BIRKBECK
University of London

Minutes of the meeting of the GOVERNORS

Tuesday 3 July 2012

Present
Mr Harvey McGrath (Chair), Mr Robert Allison, Mr John Biggs, Dr Alex Colas, Ms Julia Collins, Mr Hugh Ferrand, Ms Annabel Jones, Professor David Latchman, Mrs Joy Manners, Ms Liz Meek, Mr Eamonn Moyles, Mr Garth Pollard, Mr Stuart Popham, Mr Paul Shelton, Professor Julian Swann, Dr Ruth Thompson, Mr Peter Zinkin

In attendance
Mrs Katharine Bock (Head of Governance), Mr Keith Harrison (College Secretary and Clerk to the Governors), Ms Roisin Lynch (Corporate Support Intern), Mr David McGhie (Director of Planning), Mr Peter Westley (Director of Finance)

Apologies
Professor Philip Dewe, Dr Rebecca Gumbrell-McCormick, Professor John Kelly, Mr John Poggioli, Mr Sean Rillo Raczka

33 DECLARATION OF INTERESTS
Noted
33.1 Governors were asked to disclose in advance any actual or potential conflicts of interest in relation to the matters listed on this agenda. Robert Allison noted a consultancy arrangement with the external auditor KPMG.

34 MINUTES OF THE LAST MEETING
Confirmed
34.1 The minutes of the meeting of 22 March 2012

35 MATTERS ARISING
Noted
35.1 The College was taking legal advice on drafting of the Code of Practice on Free Speech. A draft would be brought back to the Governors after this process.

36 MASTER’S REPORT
Noted
36.1 Recent highlights had included a well attended event at Mansion House for alumni, supporters and stakeholders, focusing on Birkbeck’s role in London’s post-Olympic legacy and alumni accounts of their life-changing time at Birkbeck.

36.2 Recruitment for 2012-13, the first year of the new undergraduate fee and loan system, continued to be good for three year programmes and international students. As expected, recruitment for four year undergraduate programmes was down by about a third compared with 2011-12. This was a general trend across all the Schools. The College was in a position to cope with this decrease if necessary, but would continue to act to boost recruitment in the final stages of the cycle. The most recent Open Day had been well attended. The 'Our Promise to You' campaign continued, encouraging students to enrol
up front and apply for financial support on the basis that they would not be pursued for payment until their loan/support applications were processed.

36.3 From enrolments so far, it was clear that there was going to be significant demand for means tested financial support. This suggested that the College was not losing its poorest students under the new financial regime; instead there were likely to be more students with lower incomes.

36.4 The College was communicating with HEFCE over how to categorise students on three year undergraduate degrees in the annual student number returns. The College had previously been advised by HEFCE to return these students as part time with an FTE of 1, but this was incompatible with the return system. Instead the students had been returned in a ‘Full time Other’ category, but HEFCE was now planning to stop using this category. The College had written to HEFCE for advice on how to categorise the students.

36.5 At the last meeting it had been reported that there were problems with the Student Loans Company (SLC)’s advice on part time student finance. Governors asked if this issue had been addressed and heard that the information available from the SLC was improving and that its schedule for opening part time loan applications was clear. Birkbeck’s Academic Registrar was chairing the SLC’s part time working group.

37 STANDING ORDERS
Approved
37.1 An amendment of the Standing Orders of the Governors to delegate of authority for use of the College Seal, as agreed in principle at the previous meeting. (G 2011 26)

38 BUDGET OUTTURN AND ESTIMATES
Received
38.1 A report from the Finance and General Purposes Committee on the forecast outturn for 2011-12 and budget proposals for 2012-13. (G 2011 27)

Noted

2011-12
38.2 A surplus of c.£4M was forecast for 2011-12, compared with a surplus of £2.5M reported in March. The variation was due to the release of the contingency pay provision which had not been required during the year. Provision for student financial support had been increased by £1M due to higher than forecast demand and provision for bad debt had increased to £1.5M, as the increase over recent years in both student numbers and fees increased the potential total amount of debt. F&GPC had confirmed that the new bad debt provision was sufficient and prudent.

38.3 Much of the surplus position was due to one-off savings, so it was not appropriate for the College to make significant new recurrent commitments. However, in Schools who were in surplus, some new posts linked to increased student numbers had been approved.

38.4 The year-end outcome would depend on the extent to which the remaining contingency in the income and expenditure budget was called on, as well as investment gains and losses on 31 July 2012, the last day of the financial year.

