BIRKBECK  
University of London

GOVERNING BODY

Minutes of meeting held on 17 November 2015

Present
Sir Harvey McGrath (Chair), Professor Matthew Innes, Mr Robert Allison, Professor David Latchman, Dr Joanne Leal, Mr John Lindner, Ms Caroline Luker, Dr Ruth Thompson, Mr Peter Zinkin, Mr John Biggs, Ms Julia Collins, Mr Stuart Popham, Professor Sasha Roseneil, Mr David Kirkman, Mr Clive Birch, Dr Jennifer Fraser, Dr Eddie Bruce-Jones

In Attendance
Mrs Katharine Bock (Deputy College Secretary Governance), Mr Keith Harrison (College Secretary and Clerk to the Governors), Ms Roisin Lynch (Governance and Corporate Support Co-ordinator), Mr Keith Willett (Director of Finance), Mr Jeremy Tanner (Director of Commercial Services and Estates Development), Mr James Smith (Director of Process Improvement and Corporate Information Systems), Mr Jonathan Woodhead (Interim Policy Advisor)

Apologies
Mr Hugh Ferrand, Ms Elizabeth Meek, Professor Costas Douzinas

1 DECLARATION OF INTERESTS
Governors were asked to disclose in advance any actual or potential conflicts of interest in relation to the matters under discussion. No such conflicts were noted.

2 MINUTES
Confirmed
The Minutes of the meeting of 23 June 2015.

3 MASTERS REPORT
Noted
3.1 The Master would be taking the lead for the policy and political lobbying work that had previously been part of the Pro Vice Master Student Engagement and Recruitment portfolio, assisted by the newly appointed Interim Policy Advisor.

3.2 The Government’s proposals for postgraduate student loans restricted eligibility to students under the age of 30. The College would lobby to raise the age limit as the current proposal would clearly disadvantage many potential Birkbeck students. The College would also continue to support the interests of part-time students by arguing for an extension of the subject areas in which those studying for an Equivalent or Lower Qualification (ELQ) would be eligible for student loans, and by stressing the benefits to the economy of part-time provision. Recent Government figures had indicated that graduates with part-time student loans paid back more of their loans than those who had studied full-time.
Secretary’s note: the report of the Comprehensive Spending Review/Autumn budget Statement confirmed that postgraduate loans would be available to students under the age of 60 from 2016/17 and that undergraduate part time students would be eligible for maintenance loans from 2018/19.

3.3 The Government was proposing a levy on businesses to fund an increased number of apprenticeships, and the College was considering how to engage with this through the development of higher level degree apprenticeships in partnership with employers.

4 GREEN PAPER

4.1 A paper on the Higher Education Green Paper, *Fulfilling Our Potential: Teaching Excellence, Social Mobility and Student Choice* (G 2015 01)

Noted

4.2 Governors noted the key themes of the Green Paper, which included proposals to create a Teaching Excellence Framework (TEF); to create an Office for Students (OfS), replacing HEFCE, the Quality Assurance Agency (QAA) and the Office for Fair Access (OFFA); and confirmation that the next Research Excellence Framework (REF) would take place by 2021. The emphasis was on accountability to students and market liberalisation.

4.3 The TEF would be rolled out from 2016-17. Members noted that, while it was important to ensure high quality teaching, there were concerns around the potential for un-contextualised metrics give an inaccurate impression of the College’s performance. The Green Paper proposed that TEF could be used in the future to decide which institutions would be allowed to raise their fees in line with inflation. Work had already begun to assess how Birkbeck was likely to perform in the TEF.

4.4 The percentage of academic staff with formal teaching accreditation had been raised as a potential future metric. Birkbeck had moved to a policy of requiring accreditation for promotion from Lecturer A to Lecturer B status, but some longer-serving staff did not have accreditation. Governors endorsed the College’s work to support these staff in gaining accreditation.

