL 2010-11

Considered

40.1 The draft Income Distribution Model budget estimates for 2010-11, forecasting income and direct and indirect expenditure for the five Schools. (F 2009 36)

40.2 The draft College level budget estimates for 2010-11. (F 2009 37)

40.3 The IDM and College budget were based on the student and staff numbers in the School and professional service plans. Schools had also forecast their non-staff and sessional teaching budgets; and professional services sections their operating budgets charged to Schools as indirect costs. Non-staff cost estimates were based on a combination of costing planned activities and using previous years’ spending as a baseline.

40.4 SPC agreed that the 2010-11 budget estimates should include a £2.5M moderation factor for tuition fee income, to offset financial planning risks given that it may not be possible to meet the new targets immediately.

40.5 SPC also oversaw a review of projected spending noting that, in the current circumstances and economic climate, it would not be appropriate to propose a substantial deficit budget. SPC proposed a subsequent review of expenditure at the mid-point of the financial year in the light of enrolled student numbers.

40.6 The format of the College level budget had been amended to align with the IDM and was presented with a schedule formally reconciling the two modes of presenting the figures. Reflecting the move to devolved budgeting, the figures were presented in terms of the functional and academic areas with financial accountability, rather than as previously by generic categories of expenditure. This change would facilitate closer in-year monitoring of budgets variance.

40.7 The overall position, taking into account the 32.5m tuition fee moderation and a £1M contingency position, was a forecast deficit of £457K.
Compared with the previous year there was increased income overall (8%), with more income coming from tuition fees and proportionately less from HEFCE grant and research grant and contract income, together with a moderate increase in expenditure reflecting increased student numbers and agreed expansion plans. School direct non-pay costs had increased reflecting the inclusion of postgraduate research bursaries previously held centrally; increased payments to partner institutions for expanding collaborative programmes; and externally funded research training grants. Discounting these factors the increase in School core non staff costs was 6%. Forecast expenditure in the central and professional services was level compared with the previous year.

Recommended to Governors

Provisional approval of the 2010-11 budget, subject to a formal budget review process in January, at the mid point in the financial year, to be considered by F&GPC and Governors at their Spring term 2011 meetings.

INVESTMENT COMMITTEE

Received

The Report of the Investment Committee (F 2009 38)

The new fund managers Newton were now fully installed. The market was currently volatile so the year end position was not clear-cut.

STRATEGIC PLANNING COMMITTEE

Received:

The Report of the Strategic Planning Committee. (F 2009 39)

Noted

In addition to the budget related matters minuted above, SPC reported on the management of student recruitment and retention. Each School now had an Assistant Dean for recruitment and retention who was a member of the College student recruitment monitoring group reporting to SPC. This was part of a more concerted recruitment management process, supported by improved reporting capabilities directly linking course recruitment targets to the current state of play in terms of applications, offers and enrolments. Early indications of student recruitment for 2010-11 were good, with increases in undergraduate and postgraduate taught programmes. The group would be meeting regularly over the summer.

The new student retention strategy focused learning support resources on the pre-entry and early stages of the undergraduate student journey with resource allocated to all Schools. This was being implemented for 2010-11.

SPC had also established an International Working Group which was developing international student recruitment strategy; links with prestigious overseas universities; and support and networking facilities for international students already at Birkbeck. There had been a 30%+ increase in international student enrolments in 2009-10, leading to £4M income compared with £3M the previous year.

ESTATES COMMITTEE

Received

The report of the Estates Committee. (F 2009 40)
43.2 Estates Committee reported progress in the implementation of the Estates Strategy and commended the Estates team for the extent and efficiency of their work.

43.3 Refurbishment and relocation at Gordon Square was proceeding in preparation for the School of Arts to be fully in place for the 2010-11 academic session.

43.4 In order to start refurbishment quickly, separate planning applications were being made for minor work in houses 27-28 and more extensive work in houses 25-26. Planning consent for 27-28 had been secured and building work had commenced. The planning application for 25-26 was for a lift, a single reception area and internal access between houses 26 and 27. Donor funding was being explored and the Russell Square budget would be reviewed and re-presented once the building tenders had been evaluated.

43.5 Birkbeck and the Wiener Library had concluded lease negotiations for 29 Russell Square and the agreed lease had been drafted in preparation for signing following consultation with the University of London.

43.6 An agreement with the University had been signed for £600K compensation to Birkbeck for relinquishing space in Senate House North Block. Birkbeck would therefore not be pursuing the option of partnership in a lease agreement for 31 Tavistock Square, which SOAS was acquiring from the University.