2012-2013
38.5 F&GPC had considered the provisional College level and Income Distribution Model budgets for 2012-13. The budgets incorporated the results of the Schools’ detailed student
numbers planning, together with Schools' and Professional Services spending estimates. After contingency provision, a surplus of £770K was predicted.

38.6 Schools had planned student numbers based on current recruitment indications, with a 35% drop in undergraduate four-year programme applications offset by expected good recruitment in other areas. Despite a projected decrease in recruitment, undergraduate degree income was expected to be boosted by the higher tuition fees. £3.9M of tuition fee contingency had been set aside, reflecting the substantial student recruitment risks. Overall, income was projected to increase by 1% including contingency and 7% excluding contingency.

38.7 Spending was forecast to increase by 6% overall, due to increased operating costs especially where student numbers had expanded, for example in Business and Law. Spending on student financial support would increase in response to three main factors: increased demand for the old system Part Time Grant holder scheme; the requirement for enhanced student financial support in the new system; and the introduction of fee reduction initiatives to incentivise recruitment in 2012-13.

38.8 Science and Arts were projecting deficits and Business Economics and Informatics, Law and Social Sciences, History and Philosophy were projecting surpluses. School had differed in their estimation of the impact of the new system on student recruitment. Governors asked whether there should be common central presumptions to moderate the different levels of optimism or pessimism in Schools. It was noted that making presumptions on the impact of recruitment was a very inexact science and that the situation would be managed through monthly meetings with the Executive Deans from July 2012 onwards, to monitor projected income based on current recruitment. This would allow for late recruitment strategy changes and, if necessary, early adjustments to spending assumptions before the mid year budget review in January.

38.9 Governors asked what the biggest risk factors for tuition fee income were. These were students defaulting on their payments, a decrease in the number of students recruited, and cashflow issues for the College if Student Loans Company payments were delayed. Measures were in place to address these risks including increased bad debt provision and improvements to debt chasing processes; senior level monitoring of recruitment and its financial impact; and an increase in cash assets.

39 **FINANCIAL FORECASTS**

39.1 Updated financial forecasts (G 2011 28)

Noted

39.2 HEFCE had asked institutions to submit revised financial forecasts. Birkbeck’s forecasts were based on modelling of likely tuition fee income and HEFCE grant, taking into account the old and new systems; and modelling of staff costs. The forecasts would be updated again in December, to reflect 2012-13 recruitment. The forecasts had been scrutinised and endorsed by F&GPC and approved by the Chair of Governors in advance of the Governors’ meeting so that they could be submitted to HEFCE before the deadline of 20 June 2012.

40 **BIRKBECK STRATFORD**

40.1 A report on work at Stratford and the University Square building project (G 2011 29).
Noted

40.2 The building project was progressing well. The Co-operation Agreement between Birkbeck and UEL had been signed. Site visits had been very positive; it was reported that the site looked well managed and maintained.

40.3 The improved transport links to Stratford from South London and elsewhere would provide a new catchment area for students. It was noted that Stratford numbers for 2011-12 were slightly down but the number of offers made for 2012-13 had doubled.

40.4 Members asked if all the courses at Bloomsbury would be duplicated in Stratford. It was reported that there had been agreement with UEL not to compete in terms of subject area, but that, following negotiations with UEL’s Law School, Birkbeck would be teaching Law in Stratford. Management courses were also being put on at Stratford in response to significant demand.

41 NEXT STEPS FOR BIRKBECK

Received
41.1 A progress report on the Next Steps for Birkbeck projects (G 2011 30)

Noted

41.2 The implementation team was in the final phase of preparations for the new system.

41.3 The Enrolments 2.0 system was launched in May 2012. This major new IT system enabled full online enrolment, seamlessly integrated where appropriate with applications for fees, loans and financial support. The system had been built by an in-house team to meet Birkbeck’s unique requirements and was available for all new and returning students on part time, full time and modular courses. Governors commended the Enrolment 2.0 team on the successful conclusion of this major project.

41.4 Governors asked what progress had been made on the campaign to bring part time issues into the mainstream of the Higher Education sector. It was reported that from summer 2012 the UCAS website would include links to Birkbeck part time course information on the relevant full time subject pages. There was a dialogue with UCAS on the possibility of a link to part time options on the front page of the UCAS website. The possibility of processing part time applications through UCAS was a more complicated issue requiring further consideration, including of the different recruitment cycles for full and part time.

