BIRKBECK COLLEGE
University of London

GOVERNING BODY

Minutes of meeting held on 25 November 2014

Present
Mr Harvey McGrath (Chair), Mr Richard Abbott, Mr Robert Allison, Mr Charles-Michael Berry, Mr John Biggs, Ms Julia Collins, Professor Philip Dewe, Professor Costas Douzinas, Dr Rebecca Gumbrell-McCormick, Professor Matthew Innes, Professor David Latchman, Dr Joanne Leal, Mr John Lindner, Ms Caroline Luker, Ms Liz Meek, Mrs Joy Manners, Mr Stuart Popham, Professor Julian Swann, Dr Ruth Thompson, Mr Peter Zinkin

In Attendance
Mrs Katharine Bock (Deputy Secretary (Governance)), Mr Keith Harrison (College Secretary and Clerk to the Governors), Ms Tricia King (Director of External Relations, for item 1), Ms Roisin Lynch (Governance and Corporate Support Co-ordinator), Mr Keith Willett (Director of Finance)

Apologies
Mr Hugh Ferrand

1 REPORT FROM THE PRO-VICE-MASTER FOR STRATEGIC ENGAGEMENT AND RECRUITMENT

Noted

1.1 A presentation from the Pro-Vice-Master for Strategic Engagement and Recruitment explaining strategies for recruitment, retention and strategic engagement. It was noted that recruitment represented 70% of Birkbeck’s income, and was therefore of the utmost importance to the College. The College had maintained its recruitment levels through two crises in recent years: cessation of funding for ELQ students and the introduction of higher undergraduate fees in 2012 which had had a seriously adverse effect on the part time market. Staff Governors noted the need to maintain academic quality and a good learning experience, which required appropriate resources and staffing levels. The Master noted that HEFCE had asked the College to reduce staff costs as part of the response to the ELQ crisis, and that now in most cases managing staff costs had been delegated to the Schools. Birkbeck ranked well nationally in terms of staff/student ratio and put strong emphasis on upholding academic standards. Governors also heard that, while the immediate crisis was over, there was a real need to avoid complacency about student recruitment. Efforts to maintain and increase recruitment needed to continue to ensure the College’s future sustainability.

1.2 Governors heard that there was increased recruitment of younger students but that the kinds of students who were coming to Birkbeck seemed to identify with the College’s mission and have typical “Birkbeck” attitudes to learning: they were serious about their studies and about opportunities to combine them with working and other activities. However, the College was working on modelling the likely proportions of students in the future, as more cohorts of full time students came
through Birkbeck. There was a need to make decisions about what the College should look like in the future, and then consider how to make that happen.

1.3 The current recruitment market was challenging for Birkbeck, but presented many new opportunities. Most undergraduate recruitment was now done through the mainstream, and highly competitive, UCAS market, and at postgraduate level there was a lot of competitor activity, with universities setting up London campuses to try to attract the key market of postgraduate students moving to London to work. However, Birkbeck was confident about the desirability of its offer, which allowed graduates facing the prospect of large amounts of student loan debt to take on paid work at the same time as studying. While the College would continue with its high-profile outdoor marketing campaign, it was also looking at much more targeted digital marketing to attract the kinds of students who were most likely to apply.

1.4 A new student engagement strategy was being developed, which would fit alongside the existing teaching and learning strategy. This aimed to draw together student services, support and engagement with a broader community including alumni and supporters. Alumni were excellent advocates for the College and gave their time to mentor or buddy students at various points during the student journey. They were significant donors, and also acted as connections for the College with corporate contacts. Birkbeck was working with several corporate partners who were sponsoring students and helping to increase the employability offering Birkbeck could give its students.

1.5 The College was also looking to engage with the local, national and international communities. In London there was outreach work going on in Tottenham and Croydon, where non-traditional students could take part in the Higher Education Introductory Studies programme locally and then finish their undergraduate degrees at Birkbeck. Postgraduate recruitment had been targeted more broadly across the country, aiming at students who intended to move to London after their first degree. Connections were also being created internationally, including a recent trip to Seoul which had brought together alumni, prospective students, and employers and raised awareness of Birkbeck.

1.6 All members of the Birkbeck community were important advocates for Birkbeck, and Birkbeck’s governors had been of huge value both directly through their work for the College and through their connections and advocacy. The PVM for Strategic Engagement and Recruitment thanked them for this and asked them to continue to consider the role they could play in the development of strategic engagement.

2 DECLARATION OF INTERESTS
Noted

2.1 Governors were asked to disclose in advance any actual or potential conflicts of interest in relation to the matters under discussion. Mr Robert Allison noted a consultancy arrangement with the external auditor KPMG.