4.5 Governors heard about concerns about the Green Paper’s statement that institutions with good research were not good at teaching, and vice versa. The proposed new OfS would be responsible for teaching funding but not research funding, and this separation could introduce a false dichotomy between research focused and teaching focused institutions. The Nurse Review of the UK Research Councils, which had also recently reported, recommended consolidation of the administrative functions of the Councils into a single body, which would be an obvious contender to succeed HEFCE in handling Quality Research (QR) funding, based on REF outcomes. This could lead to a longer term threat to the dual research funding system, with separate streams for institution funding based on REF and project funding based on bids to the Research Councils.

4.6 Birkbeck would respond constructively to the consultation on the Green Paper noting the parts of it which were to be welcomed as well as areas of concern,
emphasising the need to support part-time HE and social mobility, and the importance of selecting appropriate TEF metrics and allowing for contextualisation of data.

5  AUDIT COMMITTEE ANNUAL REPORT
   Approved
5.1 The Annual Report of the Audit Committee 2014-15, enclosing the Internal Auditors annual report (G 2015 02)

   Noted
5.2 Governors were satisfied with the Audit Committee’s opinion that Birkbeck’s systems for risk management, control and governance; and promotion of economy, efficiency and effectiveness and securing value for money, were adequate and effective.

5.3 Audit Committee was maintaining a focus on student services, noting that the quality of services would be reflected in the National Student Survey results, which were also likely to be one of the metrics used for the TEF. International student visa compliance would also be revisited, as the potential consequences of not being compliant in this area were so significant. The complex area of visa compliance for staff recruited internationally would also be monitored.

5.4 Audit Committee had noted that for historical reasons two of the five Schools operated their own IT systems. It had asked the internal auditor to look at the systems in these Schools as part of the next round of internal audit and consider whether these should be brought under the management of the central IT Services Department.

5.5 Audit Committee continued to monitor student debt management. There had been significant improvements, but as this was such a critical area the Audit Committee would continue to receive reports on progress in the ongoing work to improve the College’s debt position and debt collection processes.

5.6 Audit Committee had been disappointed with the uptake of the Progress and Development Review (PDR) system among academic staff. Governors were pleased to hear that the College was introducing an enhanced, compulsory PDR process.

5.7 Audit Committee had reviewed the arrangement for external audit provision in consultation with College management and agreed that the current arrangement was satisfactory and should continue.

6  FINANCIAL STATEMENTS
   Noted
6.1 Having discussed the audit of the financial statements with the external auditor, Audit Committee confirmed its opinion that that the Financial Statements gave a true and fair view of the state of the affairs of the College at 31 July 2015, and recommended that the Chair of Governors be authorised to sign the letter of representation to the external auditor, concluding the audit.
Approved
6.2 The financial statements for the year ending 31 July 2015 (G 2015 03)

Agreed
6.3 To authorise the Chair of Governors to sign the letter of representation to the external auditor (G 2015 04)

7 ESTATES STRATEGY
Received
7.1 A paper on the 10 year Estates Development Plan (G 2015 05)

Noted
7.2 Governors noted the underlying objectives and principles guiding the developing Estates Strategy. The College’s aim was to optimise the student experience by having as much teaching and student services as possible on the Torrington Square campus, to deliver all teaching in Birkbeck-managed space and to improve teaching, learning and student-facing facilities and research infrastructure.

7.3 Birkbeck currently spent significant sums on renting external rooms for teaching, while student feedback indicated a preference to be taught in Birkbeck space, as close as possible to the facilities on the main campus. Staff Governors noted that quality and location of teaching space was a key concern for students which they frequently raised. The proposed approach would concentrate teaching and student space in or close to Torrington Square and create office and research space nearby.

7.4 Governors noted that while extensive building work was likely to have a negative impact on the student experience in the short term, it was necessary to make long term improvements.

7.5 Governors noted that common space and social space, including space available in the daytime, was increasingly important to students and had an impact on their satisfaction. Increasing the estate owned by the College and thus reducing the current space pressures would allow more facilities of this kind to be created.