41.5 The Key Information Set (KIS) would be published in autumn 2012. The primary challenge for the Birkbeck KIS project team was complying with national KIS requirements designed for traditional three year degrees, while also giving a realistic picture of Birkbeck’s part time four-year degrees. The KIS information would be incorporated into the College’s set of Key Performance Indicators.

42 ACADEMIC BOARD

Received
42.1 The Report of the Academic Board (G 2011 31).

Noted

42.2 The Master had reported to Academic Board his agreement in principle with the Minister for Universities and Science that there should be a national information campaign for part-
time students. There were indications that this might be implemented for 2012-13, although the funding had not yet been identified.

42.3 Academic Board had forwarded the draft Code of Practice on Selection of Staff for the Research Excellence Framework for Governors’ approval.

42.4 The Code of Practice was an equal opportunities document intended to ensure fairness and equal treatment of staff during the process of selection for the College’s submission to the REF, due in 2013. It did not set out the criteria or thresholds for inclusion in the REF, which would be a separate academically driven decision.

42.5 Governors noted that the College would need to be more selective about inclusion in the REF in future because it was likely that REF ratings would have more wide reaching financial repercussions than previously and that research funding would be focused on fewer highly ranked institutions. In past research quality exercises, more than 90% of eligible staff had been included, but in 2013 the proportion was likely to be significantly lower.

42.6 If Birkbeck performed well in the REF, the College would be better placed to go into competition for block research grants and studentships and would be likely to receive more research funding.

42.7 It was confirmed that, where staff were excluded for a tactical reason, such as a decision for the College not to submit in a particular research area, it would be made clear that exclusion was not on the basis of research quality. The College did not intend to use teaching only contracts; and research quality rather than inclusion or otherwise in the REF would be used as a criterion for promotion.

42.8 Judgements about research quality unavoidably had an element of subjectivity. Where necessary the College would use external assessment in making decisions about research output, impact and quality in terms of REF inclusion.

42.9 It was noted that a full consultation with the Unions on the Code of Practice had been carried out and no objections had been raised.

42.10 Governors noted that the REF outcome could be useful in informing mentoring and staff development and in considering how research in the College could be enhanced. They noted that academic promotion criteria should also recognise teaching and senior administrative work, which were vital to the running of the College.

Approved

42.11 The Code of Practice for Selection of Staff for the REF (G 2011 31 Appendix A).

43 FINANCE AND GENERAL PURPOSES COMMITTEE

Received

43.1 The Report of the Finance and General Purposes Committee (G 2011 32).

Noted

Investment Committee

43.2 Investment Committee reported that the main aim of the current investment strategy was to reduce the impact of the volatility of the financial markets. Its view was that, in the
current climate, the management of cash would have more impact than the management of assets.

**Estates Committee**

43.3 Estates Committee reported good progress on the Estates Strategy projects, aimed at consolidating School and central space and facilities.

43.4 A master planning exercise was being conducted, with the aim of identifying potential for large scale improvement of the estate if more funding was to become available in the future. The outcome would be reported to Governors via Estates Committee and F&GPC.

43.5 Estates Committee had agreed in principle to the provision of a multi-faith prayer room, following discussion at the Governors’ meeting in the spring term. A working group would be set up, including representatives from different faiths, to explore the practical and resource factors and report back to Estates Committee.

43.6 Estates Committee agreed that 43 Gordon Square should be entered into the Open House London event from 2013. The property was once lived in by Vanessa Bell and later John Maynard Keynes, and the Keynes Library now housed paintings by Bell and Duncan Grant. Governors noted that these paintings were on loan to the College and it was confirmed that the event would only go ahead if the College was satisfied that security arrangements would be sufficiently rigorous.

**International Students**

43.7 Strategic Planning Committee reported a 90% increase in international enrolments over three years. SPC had approved proposals for a scholarship scheme targeted at high achieving international students, to be launched initially in Thailand, Vietnam and India, three countries identified as price-sensitive. These scholarships would be in the form of remission of fees rather than financial awards. The College would take advice to ensure that scholarships could legitimately be directed at students from particular countries.

**Human Resources Policy and Strategy Committee**

43.8 F&GPC received the Report of the HR Policy and Strategy Committee and endorsed several HR policies for approval by the Governors.

43.9 The new **People Strategy** placed greater emphasis on leadership and management development and change management, and had been developed in consultation with staff and Trade Unions.