3 MEMBERSHIP
Noted

3.1 The Governors welcomed Dr Joanne Leal and Professor Costas Douzinas, the new Academic Staff and Academic Board Governors.
CONFIRMATION OF THE MINUTES
Confirmed
4.1 Members confirmed the minutes of the meeting of the Governing Body of 9 July 2014.

MATTERS ARISING
Noted
5.1 The proposed cuts to the Disabled Students Allowance had been suspended until 2016-17. The College was commended for its efforts in lobbying for the postponement of these plans but it was noted that the impact of the cuts would be significant once implemented. It was likely that College would need to provide more financial and assistive support to disabled students. Both academic and support staff would need to take a proactive approach to meeting the needs of disabled students after the cuts, and a working party was being set up to ensure the necessary changes were introduced.

MASTER’S REPORT
Noted
6.1 The College was committed to maintaining its ethos by providing flexible higher education, and therefore although it needed to explore different recruitment areas in order to survive the 2012 changes it was focusing mainly on evening provision. The younger students that were being recruited through UCAS still had the attributes of typical Birkbeck students, who were serious about studying, and wanted to do so in a way that could fit alongside other commitments.

6.2 The College was now in a position where it could make decisions about how the future should look rather than reacting to external changes in order to survive. Future strategy for the College would be discussed by the Strategic Planning Committee at their away day in January, which would then feed into the discussion at the Governors’ Strategic Horizons morning in February.

6.3 Members were updated on the College’s approach to the national pension dispute. The focus of Birkbeck’s management would be to maintain good relationships with the trade unions and work together within the parameters set nationally to minimise the impact on students. Action had been frozen until January pending discussions, and Staff Governors noted the Master’s encouraging influence in the reopening of national discussions.

ANNUAL REPORT OF THE AUDIT COMMITTEE
Approved
7.1 The Annual Report of the Audit Committee 2013-14, enclosing the Internal Auditors annual report (G 2014 01)

7.2 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.
7.3 The Audit Committee had increased the frequency of its meetings from three times per year to four times per year.

7.4 Audit Committee had been monitoring credit control and the management of student debt. While systems and controls were in place for the correct assignment and recovery of debts, more work was needed in this area. Governors heard that the majority of student debtors were self-financing students, with some of the rest of the debt due to sponsored students or delays in payment by the Student Loans Company (SLC). The SLC did not always deal efficiently with Birkbeck students who behaved differently to the mainstream, for example by enrolling later than normal in the cycle, or changing status from full to part time mid-way through their course. Student debt was a major issue for the College, so the Audit Committee agreed to keep this area under ongoing review.

7.5 The risk management profile of the College encompassed a range of issues from financial sustainability to student success. Over 2013-14 there had been an improvement to the overall risk profile and major risks were being managed well, though it was noted that the College should not become complacent. The nature of the financial sustainability risk would change as the College continued to shift its financial strategy from grant-based to fee-based, with income directly linked to success in student recruitment. HEFCE was taking a more focused interest in institutional financial sustainability data in order to be assured that institutions were in a position to take out larger loans. Whilst Birkbeck was not at a point where larger loans would be sought it was important that the required work around this issue was done in order to remain compliant.

7.6 Senior staff changes and the emerging risk of increased pension scheme costs were also noted. Governors were assured that the Audit committee would be closely monitoring pension costs.

7.7 The Chair of Governors thanked the Audit Committee for the diligence with which they undertook their substantial task.

8 FINANCIAL STATEMENTS 2013-14

Noted
8.1 The Audit Committee had considered and was satisfied with the report from the external auditors and confirmed to the Governors that the Financial Statements gave a true and fair view of the state of the affairs of the College at 31 July 2014. Audit Committee recommended that the Chair of Governors be authorised to sign the letter of representation to the external auditor, concluding the audit.

Approved
8.2 The financial statements for the year ended 31 July 2014 (G 2014 02)

Agreed
8.3 To authorise the Chair of Governors to sign the letter of representation to the external auditor (G 2014 03)

9 BIRKBECK STUDENT BODY
Received

9.1 A note on the characteristics of the current student body over the last five years (G 2014 04)

Noted

9.2 This information would be updated year on year. A more detailed breakdown of information pertaining to Birkbeck students and staff and the institution as a whole would be available to Governors soon in the form of the annual Birkbeck Statistics Book.

9.3 Governors heard that students provided information about ethnicity and disability during the enrolment process, which allowed the College to collect robust data sets on these areas. It was noted that Birkbeck had a higher percentage of BME students than many other London HE institutions. However, there was a lower level of BME students studying at postgraduate taught level, and this was an area where there was further work to be done.