43.7 Work continued in the basement to construct a data centre, soundproof testing booths and refurbished laboratories.

43.8 The main reception lifts would be replaced over the summer vacation. It was reported that the new lifts will be faster and larger and should be more reliable.

43.9 Registry Services would relocate from the ground floor of Malet Street during the summer. The student centre and student services would remain at Malet Street and additional teaching space would be planned for the space vacated by Registry Services.

43.10 Estates Committee reported on the implications for Birkbeck of the Government’s Carbon Reduction Commitment. The Government had confirmed that it would consider the Colleges of the University of London as a single entity for the purposes of this exercise, although the performance of each College would be evaluated separately. Collectively, the University was over the carbon emission threshold and would be required to offset via carbon trading. Registration with the Government scheme would cost £60K.

43.11 The College had secured £800K in interest free loans from Salix (a company funded by the Carbon Trust which supports the public sector to reduce energy consumption) for installing energy efficient heating and cooling systems.

43.12 Funding had been secured from the HEFCE Leadership and Governance fund towards an environmental manager post, to be shared between the Bloomsbury Colleges (Birkbeck, School of Pharmacy, LSHTM, and SOAS). The recruitment process had commenced.
43.13 Estates Committee reported on progress in the teaching space project which aimed to introduce better links between teaching planning and teaching room booking, enabling more efficient use of the space. The project was also reviewing teaching patterns and the use of external space. A parallel review of media services had made recommendations to standardise and improve support for audio visual technology in teaching rooms.

43.14 Student expectations of the quality of teaching space would rise as tuition fees increased and that there was a need to promote use of technology outside as well as inside classrooms, including e-learning and blended learning.

43.15 Estates Committee received and was satisfied with reports on progress on previously agreed Estates projects and the budgetary management of these projects.

43.16 Estates Committee considered proposals for the 2010-11 Long Term Maintenance programme and budget. It noted that, as College finances remained limited, the need to limit the Long Term Maintenance budget was ongoing. An allocation of £550K was made in the 2010-11 budget estimates, with an additional £150K to be released if resources allowed during the year. As in previous years, the work had been prioritised so that urgent work and work required for safety or to comply with legislation was funded. There was less unfunded work compared with previous years because it had been possible to accommodate some work as part of routine maintenance and the refurbishment and relocation programme.

43.17 Estates Committee reported that the contractor providing the Combined Heat and Power system (shared with the University of London, SOAS, IoE and UCL) had been acquired by a new parent company, making it necessary to change the parent company guarantee. To effect this, Birkbeck required to sign and seal a new guarantee and a Deed of Release for the guarantee with the former contractor.

Endorsed

43.18 Estates Committee’s recommendation that Governors authorise the use of the College seal for a new guarantee and a Deed of Release for the guarantee with the former heat and power contractor.

44 HUMAN RESOURCES POLICY AND STRATEGY COMMITTEE

Noted

44.1 The HRSPC Committee did not meet as there was no substantive business following consideration of new and revised policies at the previous meeting.

Note: Paper reference F 2009 41 not used.

45 REMUNERATION COMMITTEE

Noted

45.1 The Remuneration Committee has agreed, given the financial position of the College, not to consider proposals to increase the remuneration of senior postholders above the standard cost of living increase. Promotion and contribution related pay panels for other postholders went ahead according to the usual procedures.

46 FINANCIAL REGULATIONS AND RELATED DOCUMENTATION

Received
46.1 A report on progress in developing new financial regulations and related documentation. (F 2009 42)

        Noted
46.2 Officers were amending financial regulations and would circulate updated regulations reflecting the College’s new structures.

47 COMMITTEES OF F&GPC 2010-11
Noted
47.1 The Terms of Reference and the Schemes of Membership of the Committees reporting to F&GPC in 2010-11. (F 2009 43)
        • Estates Committee
        • Human Resources Policy and Strategy Committee
        • Strategic Planning Committee
        • Investment Committee
        • Safety Committee

        Agreed
47.2 The Chair of F&GPC to be an ex officio member of the Investment Committee.

48 ELECTION OF CHAIR FOR 2009-10
Agreed
48.1 To elect Mr Paul Shelton as Chair of the Finance and General Purposes Committee for 2010-11.

        Noted
48.2 The Committee was unanimous in thanking the outgoing Chair Mr Richard Agutter for his enormous service to the College as Chair of F&GPC, Investment Committee and as a senior independent Governor.

49 DATES OF MEETINGS IN 2010-11
Noted
Dates of meetings in 2010-11
        • Tuesday 16 November 2010
        • Thursday 3 March 2011
        • Wednesday 22 June 2011

        all at 4.30 pm.