BIRKBECK
University of London

Minutes of the meeting of the GOVERNORS

7 July 2011

Present
Mr Harvey McGrath (Chair),
Mr John Biggs, Mr Richard Clarke, Professor Philip Dewe, Dr Rebecca Gumbrell-McCormick, Mr Tom Hoffman, Professor David Latchman, Mr Drummond Leslie,
Mrs. Joy Manners, Mr Eamonn Moyles, Professor Michael Oaksford, Mr John Poggioli, Mr Garth Pollard, Mr Sean Rillo Raczka, Mr Paul Shelton, Professor Julian Swann, Dr Ruth Thompson,

By invitation
Mr Robert Allison, Emeritus Professor Eric Evans (QAA observer)

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

Apologies for absence
Mrs Joy Manners

38 DECLARATION OF INTERESTS
Noted
38.1 Governors were asked to disclose in advance any actual or potential conflicts of interest in relation to matters listed on the Agenda. Mr Allison noted a consultancy arrangement with the external auditor KPMG. Mr Leslie noted his membership of the Council of the Institute of Education and his position as Chair of its Estates Committee.

39 MINUTES
Confirmed
39.1 The Minutes of the meeting of 17 March 2011.

Noted
39.2 The industrial action discussed at the last meeting had taken place. As anticipated, the Trade Unions had sought to minimise disruption to students. The Unions had hoped that College management would apply a more generous divisor for calculating the deduction of a day’s pay from staff taking action. Management confirmed that the divisor was in line with standard practice. The deducted pay had been transferred to the student hardship fund.
40 MASTER'S REPORT
Noted

40.1 Birkbeck had won the THE award for Outstanding Leadership and Management Team. This was a reflection of the commendable response to the ELQ crisis and restructuring, not just by the senior team but by the entire College.

40.2 While ELQ had affected Birkbeck disproportionately, the more recent fee and funding changes affected all HE institutions in England. Birkbeck was continuing to campaign for fair treatment of part time provision in the new regime. The Education Bill regulating part time fees was going through the House of Lords. The College had won various concessions but were still lobbying for provision for students on four year degrees to start repaying their student loans after rather than before completing their studies.

40.3 The Government had published its White Paper setting out proposed changes to fees and funding from 2012-13. This included a change to student number allocations, with a portion of student numbers being removed proportionately from all so that institutions could take on additional students gaining AAB at A level without a number restriction. Another portion of additional student numbers would be available to institutions charging an average fee lower than £7,500. Birkbeck would seek to benefit from both of these proposals, in line with its unique selling point of combining high academic quality with broad accessibility.

40.4 The consensus remained as previously, to support a strategy of pragmatic engagement with the policymakers, in order to secure the best outcomes for the College. Individual Governors expressed disagreement with the overall principles of the White Paper, while others were concerned about its impact on Birkbeck’s mission and students.

40.5 The College regretted the need to raise undergraduate tuition fees, but had no other option to replace withdrawn state funding and maintain financial sustainability. As previously agreed, the College would adopt a tiered approach to fees with levels between £6,000 and £9,00 for degrees plus lower fees for many Certificates of Higher Education. Tiers were being set centrally and Schools would then choose tiers for their provision.

40.6 Part time students entering university for the first time at more than 25% of full time intensity would be eligible in the new system for student loans to pay the higher fees. There would also be new undergraduate scholarship and bursary schemes including the National Scholarship Programme and a College bursary scheme. In addition to Government and College funding, taken from tuition fee income, there would be a fundraising effort seeking donations to provide more financial support for students.

40.7 There had been discussion in the College and with the Students’ Union on the level of support to be offered via the National Scholarship Programme. Awards of 50%, 75% and 100% of the value of the fee had been discussed. The consensus was for 50% awards, so that the resource would support a larger number of students, although the Students’ Union had supported 100% awards. The College Hardship Fund scheme would be reviewed to ensure it provided appropriate support both for
new system students and for existing students working their way through the current system.

40.8 Governors noted the importance of monitoring applications, enrolments and uptake of financial support, to assess the impact of the fee and funding changes on the student body. Although Birkbeck would not be raising its fees as much as most other institutions, it had still been obliged to take a major risk. It was confirmed that the College would be monitoring uptake closely and would also be monitoring the student demographic breakdown.