7.6 Governors noted the six key zones for potential development. Of these, Cambridge House (minutes 7.11-7.12), rebuilding the Malet Street extension, and development of the infill site on the Malet Street side of the main building would be given priority in the development plan as they were the opportunities that the College had the most direct control over, with no competition for the sites. The other identified zones were more complex and would require further consideration.

7.7 Part of the resource for development could be found by achieving the planned annual operating surpluses of 5% of turnover. There were also opportunities for collaborations which could attract investment as well as allow for sharing costs, in particular with UCL. The 200th anniversary of the College in 2023 represented a unique fundraising opportunity. Birkbeck currently had no borrowing, so a loan could be part of the resourcing package, although the costs of borrowing would need to be taken into account.
7.8 Governors affirmed their support of the general principles of the approach to estates development. Further reports would be made to future meetings.

7.9 College management thanked Mr Peter Zinkin for the advice and guidance he had given the College on estates strategy development.

Received

7.10 A paper on development options for Cambridge House (G 2015 06)

Noted

7.11 Governors heard that work was underway on confirming the development options and best use case for Cambridge House. It had been established that a substantial increase in the size of the property could be achieved either through rebuilding or extension. Two key use cases, one involving research use, potentially the Centre for Brain and Cognitive Development, and one involving office use, potentially the School of Business, Economics and Informatics, were under consideration. The preliminary costings for purchase and redevelopment ranged from £31.5M (the base case on which the decision to buy the property had been based) to £41.2M.

7.12 A more developed options analysis including clear plans for potential use of the building and additional space and estimates of additional costs would be brought back to a future meeting of the Governors for a decision.

Bedford Square

Received

7.13 A paper on the proposed disposal of the lease for 7 Bedford Square (G 2015 07)

Noted

7.14 The College had received an offer of £5.2M for the leasehold interest in 7 Bedford Square from the London School of Business & Management (LSBM), to whom Birkbeck rented significant teaching space on an annual basis. Having considered advice from College’s property advisors, Estates Committee had recommended that this offer should be accepted. The offer was linked to a parallel agreement on an extended rental of teaching space.

7.15 The building was in need of refurbishment costing an estimated £500K. It was confirmed that LSBM were aware of this, and had also agreed that their occupation of the building could be deferred while Birkbeck was using it as emergency decant space following structural issues at 32 Torrington Square.

7.16 There were several reasons why the building was not strategically useful to the College, including Grade 1 listing preventing the College from changing the original residential layout, and a B1 (office use) planning classification, which meant that international students whose Visas were sponsored by the College could not be taught in the property. The freeholder did not support changing the classification to D1 (educational use).

Approved

7.17 The sale of the long leasehold interest in 7 Bedford Square, as described above.
8 HR/PAYROLL AND FINANCE SYSTEMS REPLACEMENT

Received
8.1 A paper on progress and proposed next steps in the project to replace the HR/Payroll and Finance Systems (G 2015 08)

Noted
8.2 Work was progressing well, with project governance established, requirements and risks confirmed, invitations to tender issued, and bids received. There were options to purchase a single comprehensive system or two separate systems. Governors noted the need to minimise integration problems from multiple systems.

8.3 Governors noted the relatively small number of bidders and heard that this was as expected given the size of Birkbeck as an institution and the current market.

8.4 An indicative maximum cost had been developed, based on the price range of the systems under consideration and including staff costs for implementation. F&GPC had noted the need to monitor implementation costs carefully as they could escalate quickly with a project of this nature and size.

8.5 The new system(s) would better support the College in planning for financial sustainability, budget management and monitoring and meeting current and future regulatory requirements.

Approved
8.6 The approach to HR/Payroll and Finance system replacement project governance, management and implementation, timescales, and assessment of the key high level risks and responses.

8.7 Delegation of authority for formal approval of the project expenditure budget to a small group including the Chair and Deputy Chair of Governors, the Chair of F&GPC, the Chair of Audit Committee, the Master and the College Secretary, which would be convened once the preferred supplier(s) were identified.

