BIRKBECK
University of London

Minutes of the meeting of the GOVERNORS

24 November 2010

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

By invitation
Mr Robert Allison,

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
Mr John Poggioli, Dr Ruth Thompson, Ms Natalie Heppenstall.

3 DECLARATION OF INTERESTS
Noted
3.1 Governors were asked to disclose in advance any actual or potential conflicts of
interest in relation to the matters listed on this Agenda. No substantive conflicts
were identified. Mr Allison noted a consultancy agreement with KPMG, the College’s
external auditor, in relation to Minute 9. Mr Leslie noted his membership of the

4 MINUTES OF THE LAST MEETINGS
Confirmed
4.1 The Minutes of the meetings of 1 July 2010
The Minutes of the meeting of 13 October 2010, subject to the following
amendments:
2.28 (correction) The Browne Review recommended an increase in annual
undergraduate tuition fees to £6K (not £600K)
2.38 (new Minute amplifying the importance of the College’s values and mission)
Governors reaffirmed the importance of preserving George Birkbeck’s vision
of the College’s unique mission: to spread the benefits of learning and
knowledge to all. The College should maintain its core values and ethos and
preserve its unique mission while responding to the major changes taking place.
5 MASTER’S REPORT

Noted

5.1 In addition to the publication of the Browne Review advocating increases in undergraduate tuition fees and reduction in direct teaching funding, the Government had announced cuts to higher education funding as part of the Comprehensive Spending Review (CSR). 65% of the savings at the Department for Business, Innovation and Skills (BIS) would be via cuts to higher and further education. It was likely that teaching funding would cease, except for strategically important subjects and areas.

5.2 Prior to the Governors’ meeting, UCU, UNISON and the Students’ Union had presented the Master and the Governors with an appeal, asking them to reaffirm the College’s commitment to accessible higher education and oppose the proposed changes to fee and funding policy.

5.3 Governors had already reconfirmed their commitment to the College’s mission in relation to accessible higher education (Minute 4.1). The next phase of the response to the proposed changes would be to seek to influence the implementation of the proposals, in order to secure the best possible outcome for part-time provision and students. The College was in dialogue with BIS on student loans and was working with the Open University to influence policy on the National Scholarship Fund.

5.4 These activities built on the Government’s expressed commitment to part-time students, most significantly, Parliament’s endorsement of the Browne recommendation that the loan system would be open to part-time students.

5.5 Governors debated the next steps to be taken, acknowledging the strength of feeling among students and their legitimate concerns about the future of higher education. Several specific and important issues for the development of strategy were identified:

- The preservation of Birkbeck’s historic mission should be central in driving the College’s strategy
- The impact of the changes should be carefully monitored.
- Further analysis was needed on the appetite for loans and debt amongst part-time students, particularly those with lower incomes.

5.6 Governors endorsed a continuing approach of pragmatic diplomacy, noting that outspoken protest would limit the College’s ability to influence policy and secure a good outcome for part-time higher education.

6 STRATEGIC REVIEW

Considered

6.1 A progress report on the Strategic Review and development of the College’s response to fee and funding changes. (G 2010 01A)

Noted

6.2 Good progress was being made in the existing projects, which were divided into three strands: restructuring, value for money/business continuity and estates. They continued to be overseen by the Strategic Review Implementation Team of project
leaders and managers, reporting to the Strategic Review Steering Group which was chaired by the Master with senior College and Governor representation.

6.3 The process for portfolio review and budget review and planning, leading into production of plans and budget proposals for 2011-12, had been defined. Portfolio review, which had commenced with a major exercise in 2009, would in a lighter touch format become a regular part of the annual planning cycle.

6.4 The Strategic Review was originally set up to respond to the withdrawal of HEFCE funding for ELQ students. The focus was now shifting to new challenges arising from the changes to fees and funding. The Implementation Team had begun to consider the activities would be needed to support new strategy development.

6.5 The Strategic Planning Committee and Executive Deans were planning an extended awayday meeting in December. The aim was to consider opportunities to benefit from the changes along with the risks and challenges. Discussion would be the context of data about the characteristics of Birkbeck’s student body and an update of the financial scenario model indicating the impact of variations in HEFCE funding, tuition fee levels and student numbers on the College’s surplus/deficit.

6.6 Governors noted that the Strategic Review had managed the ELQ crisis well. An important factor in its success was the emphasis on communication and consultation with College staff and it would be important to continue to engage and consult with staff on new developments.

6.7 Specific consideration would need to be given to teaching space. There would be continuing pressure on teaching space in the future: in terms of quantity as student numbers increased and in terms of quality in anticipation of the expectations of students paying higher fees. This was an important concern for academic staff. The Strategic Review teaching space project was evaluating an area in which academic and pedagogical factors were as important as logistical and financial limitations.