9.4 Members asked for future student body data to include comparisons of numbers of disabled students at Birkbeck with UK averages, particularly in the light of the earlier discussion about the Disabled Student Allowance.

9.5 Governors asked how Birkbeck ensured that it recruited the kinds of students it wanted. Recruitment at Birkbeck was driven primarily by application rather than selection, but the student body data suggested that the College’s marketing was reaching the groups of students who could benefit from Birkbeck’s mission.

10 CUC HIGHER EDUCATION CODE OF GOVERNANCE

Noted

10.1 It was expected that the Committee of University Chairs would publish their updated Code of Governance in December 2014. The updates to the code would be reflected in the Governors’ handbook, documents and statement of Governors’ primary responsibilities.

11 FINANCE AND GENERAL PURPOSES COMMITTEE REPORT

Received

11.1 The report of the Finance and General Purposes Committee (G 2014 05)

Noted

11.2 Governors heard that for 2013-14 the College had generated a surplus of £6.6M compared with the £5.3M un-moderated forecast reported in July 2014. The College had generated surpluses of £6.5M or more for four consecutive years, demonstrating a sound financial basis on which it could plan and build for the future, moving on from the uncertainty of recent years. This solid financial performance reflected the hard work of Schools and Professional Services to generate income and manage costs.

11.3 The overall position of student recruitment was positive; there had been a further increase (29%) in recruitment to three year full time undergraduate degrees. The balance between part time and full time students was shifting; in 2010-11 93% of the undergraduate recruits were part time, in 2014/15 39% were part time.
11.4 Part time Masters degree recruitment was encouragingly 8% higher than last year and full time Masters recruitment was level, against a general decline in the sector.

11.5 Birkbeck offered self-funding students interest free monthly instalment payment plans whereas many universities did not. Governors noted that this should be emphasised in recruitment material. They heard that one option the College was exploring if postgraduate loans were introduced for full time students was to present this payment plan as an interest free loan. Birkbeck could also consider whether to take the greater risk of allowing students to spread the payments over a longer period. Any such arrangements would be subject to compliance with financial regulations.

11.6 The Director of Finance, working with the Executive Deans and Directors, had developed a revised suite of budge reports which showed actual spending against profiled month by month predictions. This would allow much earlier identification of potential variations from the agreed budget and agreement on action to be taken in response.

11.7 Investment Committee had agreed to consider adopting an investment strategy to make better use of the College’s cash holdings. This strategy was likely to be linked to developing estates strategy. The Committee agreed to explore the possibility of using Barclays Treasury Services in the future.

**Approved, as recommended by SPC and F&GPC:**

11.8 Anti Bribery and Corruption Policy

11.9 **Estates Committee**

**Noted**

11.9 Governors heard that the proposed joint venture between Birkbeck and UCL to build a large joint science building on the North Heating Chamber was not likely to be approved by Camden Council. Birkbeck was therefore considering other options, including partnership with UCL to build a new extension building with increased teaching space that would be used by UCL in the day and Birkbeck at night. The current extension building was nearing the end of its life.

11.10 Members were assured that a joint venture was not a predecessor to a merger and that Birkbeck would retain its independent status. The proposal was in keeping with the College’s long term goal to teach only in space wholly owned by Birkbeck or occupied by Birkbeck as part of a long term sharing arrangement. Such arrangements would be particularly preferable for disabled staff and students as consistency in provisions and facilities could be ensured.

11.11 Presenting as a joint partnership with UCL was likely to bring greater returns on fundraising activities: two established higher education institutions presenting a united interest would convey stability and greater assurance to investors and donors. There was also more external funding available for joint ventures.

11.12 Governors heard that disruption to staff and students during the building of any such space would not be trivial, but would be minimised as much as possible. Building
work taking place during the day should not disrupt evening teaching. Discussions would take place with the Student Union to ensure that a high quality student experience was maintained. The student Governor noted that some disruption could be justified to ensure better space for future generations of Birkbeck students.

Approved

11.13 The following proposals on budgeting for Estates projects:

- A revenue project budget for 2014-15 of £700,000;
- A capital project budget of £1,000,000 to facilitate major estates projects recommended by Estates Committee. This budget will be reported regularly to and reviewed annually by F&GPC and Governors, and cannot be exceeded without prior approval;
- All estates projects anticipated to cost in excess of £1,000,000 to require specific approval from the F&GPC and Governors in advance;
- The Governors’ Statement of Primary Responsibilities, the terms of reference for Estates Committee and F&GPC and the Financial Regulations to be updated to accommodate these changes.