9 CUC CODE OF GOVERNANCE
STATEMENT OF GOVERNORS’ PRIMARY RESPONSIBILITIES
Considered
9.1 A report on compliance with the Committee of University Chairs (CUC) Code of HE Governance (G 2015 09)

Noted
9.2 HEFCE had confirmed its expectation for institutions to comply with the CUC Code of Governance. The College’s corporate governance statement for 2014-15, which was part of the Financial Statements, confirmed Birkbeck’s compliance and this report set out a checklist assuring compliance with the Code.

9.3 The CUC Code included an expectation for the College to take practical steps to ensure the SU operated democratically, accountably and in a financially sustainable manner. To this end, the Academic Registrar had agreed a set of KPIs with the Students Union, on which the SU would provide assurance annually.
9.4 The Statement of Primary Responsibilities of Governors and responsibilities delegated to Committees 2015-16 (G 2015 10).

9.5 The document had been revised to bring it into line with the model in the CUC Code. The revision process had identified a need to update the definitions of the responsibilities of F&GPC and the Investment Committee in relation to finance operations, banking, investment management and loans; and of the Academic Board and its Executive Committee in relation to academic policy management.

Agreed
9.6 The Terms of Reference of the Remuneration Committee should be amended to include a remit to consider the public interest alongside the interests of the College, as required by the CUC Code.

9.7 Approval of the Statement of Primary Responsibilities of the Governors 2015-16 and referral of the delegated areas earmarked for update to the relevant Committees.

10 FINANCE AND GENERAL PURPOSES COMMITTEE
Received
10.1 The Report of the Finance and General Purposes Committee (G 2015 11)

Noted
10.2 Governors heard that the estimated surplus for 2014-15 was £5.5M, whereas the actual surplus was £9.8M. Some of the contributing factors to this large variance were difficult to predict and unknown until year end, such as contribution to the bad debt provision, but other activity was within the College’s control. In particular, non-staff spend had been based on an increase to the previous year’s budget but the levels of actual expenditure had been lower, leading to an increasing annual underspend. F&GPC would keep this matter under review.

10.3 Due to lower than expected student recruitment the College was anticipating an income shortfall of £5M for 2015-16, larger than the contingency provision of £3.157M. F&GPC endorsed a proposal to rebalance the budget to return to the planned £5.5M surplus. The College needed to generate surpluses of this size to resource the estates strategy and support teaching and research.

10.4 F&GPC approved a new Investment Policy and noted that an additional section setting out ethical investment policy was being developed. The adoption of an ethical investment policy was supported by students. Governors noted that this was a complex area which deserved careful consideration and should be considered in a broad forum. Further work would therefore be brought back to F&GPC and Governors for discussion.

11 AUDIT COMMITTEE
Received
11.1 The report of the Audit Committee (G 2015 12)
Noted

11.2 Audit Committee had reviewed the draft annual Assurance Return to HEFCE and had approved sign-off, noting that appropriate assurance had been obtained for each item listed.

11.3 Audit Committee had considered and was satisfied with a report on measures to improve Value for Money. It noted that HEFCE was drafting a framework on efficiency in Higher Education including sector and institution level indicators. The metrics coming out of this framework could potentially be linked to the TEF. Audit Committee would keep this matter under review.

11.4 Audit Committee forwarded an update on the management of the College’s top ranked risks, noting that the rating of the top risk, inability to maintain financial sustainability and secure sufficient tuition fee income, had been raised temporarily because the student recruitment targets for 2015-16 had not been met. The risk rating would be reviewed again when the rebalancing of the budget noted in Minute 10.3 had been agreed.

11.5 Audit Committee’s work on the 2014-15 financial statements and its 2014-15 report to Governors is described in minutes 6 and 7 above.

12 ACADEMIC BOARD

Received

12.1 The report of the Academic Board (G 2015 13)

Noted

12.2 Academic Board noted that a new Pro Vice Master (PVM) portfolio of Access and Community Engagement had been created. This role would include responsibility for Stratford, Tottenham, and other community partnerships. This position had been advertised across the College. A shortlist of applicants would be interviewed by a panel chaired by the Master. The Master would, after considering advice from the panel, make a recommendation to Governors regarding the appointment.