6.8 Governors agreed that it would be beneficial to conduct an evaluation of the Strategic Review once the new structure and processes were properly embedded.

6.9 In response to a specific question about student ID cards, it was noted the cards needed to carry expiry dates for a pragmatic reason: to fulfil other bodies’ requirements for student discounts. There was no intention to call Birkbeck’s lifelong learning ethos into question.

7 BIRKBECK STRATFORD
Considered

7.1 A report on academic and building developments at Stratford. (G 2010 02)

Noted

7.2 Good progress was being made on all fronts, with joint governance and project management structures in place; the building project securing planning permission; further actual and potential donations; increases in student enrolments; and further development of outreach and student services initiatives.
7.3 The planning application had been submitted in August and planning consent had been granted. The project had progressed to RIBA Stage D (scheme design and planning; detailed proposals; planning application). The project remained on schedule for opening in September 2013 and it was anticipated that the project costs would fall within the overall £33m budget.

7.4 Following confirmation of a £1M donation from the Garfield Weston Foundation, the College was putting together an application to the Foyle Foundation. The College had also received a £25,000 donation from former Chair of Governors, Lord Marshall and had submitted an application to the Clore Foundation with the response expected in December.

7.5 Applications and enrolments at Stratford continued to increase and there had been particular growth in certificate, degree and diploma programmes.

8 ANNUAL REPORT OF THE AUDIT COMMITTEE
Approved

8.1 The Annual Report of the Audit Committee for 2009-10, enclosing the internal auditors’ annual report and the annual report on value for money, prior to submission to HEFCE. (G 2010 03)

9 FINANCIAL STATEMENTS 2009-10
Considered

9.1 Finance and General Purposes Committee’s recommendation to approve the Financial Statements for the year ended 31 July 2010. (G 2010 04)

9.2 Audit Committee’s recommendation to authorise the Chair of Governors to sign the letter of representation to the external auditor. (G 2010 05)

Noted

9.3 The external auditors had confirmed satisfaction with the Financial Statements. The Audit Committee had received confirmation of College management’s confidence in the integrity of internal controls and procedures.

9.4 Turnover had increased by £5.5M compared with the previous year with a £4M increase in tuition fees from undergraduate and postgraduate courses and a £2.5M increase in HEFCE grants including the SDF award. Room lettings income increased by £0.5M. Income from research grants and contracts fell by £0.6M, largely due to the winding up of the large National Evaluation of Sure Start project. The overall research grant overhead recovery rate had been maintained at 31%.

9.5 Expenditure had increased by £5M, split evenly between staff and non staff costs. On the non staff side there were increases in utilities spending (£0.5M) and on an enhanced scholarship and bursary scheme reflecting the increased tuition fee levels (£0.7M). The increased staff costs reflected expansion of activities and student numbers as well as an exceptional spend on the voluntary severance and early retirement scheme, resourced from the SDF grant.

9.6 The end of year deficit was £625K compared with £493K forecast in June 2010 and £1.08M in June 2009. The variation between June 2010 and year-end was due to a
late reduction in HEFCE T grant and a decision to put the difference in valuation of 29 Russell Square between its purchase and onward lease through the 2009-10 income and expenditure account.

AGREED

9.7 To authorise the Chair of Governors to sign the letter of representation to the external auditor (G 2010 05).

APPROVED

9.8 The Financial Statements for the year ended 31 July 2010. (G 2010 04)

10 FINANCIAL FORECASTS

Noted

10.1 HEFCE had extended the deadline for submission of five-year financial forecasts to April 2011 to allow for further detail of grant funding, to be announced in early 2011, to be incorporated.

11 ANNUAL MONITORING STATEMENT

Approved

11.1 The Annual Monitoring Statement for 2010. (G 2010 06)

12 CORPORATE PLANNING STATEMENT

Approved

12.1 The Corporate Planning Statement for 2010. (G 2010 07)

13 ANNUAL RETURN TO HEFCE

Noted

13.1 The financial statements, Audit Committee annual report, letter of representation, annual monitoring statement and corporate planning statement would be submitted to HEFCE as part of the annual accountability return.

13.2 The Corporate Planning Statement was a statutory part of this return and the College’s planning processes extended significantly beyond it.

14 PRO-VICE-MASTER

Noted

14.1 The procedure for appointment of Pro-Vice-Masters was for Governors to confirm appointments for fixed terms of three years, on the recommendation of the Master, for members of staff to be responsible for the strategic consideration and development of initiatives in specific areas.

Agreed

14.2 To re-appoint Professor Costas Douzinas as Pro-Vice-Master for International Links for a second three year appointment ending on 31 December 2013.