43.10 Governors asked about the level of long term sickness absence (35% of total sickness absence) reported in the People Strategy. It was reported that proportion of long term absence appeared high because the overall level of sickness absence was low.

43.11 The **Performance Management policy** did not cover academic staff, who were instead covered by College Statutes and had a Performance and Development Review (PDR) system which the College was currently improving. Governors’ view was that the policy document would be more useful if it included the policy for academic staff, with the relevant Statutes appended.

43.12 Relatively few academic staff had so far taken part in PDR. A cross-College review of participation had been carried out and it had been found that some departments had 100%
returns while others were very low. Schools had noted that professional development activity was occurring but was not always being formally recorded and linked to the official PDR scheme. Measures to increase participation, including linking PDR meetings to research/REF mentoring meetings, were being considered.

43.13 Governors commended the HR team and the HR Policy and Strategy Committee on the hard work that had gone into the development of these policies.

Approved

43.14 People Strategy

43.15 Recruitment and Selection Policy

43.16 Job Evaluation Policy

43.17 Performance Management Policy

43.18 Secondment Policy

44 AUDIT COMMITTEE

44.1 The Report of the Audit Committee (G 2011 33)

44.2 Audit Committee discussed the annual report on risk management for 2011-12 and the revised College risk register for 2012-13 and had forwarded them to Governors for approval.

44.3 As in the previous year, the biggest risk facing the College was maintaining financial sustainability at a time of significant upheaval in HE funding. The failure to recruit sufficient students was ranked jointly at number two. Governors noted that the best measure of this risk was recruitment data for 2012-13. The College Recruitment Monitoring group was meeting regularly and tracking applications, offers and enrolments in detail so that trends could be spotted and acted on. However, recruitment patterns in the first year of the new fees and funding regime would not necessarily reflect the long term prognosis.

44.4 Postgraduate fees had in general been subject only to a cost of living increase, to maintain recruitment. Governors noted the importance of ensuring that potential students were aware of this.

44.5 The risk of student services not meeting expectations raised by increased fees was ranked joint fourth. A recent BIS report had indicated that across the sector part time students were more satisfied than full time students. The College would be watching for changes in student expectations in the first year of the new system. Current student complaints were mainly about space and access, including externally hired classrooms facilities; and difficulties accessing services at busy times. The Estates strategy was aimed at addressing these complaints by reducing dependence on external space outside Birkbeck’s control.

44.6 The risk of not delivering the Stratford initiative successfully was also ranked joint fourth. This score reflected risks associated not only with the building project but also the business plan for delivering teaching and student support in it. The basis of the plan had been developed but there was a need to address systems and operational issues jointly
with UEL. The joint management group was currently reviewing draft operations and staffing plans. These would come forward to Governors during 2012-13.

44.7 The risk of inability to maintain quality and quantity of research output, retain key staff and maximise the potential to benefit from the REF was ranked joint sixth. This risk had been given a higher score than last year as the REF was now approaching. Governors asked about the possibility of other institutions ‘poaching’ staff with successful research records and heard that the strategy to manage this was for the Master to have discussions with individual staff as appropriate.

44.8 The risk of reduction in externally funded research income was ranked joint eighth. Governors asked if this ranking was too low, since it was clear that resources were shrinking. It was agreed that while this was a significant risk, its magnitude was smaller than other higher ranking risks.

44.9 Audit Committee resubmitted its Annual Report for 2010-11. This had already been agreed by Governors in November 2011. The Report had been resubmitted to make explicit the Committee’s opinion that effective arrangements were in place to secure economy, efficiency, effectiveness and value for money.

44.10 Audit Committee considered and was satisfied with reports from the internal auditor on Birkbeck Stratford, Value for Money initiatives, Studentship grant management, cyclical and responsive maintenance and External Relations.

44.11 Audit Committee had also received a report on restructuring of the Students’ Union, following the agreement to transfer operations to the College. It was confirmed that the SU would be paying back the outstanding debt owed to the College from its share of profits from the Birkbeck Bar. Income from the shop, now under College management, would also be used to offset the debt.

Approved

44.12 The Risk Register for 2012-13 and the report on the management of risk in 2011-12.

44.13 Audit Committee’s updated Annual Report to the Governors for 2010-11.

45 REMUNERATION COMMITTEE

Received

45.1 The Report of the Remuneration Committee (G 2011 34)

Noted

45.2 Remuneration Committee’s revised procedures were working well. It had welcomed the involvement of the Executive Deans and the prioritisation work done by the Review Panels. The Committee was considering how it could take participation in Progress and Development Review into account in considering future applications for pay awards.