40.9 Governors also noted the launch of the New College of the Humanities, led by a Birkbeck academic. Birkbeck had made a public statement confirming that it had no connection with the New College and that the academic concerned had given notice and was leaving Birkbeck. Governors asked to be kept informed about developments in this affair, as well as any other matters likely to attract publicity for the College.

41 BUDGET AND INCOME DISTRIBUTION MODEL

Received:

41.1 Reports from the Finance and General Purposes Committee on the forecast financial outturn for 2010-11 and budget proposals for 2011-12. (G 2010 27, 28 and 29)

Noted:

2010-11

41.2 A surplus of £748K was forecast for 2010-11, compared with the forecast surplus of £275K reported in March. The variation was largely due to tuition fee income, based on invoiced fees, being higher than the moderated forecast. A substantial provision for contingency had been made and the year-end outcome would be subject to reconciliation of invoices with fee payments; and spending allocations with actual spend, before the contingency could be released. It might also be necessary to make additional provision because the Voluntary Severance and Early Retirement scheme had been re-opened.

41.3 In the current climate, with economic challenges and uncertainty caused by changes to university funding and increased tuition fees, the College was pursuing a strategy to make as much surplus as possible, to offset the financial risks and uncertainty to come from 2012-13. HEFCE recommended a surplus of at least 3% of turnover.

41.4 Within the overall projections, Business, Economics and Informatics and Law were in surplus, Science was breaking even and Arts and Social Sciences, History and Philosophy were projecting deficits. The College was continuing to work towards a more even distribution of surplus and deficit position among the five Schools.

2011-12

41.5 F&GPC had considered the provisional College level Budget and Income Distribution Model for 2011-12. The budgets incorporated the results of the Schools’ detailed student number planning forming income estimates, together with Schools’ and Professional Services spending estimates.
41.6 A number of factors had influenced budget planning. Schools had forecast another year of student number growth and the impact of this, combined with increased tuition fees, was a 40% (£12.6M) increase in tuition fee income compared to 36% (£8M) the previous year. F&GPC had commended the plans but advocated balancing ambition with caution. It endorsed a similar approach to managing risk as adopted for the previous year, with a tuition fee contingency provision of £3.3M, or 26% of increased income. The previous year, the contingency provision had been 31% of increased income. The lower proportion was endorsed because current indications were that the year-end fee income for 2010-11 would exceed the moderated forecast. In addition, some of the increase was 'built in' in the form of higher fees for second year students who entered in 2010-11 on a fee 20% higher than the previous year’s entrants.

41.7 The Schools of Arts, Science and SSHP were working to move as rapidly as possible to surplus positions. These Schools had comparatively high staff cost bases and discussions on staffing strategies had been taking place with the aim of reducing deficit forecasts. This had been one of the priorities highlighted in the re-launch of the Voluntary Severance and Early Retirement Scheme. F&GPC had confirmed that decisions on staff numbers would need to be taken on the basis of academic strategy as well as in response to metrics and deficit projections. It also noted the need to retain and encourage research active staff in anticipation of the Research Excellence Framework assessment in 2014.

41.8 An overall surplus of £732K was predicted. This included provision for in-year HEFCE grant reductions, tuition fee contingency as noted above and a £2.1M general contingency provision. F&GPC endorsed this level of contingency provision as appropriate in the current uncertain climate, given also that the resource from the 2009 HEFCE SDF award for the Strategic Review was winding down and could not be called on to fund further strategic change and development.

41.9 Compared with the previous year, increased income overall was forecast, with more income from tuition fees and proportionately less from grants. Schools' direct non-pay cost forecasts had increased, reflecting growth in student numbers leading to increased teaching and operating costs and increased contributions to partner institutions sharing fee income, as well as increased operating costs for laboratory equipment. Professional Services non-pay budgets had also increased in response to student number growth, to cover extra teaching accommodation and facilities; additional student bursary provision; Student Centre costs previously supported by SDF funding; and additional Senate House library costs following the move to a usage based charging model. The increased spending had been offset by savings and efficiency measures. Excluding areas where expenditure was directly linked to income such as specific grants and contracts, forecast income had increased by 15% and expenditure by 6%.

