

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 18 October 2018
1B27 - Technopark, SE1 6LN**

Present

Jerry Cope (Chair) (*for minutes 1 -18*)
Douglas Denham St Pinnock (Vice-Chair) (*in the chair for minute 19*)
David Phoenix
Steve Balmont
Shachi Blakemore
Duncan Brown
Julie Chappell
Michael Cutbill
Nelly Kibirige
Peter Fidler
Mee Ling Ng
Hilary McCallion
Jenny Owen
Jeremy Parr
Tony Roberts
Nazene Smout

Apologies

Kevin McGrath

In attendance

Pat Bailey
Richard Flatman
James Stevenson
Michael Broadway

1. Welcome and apologies

The Chair welcomed Jeremy Parr to his first Board meeting.

The above apology was noted.

The Chair noted that the Board had just received an informative pre-board presentation on the student journey transformation project "LEAP". Progress on the project would be regularly reported to the Major Projects and Investment Committee.

2. Declarations of Interest

The Board noted the following declarations of interest:

- Jerry Cope declared an interest in the re-appointment of the Chair. Mr Cope would leave the meeting for the discussion. The item would be chaired by the Vice Chair;

- Jerry Cope and David Phoenix declared an interest in the update on project Larch as directors of South Bank Colleges.
- All members of the executive present declared an interest in the senior remuneration policy item.

3. **Minutes of previous meeting**

The Board approved the minutes of the meeting of 12 July 2018 and their publication.

4. **Matters arising**

All matters arising from the previous meeting had been completed.

[REDACTED]

5. **Chair's business**

The Chair updated the Board that two key topics discussed at a recent CUC Board meeting were students' mental health and the cost of pensions.

The Chair requested governors to express an interest in becoming a director of South Bank Colleges, the recently created wholly-owned subsidiary to run further education in the group.

The Chair reported to the Board that Audeliss were the preferred recruitment agency for new independent governor recruitment. Audeliss's focus is on providing good quality, diverse candidates for boards.

The Chair reminded the Board that a detailed governance effectiveness review is due in summer 2019.

6. **Staff Governors**

The Board approved the extension of Jenny Owen's and Tony Roberts' first term as staff governors to 28 February 2019, due to the ongoing review of the membership of the Academic Board.

7. **Finance, Planning & Resources Committee - Chair's overview**

The Chair of the Finance, Planning and Resources Committee gave an update to the Board on the recent work and focus of the committee. The Board noted that workforce planning and NSS performance are current areas of focus for the committee.

The Chair invited governors to attend any committee meeting as an observer to help develop their understanding of the work of the committee and of the university.

8. Vice Chancellor's report

The Board discussed the Vice Chancellor's report in detail.

The Board welcomed the positive student recruitment outcome for 2018/19. This had been achieved despite increasing competition and while not lowering entry tariffs.

The Board noted with concern that initial indications showed that progression from year 1 to year 2 had dropped by 4 percentage points to 71%. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] An update on the position would be provided at the next Board meeting.

The Board discussed the personal challenges some students faced during summer recess which may be a factor in lower than expected re-enrolments. The Executive was analysing the reasons for a similar decrease in re-enrolments and an update would be provided to the next meeting.

The Board discussed in detail the 3 percentage point decrease in National Student Survey (NSS) performance. The Board discussed the importance of the NSS as an indicator of student experience and its impact on TEF rating and league table scores. The Board requested an update on plans to address the decline in performance to the next meeting of the Finance, Planning and Resources Committee.

9. Chief Financial Officer's report

The Board noted the Chief Financial Officer's report, which updated the Board on current financial position, forecast surplus of £1.6m for 2017/18 (subject to audit), LSBU group matters, risk and control.

The year end audit was due to finish shortly. No significant issues had been raised by the auditors.

The Board noted that the draft internal audit annual report for 2017/18 had been reviewed by the Audit Committee. The report and the auditor's opinion was positive.

The Board discussed the variance compared to budget on third party staff costs. An update would be circulated to the Board.

The Board discussed the proposal to take on Lambeth College's commercial debt with Barclays as part of Project Larch. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board approved the transfer of LSBU's current banking from RBS to Barclays.

10. **Corporate Risk annual detailed review**

The Board discussed in detail the corporate risk register. The Board noted that the risk register is reviewed by the Audit Committee at each meeting.

The Board noted the risk management process had been reviewed by the internal auditors and was rated as "low risk".

[REDACTED]

[REDACTED]

The Board questioned whether there should be additional risks on student experience due to the decrease in NSS performance, and on the current review of fees by the Government. This would also be considered by the Executive.

Based on the definitions in the risk appetite framework the Board agreed to maintain the following risk appetite for the University:

- a. Legal and compliance [REDACTED]
- b. Financial [REDACTED]
- c. Reputational [REDACTED]
- d. Academic delivery [REDACTED]

11. **Larch transaction update**

The Board noted the update on Project Larch. The South Bank Colleges (SBC) Board had met earlier on 18 October 2018 and had authorised exchange of the transfer agreement with Lambeth College. The Lambeth College Board was meeting in the evening of 18 October 2018 to consider authorising exchange of the transfer agreement with SBC.

The Board noted that the order to designate SBC to run Lambeth College had been laid before Parliament on 11 October 2018.

The Board noted that the LSBU Project Larch transaction sub-committee (established and given delegated authority by the Board at its meeting of 12 July 2018 – minute 10 refers) had discussed the legal due diligence report in detail at its meeting of 11 October 2018. The key risks arising from the report are on estates and on having legally compliant processes in place. The committee had agreed that these risks were manageable. [REDACTED]

[REDACTED] The

Board requested that the legal due diligence report is circulated to all governors for information.

{Secretary's note: contracts were exchanged on 8 November 2018.}

12. Senior remuneration policy

The Board approved the updated senior remuneration policy which had been discussed in detail by the Remuneration Committee. An independent report on executive remuneration had been commissioned by the committee to be considered at its meeting of 6 November 2018.

13. Terms of Reference

The Board approved the revised terms of reference for the Finance, Planning and Resources Committee and the Remuneration Committee.

14. Annual declaration of interests

The Board authorised the declared interests of its members.

15. Reports and decisions of committees

The Board noted the report.

16. Review of standing orders

The Board noted that a further review would take place post the transfer of Lambeth College into the University group.

17. Board strategy day report

The Board noted the report.

18. Board annual work plan

The Board noted its proposed work plan for 2018/19.

19. Re-appointment of Chair (to approve)

In the absence of Jerry Cope, Chair of the Board. Chaired by the Vice Chair, Douglas Denham St Pinnock

Based on positive feedback from governors as part of the annual appraisal of the Chair and the recommendation from the Nomination Committee:

- the Appointments Committee (all independent governors) approved the re-appointment of Jerry Cope as an independent governor; and
- the Board approved the re-appointment of Jerry Cope as Chair of the Board of Governors.

Both re-appointments will be for a second term of four years and with effect from 1 August 2019.

Date of next meeting
4.00 pm, on Thursday, 22 November 2018

Confirmed as a true record

..... (Chair)