15 AUDIT COMMITTEE

Received

15.1 The Report of the Audit Committee. (G 2010 08)

Noted
15.2 Audit Committee had asked for assurance from management that the external auditor’s recommendation on scheduling bank reconciliations would be addressed and had asked for a report to be made at its next meeting.

15.3 Audit Committee had also noted that Governors would have a new duty in future to confirm assurance of academic quality. The Committee had advised that the reports of the Academic Board to Governors should be structured in future to enable Governors to fulfil this duty.

15.4 Following previous discussions of concerns over the financial management of Birkbeck College Students’ Union, it was reported that the Union had addressed the issues of immediate concern although there remained areas to address which would be monitored.

15.5 Responding to an initial report by management on responses to the fee and funding changes, the Committee had asked for a full report on evaluation of the impact and development of strategy in response to be made at its next meeting.

15.6 The Committee had been satisfied and had forwarded to Governors the regular report on performance in the areas of top risk, noting that given the changing external environment it would be necessary to update these regularly.

16 FINANCE AND GENERAL PURPOSES COMMITTEE

16.1 The Report of the Finance and General Purposes Committee. (G 2010 09)

Noted

16.2 F&GPC had received a report on student recruitment against the HEFCE contract. The report for 2009-10 had indicated that the outcome would be 4,223 FTE, within 1% of the in-year prediction made in December 2009. The report for 2010-11 had included an estimate of fundable completions of 4,935FTE, indicating that the College would meet the targets required to avoid clawback of funding. Overall student recruitment level (by FTE) was 84% of target, including a strong performance for degree programmes and a less strong performance in modular provision and for ELQ (non fundable) students. The College was evaluating modular fee strategy as part of its consideration of the overall strategy in response to the Browne review.

16.3 F&GPC had received the revised forecast outturn for 2010-11. A deficit of £766 was projected, largely due to indications of a T grant cut affecting the final four months of the year. At this early stage it was not feasible to make an accurate projection of the year-end and the position would be influenced by the mid year budget review that would take place in January 2011. The College would review anticipated income and spending so far and, if necessary, re-cast expenditure allocations to reach a balanced budget. F&GPC had agreed to authorise its Chair to take any necessary action before March if it was necessary to alter spending allocations significantly.

16.4 Investment Committee had reported its decision to raise the level of cash holdings in response to the need for greater flexibility in an uncertain period, both in terms of potential funding cuts and gaps and the possible need to spend money on the
Stratford building. There was £16M of cash split evenly between instant access and one year fixed term accounts, with a relatively good rate of interest secured.

16.5 F&GPC reported on the work of the Strategic Planning Committee which, given the current critical stage in strategy development, had invited the Executive Deans to all meetings this session. SPC had reported on the immediate impact of the Browne Review and the Comprehensive Spending Review. The College would be seeking to influence policy to make loans available to students studying at 25% intensity, as that was the study load of a substantial number of Birkbeck students, and would also review the credit structure to identify how provision at 33% intensity could be expanded.

16.6 For tuition fees, the College’s pre-Browne priority had been for undergraduate fees to be raised to the pro rata equivalent of the full time capped fee and for the College overall to charge market rate fees. The new issue was to identify what strategy to adopt given that full time undergraduate fees were likely to double after 2011-12, and what approach to take for postgraduate fee strategy, given that the loan system would not be available to postgraduates. SPC had advised that it was too early to make an irreversible decision on tuition fees for 2011-12 and had delegated further consideration of fees for 2011-12 and beyond to its new Fee Bursary and Scholarship Committee.

16.7 Drawing these matters together with the need for broader discussion of College strategy, SPC was planning an extended awayday meeting in December as noted in minute 6 above.

Note: In December 2010 the Government decided to lower the threshold of eligibility for student loans from 33% to 25% of full time intensity, the equivalent of 30 credits per year; and Parliament agreed to a two tier fee cap of £6K per annum full time without regulation of widening participation and access activities and £9K per annum full time with regulation.

16.8 F&GPC reported on the work of the Estates Committee, noting good progress in the implementation of the Estates strategy.

16.9 For Russell Square, informal liaison continued with Camden Council’s planning office prior to submission of the formal planning application. The current budget covered energy efficient heating installation, internal access between the houses and redecoration, but not the lift or shared reception area. The budget remained under review.

16.10 The School of Arts was in place at 39-47 Gordon Square and 32 Tavistock Square.

16.11 Registry Services had moved to Egmont House, completing the transfer of most Professional Services sections to that building. The student centre and associated student services remained on the ground floor of Malet Street where the former Registry offices had been converted for teaching. Computer Science and Psychological Sciences had moved out of Senate House and into Malet Street. The main lifts at Malet Street had been replaced over the summer vacation.
The College had submitted its Capital Investment Framework (CIF) application to HEFCE who would advise institutions whether they had satisfied requirements in January 2011. The provision of capital funding from April 2011 would depend on the spending review and there was speculation that the fund could be 40-60% of the 2008-11 allocation.