41.10 As the external financial climate remained uncertain and with very significant changes coming in 2012-13, F&GPC agreed that a formal budget review should take place in January, to allow budgets and spending allocations to be reviewed in the light of concrete data on enrolments and invoiced fees.

41.11 Governors thanked staff involved in the planning and budgeting round.
Approved

41.12 The 2011-12 Budget Estimates (G 2010 29), subject to revision in the spring term following the mid year review.

42 FINANCIAL FORECASTS
Received
42.1 Five year financial forecasts (G 2010 30)

Noted
42.2 The forecasts were submitted to HEFCE in April, as agreed at the previous meeting, in consultation with the Chair of Governors and the Chair of Finance and General Purposes Committee.

43 BIRKBECK STRATFORD
Considered
43.1 A progress report on activities at Stratford and the University Square building project. (G 2010 31)

Noted
43.2 Good progress was being made on all fronts, with joint governance and project management structures in place; planning permission secured for the building project; further donations; increases in student enrolments; and further development of outreach and student services initiatives. Negotiations with Newham Council for the purchase of a long land lease for the campus building were in their final stages and possession of the site was scheduled for August 2011. The fourth annual Scholar’s Evening for Stratford students had been held at Clifford Chance on 5 July.

43.3 Governors endorsed progress, including the appointment of VolkerFitzpatrick as the building contractor. Appointment had been approved by the University of East London/Birkbeck Joint Management Group; including both heads of institution; and would be made via the University of East London’s processes and structures.

44 STRATEGIC REVIEW AND NEXT STEPS FOR BIRKBECK
Received
44.1 A progress report on the Strategic Review and Next Steps for Birkbeck projects. (G 2010 32)

Noted
44.2 Good progress was being made in the projects and there were no critical issues to report. Many of the Strategic Review projects were now close to completion, while others had been absorbed into mainstream College work. The Value for Money projects were continuing, with regular reports being made to the Audit Committee.

45 ACADEMIC BOARD
Received
45.1 The Report of the Academic Board. (G 2010 33)

Noted
45.2 Academic Board had considered a paper on the future development of teaching and academic programmes in response to the current changes in HE. Ideas included more flexibility in taking degrees over three, four or six years. The six year route would provide an option for students not eligible for a loan to spread out their financial commitments.

45.3 Academic Board had also discussed the potential for teaching to take place in all three terms. This would enable more students to be taught on Birkbeck premises rather than hired premises. It was necessary to consider pedagogical implications and the views of students, as well as logistical and operational issues, before reaching a decision on changing the teaching pattern.

46 FINANCE AND GENERAL PURPOSES COMMITTEE

Received
46.1 F&GPC's Report on general matters (G 2010 34).

Agreed
46.2 Changes to the F&GPCs Terms of Reference (G 2010 34 App A), to reflect restructuring and delegation of budgetary control and responsibility for financial planning.

46.3 New Financial Regulations (G 2010 34 App B) governing the operation of the new budgetary structure. Governors commended the new regulations, which reflected best practice and were a key document for effective financial administration. Once approved, the regulations would be released to staff accompanied by a training programme.

Noted
46.4 The College was taking a two year lease from the University of London for one floor of 18-20 Gower Street, to provide decanting space during the ongoing Estates projects.

46.5 Options were being evaluated for use of the house at 7 Bedford Square, which had been the base for the National Evaluation of Sure Start project now being run down. The value of the house could increase if a change from office to residential use was obtained from the local authority. However, with the British Museum renovation being carried out next door, this was not a good time to sell. College officers were assessing potential for use as decant space or rental to an external organisation. Depending on timing, it was possible that Governors would be asked to confirm agreement to let the house between scheduled meetings. Alternative accommodation for those staff still in the house would be identified before letting.

46.6 F&GPC had noted the importance of the College having sufficient teaching space, accommodating growing numbers of students and reducing dependency on hiring external space. Several avenues were being explored including a preliminary expression of interest, jointly with SOAS, in occupying Senate House North Block; and potential partnership initiatives to build new space, with the partner institution teaching in the daytime and Birkbeck in the evening. Discussions with potential partners were taking place, with a view to confirmation as a first step of their willingness to contribute to the costs of a feasibility study. These potential
developments were long-term and at the exploratory stage. It was confirmed that funding for new developments would not be at the expense of existing projects.