46 NOMINATIONS COMMITTEE

Received

46.1 The Report of the Nominations Committee (G 2011 35)

Approved

46.2 Governor appointments:
• Mr John Biggs as an independent Governor for a second term of office ending on 30 September 2015;
• Mr Paul Shelton as an independent Governor for a second term of office ending on 30 September 2015;
• Dr Ruth Thompson as an independent Governor for a second term of office ending on 30 September 2015;
• Mrs Joy Manners as an independent Governor for a third term of office ending on 30 September 2015.

46.3 Appointment of Mr Harvey McGrath as Chair and Mr Paul Shelton as Deputy Chair for 2012-13.

46.4 Appointment of Emeritus Professor Eric Hobsbawm, CH as President and the Lord Mayor of London as honorary Vice-President for 2012-13.

46.5 Appointments to Committees for 2012-13 as set out in the Nominations Committee Report.

46.6 Appointments to the Fellowship of the College:
• Mr Garth Pollard
• Baroness Brinton
• Professor Steve Connor
• Professor Michael Hunter
• Professor Mary Wood
• Dr Naim Dangoor OBE
• Professor Sir Peter Hall

46.7 Appointments to the Honorary Life Membership of the College:
• Ms Gloria Mead, Payments Officer, Finance Department, Professional Services
• Dr Martin Frost, Reader in Human Geography, Department of Geography, Environment and Development Studies, School of Social Sciences, History and Philosophy

46.8 To authorise of the Chair to appoint to Honorary Life Membership of the College any eligible member of staff whose retirement was announced before 30 September 2012.

47 NOMINATIONS COMMITTEE MEMBERSHIP
Agreed
47.1 The membership of the Nominations Committee for 2012-13 (G 2011 36)

48 VICE MASTER, PRO VICE MASTERS AND COLLEGE DEAN
Agreed
48.1 Re-appointment of Professor Philip Dewe as Vice Master for a further one year term ending on 31 July 2013.

48.2 Re-appointment of Professor Stephen Frosh as Pro Vice Master (Research) for a second three year term ending on 30 September 2015.

48.3 Appointment of Professor Li Wei as Pro Vice Master (Postgraduate Study) for a three year term ending on 30 September 2015.
48.4 Re-appointment of Dr Kate Mackenzie Davey as College Dean for a second five year term ending on 30 September 2017.

49 RETURNING OFFICER FOR THE STUDENTS’ UNION
Agreed
49.1 Re-appointment of Mr Tom McCartney as Returning Officer for Students’ Union elections for a further one year term ending on 31 July 2013.

Noted
49.2 The student Governor voted against this appointment.

50 DATES OF MEETINGS IN 2012-13
Noted
50.1 Dates for meetings of the Governors in 2012-13:
   Monday 24 September 2012 (Strategic meeting and dinner)
   Thursday 29 November 2012
   Tuesday 19 March 2013
   Wednesday 3 July 2013

51 RETIRING GOVERNORS AND OFFICERS
Noted
51.1 Governors and College management thanked Garth Pollard, who would be retiring as an independent Governor at the end of the session, for his longstanding contribution to the College going above and beyond membership of College committees and supporting the College in many dimensions of activity. Mr Pollard thanked all the members of staff in College with whom he had worked during his time as a Governor. He noted that Birkbeck had grown stronger during this time and expressed hope that it would continue to do so.

51.2 Professor Julian Swann and Dr Rebecca Gumbrell McCormick had reached the end of their first terms of office as Academic Governors. Elections for these Governor places were taking place in the College.

Secretary’s note – Professor Swann and Dr Gumbrell McCormick were subsequently both re-elected for second terms of office ending on 30 September 2015.

51.3 John Poggioli had reached the end of his term of office as Non Teaching Staff Governor. Richard Abbott from Registry Services had been elected to replace him for a three year term ending on 30 September 2015.

51.4 Student Governors Annabel Jones and Sean Rillo Raczka had reached the end of their terms of office. Ms Jones had been elected Chair of the Students’ Union Council and would be returning as a Governor in 2012-13. An election was taking place in the Students’ Union Executive for the Chair of Trustees, who would take up the other Student Governor place.

51.5 Professor Steven Connor, the College Orator and Professor of Modern Literature and Theory, was leaving Birkbeck to take up a Chair at Cambridge. Professor Joanna Bourke, Professor of History, would be taking up the College Orator role.