The College was investigating selling its share in 23-29 Emerald Street, where the London Knowledge Lab and some Computer Science offices were based, to its partners in the property the Institute of Education. This would not affect Birkbeck’s continuing commitment to the London Knowledge Lab partnership with IoE. Estates Committee would report to F&GPC and Governors on negotiations on the price and sale of Emerald Street. However, it was possible that authority to approve the price and sale of Emerald Street would be needed prior to the next Governors’ meeting.

Agreed

To delegate authority to approve the price and sale of Emerald Street, if necessary before the next meeting of the Governors, to the Chair of Governors, the Chair of F&GPC and the Master.

Teaching space was becoming a major concern as student numbers grew. Estates Committee had taken preliminary action to improve two aspects of teaching space: to identify how a larger IT teaching space could be provided and to commission a report on options and preliminary costings for a large lecture theatre, to be used to assess fundraising potential.

F&GPC reported on the work of the HR Strategy and Policy Committee. HRSPC had reported its consideration of HR priorities for 2010-11 including completion of the sessional lecturer project; leadership and management development; customer service training; equality; and reviewing the future direction of HR.

F&GPC had endorsed HRSPC’s recommendation that Governors approve policy for the right of staff to request time off for training. This formalised existing practice in the College, in response to legislation changes.

F&GPC had endorsed HRSPC’s recommendation that Governors approve policy allowing College management to approve payments up to a limit relating to voluntary severance and early retirement without the need for approval from the Chair of Governors.

Approved

Policy for the right of staff to request time off for training.

Policy allowing College management to approve payments up to a limit relating to voluntary severance and early retirement without the need for approval from the Chair of Governors.

Noted

F&GPC had considered a progress report on the updated Voluntary Severance and Early Retirement Scheme which ran from January to July 2010, funded by the SDF
grant. The Scheme had met College management’s objectives in terms of cost savings (£1.4M net savings over five years). Some potential funding remained and the College would need to identify whether the scheme should be relaunched and if so what change it should support.

16.22 F&GPC had received the audited financial statements of the Birkbeck College Students’ Union for the financial year 2008-09, noting that these should have been received by March 2010.

17 ACADEMIC BOARD
Received
17.1 The Report of the Academic Board. (G 2010 10)

Endorsed
17.2 Academic Board’s recommendations on the appointment of Emeritus Readers and Professors:

Emeritus Professors:
- **Professor Boris Mirkin**, Head of the Computational Intelligence group in the Department of Computer Science and Information Systems, School of Business Economics and Informatics, until his retirement on 30 September 2010;
- **Professor Samuel Guttenplan**, Professor of Philosophy, Department of Philosophy, School of Social Sciences, History and Philosophy until his retirement on 30 September 2010.

Emeritus Reader:
- **Dr Roger Johnson**, Reader in Computer Science, Department of Computer Science and Information Systems, School of Business, Economics and Informatics until his retirement on 30 September 2010.

18 GOVERNOR LIAISON SCHEME
Received
18.1 A report on the Governor-School/section liaison scheme. (G 2010 11)

Noted
18.2 Governors had agreed in March 2003 that, to increase independent Governors’ knowledge of the work of the College and communication with staff and students, they would be invited to become associated with a School or administrative department. Following re-structuring, the scheme had been re-introduced, this time linking Governors primarily with Schools.

18.3 There had already been contact and interactions between the Governors and their respective School or Department and the Scheme had provided for benefits on both sides, as independent Governors learned more about the College’s work and Schools and Departments valued the Governors’ added experience and skills.

19 MEMBERSHIP OF THE GOVERNING BODY
Noted
19.1 The membership of the Governing body for 2010-11. *(G 2010 12)*

20 STATEMENT OF PRIMARY RESPONSIBILITIES
Received
20.1 The Statement of the Governors’ primary responsibilities and responsibilities delegated by Governors to Committees. *(G 2010 13)*

21 STANDING ORDERS OF THE GOVERNORS
Noted
21.1 That the Standing Orders of the Governors were available on the Governors’ website from this link: [http://www.bbk.ac.uk/committees/governors](http://www.bbk.ac.uk/committees/governors)

22 SEALING OF DOCUMENTS
Resolved:
“that authority be granted 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.”

23 MEETING DATES
Noted
23.1 Dates of the remaining meetings this session:

- Thursday 17 March 2011
- Thursday 7 July 2011 both at 5.15 pm.