46.7 As Birkbeck teaching was predominately in the evening, classroom space was let during the day to other institutions, making £2M of income annually. Although these institutions were separate from Birkbeck, it was important to monitor their branding and publicity to protect the College brand and reputation. Monitoring arrangements had recently been tightened. It was confirmed that Birkbeck had no plans to let space to the New College of the Humanities.

46.8 Governors noted that the New College was offering University of London degrees, by teaching the International Programme curriculum. While Birkbeck had no control over this arrangement, which was a University activity, concern was expressed that UK students were being taught in London on what was intended to be a programme enabling students outside the UK to study for a London degree.

46.9 There was discussion of the ongoing work on harmonising pay and conditions for sessional staff. College management were negotiating with UCU representatives, who had put in a pay claim for 350 lecturers. It was reported that new sessionals were being appointed at an agreed rate, but there was a considerable amount of work to be done on harmonising large variations in pay and conditions for 800 pre-existing sessionals before moving to consideration of fit with the national pay agreement. The academic Governors asked for this work to be given priority. Governors noted that Birkbeck’s sessional lecturers were a diverse group, with many 0.1 and 0.2 FTE appointments for staff who had retired or were also working at other institutions. It would be important to reach an outcome that was financially sustainable and repeatable and that did not depend on the generation of a surplus each year.

47 AUDIT COMMITTEE

47.1 The Report of the Audit Committee. (G 2010 35)

47.2 Audit Committee had considered the College risk register for 2011-12. Effective management of risk was particularly important given current planning uncertainties. The Committee’s view was that the College’s risk management processes had improved and were more integrated with planning; and that the new structure of the College had made it more able to respond to and manage risk.

47.3 As previously, the main risks were linked to funding and HE policy changes and recruitment of sufficient students to secure sufficient fee income. Governors noted the potential for the risk profile to change quickly. It was reported that the risk register would be regularly monitored and updated and reports made to Audit Committee.

47.4 Audit Committee had also considered and endorsed policy and procedures for the acceptance of gifts and donations.

Approved
47.5 The risk register and risk report (G 2010 35 App A) and (G 2010 35 App B)

47.6 The Gift Acceptance Policy (G 2010 35 App D)

48 REMUNERATION COMMITTEE
Received
48.1 The Report of the Remuneration Committee (G 2010 36).

Noted
48.2 Remuneration Committee was considering changes in its procedures and would report back with proposals. It had agreed not to award any pay increases to senior staff in 2010 beyond the cost of living increase. For 2011, it had agreed awards at lower cost than in previous years before 2010.

49 NOMINATIONS COMMITTEE
Received
49.1 The Report of the Nominations Committee (G 2010 37).

Approved
49.2 Appointment of Ms Liz Meek as an independent Governor, initially for a three year term ending on 30 September 2014.

49.3 Appointment of Mr Hugh Ferrand as an independent Governor, initially for a three year term ending on 30 September 2014.

49.4 Appointment of Mr Stuart Popham as an independent Governor, initially for a three year term ending on 30 September 2014, subject to Mr Popham’s confirmation that he was in a position to take up this appointment.

49.5 Appointment of Mr Harvey McGrath as Chair of the Governors for 2011-12.

49.6 Appointment of Mr Garth Pollard as Deputy Chair of the Governors for 2011-12.

49.7 Appointment of Emeritus Professor Eric Hobsbawm, CH as President of the College for 2011-12.

49.8 Appointment of the Audit Committee, Finance and General Purposes Committee, and Remuneration Committee for 2010-11 as recommended by Nominations Committee and noted in its Report. Mr Clarke abstained from the decision to appoint members of the Remuneration Committee.

Noted
49.9 There were two remaining independent Governors vacancies. Nominations Committee had invited Governors to make further nominations, taking into account particularly the need for Estates and capital projects expertise and for diversity and gender balance in the Governing Body.