Note: Governors subsequently approved by email the appointment of Dr Roz Dixon as PVM Access and Community Engagement.

12.3 Academic Board reported that Research Committee had established a suite of working groups to assist it in its broad remit of work. These groups would coordinate the implementation of the Research Strategy and would also take forward work coming out of the recent Postgraduate Research Student Review.

12.4 Academic Board had approved a new Student Complaints Policy and Procedure, written in response to guidance from the Office of the Independent Adjudicator for HE and the QAA. Academic Board agreed that the Fitness to Study Policy, which had been revised to reflect best practice in the sector and to provide more clarity and consistency, should go through another round of consultation with the Executive Deans and final approval should be taken by Chair’s Action.
Approved

12.5 Conferment of the title of Emeritus Professor on Professor Philip Dewe. Governors noted their thanks to Professor Dewe for his work for the College, which had also been recognized with a Fellowship.

13 COUNTERTERRORISM AND SECURITY ACT 2015

Received

13.1 A note on the duties for HE institutions prescribed in the new Counterterrorism and Security Act (G 2015 14)

Noted

13.2 The Counterterrorism and Security Act conferred on a group of “specified authorities”, including universities, a duty to have due regard to the need to prevent people from being drawn into terrorism – the ‘Prevent duty’.

13.3 Governors heard that, as a community, Birkbeck valued being able to operate inclusively, with diverse views and expressions and vigorous debate. The College was proud of its radical beginnings as a college specifically for working people, with an academic culture built on the concept of radicalism. There were therefore reservations within the College community about any initiative to curb radicalism. However, College management, with due regard to the law and the responsibility to safeguard vulnerable individuals, was taking practical steps to assure the College community and the Governors that Birkbeck would fulfil the duty in a way that complemented the College’s ethos and was of genuine benefit to individuals.

13.4 The College had set up a working group, chaired by the College Secretary and bringing together academic and operational staff and the Students’ Union, to work through the new requirements and produce a risk assessment and action plan. It was expected that HEFCE would be the body to which institutions would report on compliance with the Prevent duty.

13.5 The College’s policies for external and internal room bookings, external speakers and freedom of speech would be reviewed to ensure they met the Prevent duty expectations. A risk management based approach would be introduced, involving event organisers in risk assessment and identifying a chair or event manager for each event who would take responsibility for being present and promoting a balance of expressed views.

13.6 Governors asked for equalities considerations to be taken into account as part of the risk assessment of events and for provision for representatives of the academic community to be involved in decisions about events and speakers. The current freedom of speech policy referred decisions about controversial external speakers to the Academic Registrar. An option under consideration for the revised policy was to refer these decisions to a broader group. The policy would continue to balance individual’s rights to freedom of speech with everybody’s right to be safe and free from harassment.

13.7 Governors asked about monitoring of Internet use and filtering of content, and heard that Birkbeck did not do this and that initial views from other HE institutions had not indicated that this practice would be widely adopted. Governors asked
College management to review guidance and practice on filtering in more detail and report back.

14  **SEALING OF DOCUMENTS**
Received
14.1 A note on use of the College Seal since the last meeting *(G 2015 15)*

Noted
14.2 Two documents had been sealed since the last meeting, in relation to the lease of part of 18-20 Gower Street, and a deed of assignment to transfer the Institute of Education’s property interest in 36-38 Gordon Square to its new parent UCL.

15  **MEMBERSHIP OF THE GOVERNING BODY**
Noted
15.1 The membership of the Governing body for 2015-16 *(G 2015 16)*

16  **BIRKBECK STATISTICS BOOK**
Noted
16.1 The Birkbeck Statistics book was available on the website: [http://www.bbk.ac.uk/committees/governors](http://www.bbk.ac.uk/committees/governors)

17  **MEETING DATES**
Noted
17.1 The dates of the remaining meetings this session:
   - Wednesday 3 February 2016 (Awayday)
   - Tuesday 15 March 2016 at 4.30pm
   - Thursday 30 June 2016 at 4.30pm