HR Strategy and Policy Committee

Approved

11.14 The contribution related pay policy for Teaching and Scholarship Staff, as recommended by HRSPC and F&GPC.

12 AUDIT COMMITTEE

Received

12.1 The report of the Audit Committee (G 2014 06)

Noted

12.2 In 2013-14 the Internal Auditor reported on the following areas:
- Capital projects
- Academic assurance
- Facilities management: University Square Stratford
- IT operations
- Financial management

12.3 The Internal Auditors found that all areas were well controlled with appropriate management policies in place. Previous recommendations had been acted upon and monitoring reviews had been put in place as appropriate.

12.4 HEFCE had issued accounts direction to HE institutions on preparing their financial statements for 2014-15. The content was largely the same in previous years, with some changes to the section on the remuneration of higher-paid staff. The Audit Committee noted the requirement for Governors to ensure and state that all the College’s strategic objectives met the public benefit test.
12.5 The central IT operations of the College were found to be well controlled and well organised, with a clear operational plan. Governors noted that two Schools, BEI and Science, operated IT systems independently from the central IT Services Department. These systems would be included in the next round of internal audit.

12.6 Audit Committee had received a draft report of sustainability KPIs, which combined the termly risk management performance indicator report previously reported to it with the financial performance indicators reported to Finance and General Purposes Committee. The KPIs were under development this year, and the Governors would discuss a later draft of the document at their February Strategic Horizons meeting. The Governors noted that this was a challenging but necessary framework for strategic planning, and looked forward to discussing it further.

12.7 Audit Committee’s work on the 2013-14 financial statements and its 2013-14 annual report to Governors is described in minutes 7 and 8 above.

13 ACADEMIC BOARD REPORT

Received

13.1 The report of the Academic Board (G 2015 07)

Noted

13.2 The results of the 2014 Research Excellence Framework would be published in December 2014. The College REF Working Group would be reconvened to assess the outcome and its implications and agree action to be taken.

13.3 Academic Board had approved the College Research Strategy 2014-2019. The strategy had had wide staff consultation and was endorsed as a valuable document defining the College’s distinctive and highly valued research culture. The Research Strategy was designed to link with the REF cycle, but could be reviewed if unexpected issues arose after the publication of the REF results. Governors noted that research and teaching were inextricably linked at Birkbeck, and suggested that this opportunity for students to be embedded within a research culture should be more prominently featured in marketing material and on the website.

13.4 There were ongoing discussions with the Executive Deans, Trade Unions and other interested parties on the introduction of performance reviews, focused on career development. Feedback from external bodies such as the Equality Challenge Unit Athena Swan charter and HEFCE via the REF suggested that these were an expected part of a system of academic career development. After discussions in the Schools, a performance review policy would come through the College Committee structure to Governors, and would then be integrated with the Research Strategy.

14 STATEMENT OF PRIMARY RESPONSIBILITIES

Noted

14.1 The Statement of the Governors’ primary responsibilities and responsibilities delegated by Governors to Committees. (G 2014 08)

15 SEALING OF DOCUMENTS

Received

15.1 A note on use of the College Seal since the last meeting (G 2014 09)
15.2 Three documents had been sealed since the last meeting, one to put into effect the revised space sharing arrangements in University Square Stratford, and two regarding the completion of leases for the USS land and buildings: one for the main plot and one for the smaller garden plot.

16 **MEMBERSHIP OF THE GOVERNING BODY**
Noted

17 **CHARITABLE STATUS**
Received
17.1 A note on compliance with the College’s charitable status during 2013-14, assuring Governors that the College was meeting its charitable objectives. *(G 2014 11)*

17.2 In future, this assurance would be confirmed via Audit Committee in parallel with its consideration of the annual Financial Statements.

18 **INFORMATION FOR GOVERNORS**
Noted
18.1 Guidelines and information for Governors were available on the Governance and Committees College website from this link: [http://www.bbk.ac.uk/committees/governors](http://www.bbk.ac.uk/committees/governors)

19 **PRO-VICE-MASTERS**
Noted
19.1 Professor Matthew Weait’s Pro Vice Master portfolio was now Academic and Community Partnerships. It was previously Academic Partnerships.

20 **STUDENTS WITH PAST CONVICTIONS**
Noted
20.1 Discussions had taken place with the Trade Unions and were due to take place at round of meetings of the academic committees regarding the enrolment of students with spent criminal convictions and the policies and processes that would need to be in place to ensure that a balance was maintained between community safety, UCAS requirements and the exercise of Birkbeck’s mission for access to HE for non-traditional students.

21 **MEETING DATES**
Noted
21.1 The dates of future meetings of the Governors in 2014-15:
• Thursday 19 February 2015 9am-2pm (Strategic Horizons meeting)
• Thursday 19 March 2015 at 4.30pm
• Tuesday 23 June 2015 at 4.30pm followed by the annual Governors Dinner