49.10 Nominations Committee also noted the independent Governor vacancies on College committees, including HR Strategy and Policy Committee and Equalities Committee.
It had agreed to consider nominations after the independent Governor vacancies on the Governing Body were filled.

**Agreed**

**49.11 Appointments to the Fellowship of the College**
- Emeritus Professor Samuel Guttenplan
- Mr Tom Hoffman
- Mr Drummond Leslie
- Baron Gulam Noon

**49.12 Appointments to the Honorary Life Membership of the College:**
- Mr Richard Clarke, Lecturer, Geography, Environment and Development Studies
- Mr Neil Kaufmann, Technician, Biological Sciences
- Mrs Alison Hunter, Library Assistant
- Ms Anne Jamieson, Reader in Education and Life Course Studies, Social Policy and Education
- Mr Ken Mackley, Subject Librarian
- Mrs Aldith Patterson, Library Assistant
- Mr Rodger Sykes, Head of the Visual Image Service, Library

**49.13** To authorise the Chair to appoint to Honorary Life Membership of the College any eligible member of staff whose retirement was announced between 24 May and 30 September 2011.

**50 VICE PRESIDENT**

**Agreed**

**50.1** To appoint Lord Marshall of Knightsbridge as Vice President of the College, in addition to the existing appointment of the Lord Mayor of London as Vice President, to augment and complement the ambassadorial, scholarly and ceremonial role of the President.

**51 NOMINATIONS COMMITTEE MEMBERSHIP 2011-12**

**Considered**

**Agreed**

**51.2** To reconsider the vacancies on the Nominations Committee once the overall membership of the Governing Body was confirmed.

**52 PRO VICE MASTERS**

**Agreed**

**52.1** Re-appointment of Professor Matthew Innes as Pro-Vice-Master for Strategy and Special Projects, for a second three year appointment ending on 30 September 2014.

**52.2** Re-appointment of Mrs Tricia King as Pro-Vice-Master for the Student Experience, for a second three year appointment ending on 30 September 2014.
52.3 Appointment of Professor Li Wei as Pro-Vice-Master for Research, for a one year interim appointment ending on 30 September 2012, while the current Pro-Vice-Master for Research, Stephen Frosh, was on sabbatical leave.

53 RETURNING OFFICER FOR THE STUDENTS’ UNION
Agreed
53.1 Appointment of Mr Tom McCartney as Returning Officer for Students’ Union elections for one year from 1 August 2011.

54 THANKS TO RETIRING MEMBERS
Noted
54.1 Governors’ thanks and good wishes to retiring members:
- Mr Richard Clarke, Academic Staff Governor and member of Nominations Committee Academic Board and Academic Board Executive Committee.
- Professor Mike Oaksford, Academic Board Governor and member of Finance and General Purposes Committee and Nominations Committee as well as Academic Board and its Executive Committee.
- Mr Drummond Leslie, independent Governor since 2000 and member of the Finance and General Purposes Committee, the Human Resources Strategy and Policy Committee, the Nominations Committee, the Remuneration Committee, and chairman of the Investment Committee. Mr Leslie also chaired a number of Appeal Tribunals in Birkbeck and elsewhere in the University and took a special interest in the department of Human Resources in the Governor liaison scheme.
- Mr Tom Hoffman, independent Governor since 2003 and member of the Finance and General Purposes Committee, the Investment Committee, the Nominations Committee and the Remuneration Committee. He took a special interest in the Schools of Crystallography and of Law in the Governor liaison scheme. He was appointed as an independent Governor in 2003.

54.2 Governors were pleased that Mr Leslie and Mr Hoffman would be maintaining their association with the College through the Fellowship.

55 SEALING OF DOCUMENTS
Resolved
55.1 To grant authority to affix the Common Seal of the College to any deeds or documents necessary to give effect to the resolutions of the Governing Body at its present meeting.”

56 DATES OF MEETINGS IN 2011-12
Noted
56.1 Dates for meetings of the Governors in 2011-12
- Wednesday, 5 October 2011 (Strategic Meeting and Dinner)
- Wednesday, 30 November 2011
- Thursday, 22 March 2012
- Tuesday, 3 July 2012
all at 5.15 p.m.