

**Minutes of the meeting of the Board of Governors  
held at 4.00 pm on Thursday, 22 July 2021  
room PC-C101, Passmore Centre**

**Present**

Jerry Cope (Chair)  
Duncan Brown  
John Cole (*via Conference call*)  
Ruchika Kumar  
Mark Lemmon  
Nicki Martin  
Jeremy Parr (*via Conference call*)  
David Phoenix  
Rashda Rana  
Tony Roberts  
Deepa Shah  
Maxwell Smith  
Vinay Tanna

**Apologies**

Michael Cutbill  
Maureen Dalziel  
Peter Fidler

**In attendance**

Michael Broadway  
Richard Flatman  
Deborah Johnston (*for minute 1*)  
Marcelle Moncrieffe-Johnson  
James Stevenson

**1. Welcome and apologies**

The Chair welcomed Ruchika Kumar to her first Board meeting as a student governor. The Chair welcomed Maxwell Smith, student governor, to his first Board meeting as SU President.

The above apologies were noted.

The Board had just received an informative pre-Board presentation on student outcomes. As part of the presentation, the Board noted recent results in the National Student Survey (NSS), Graduate Outcomes and the new 'Proceed' measure.

LSBU is below benchmark in these three surveys, partly attributable to the non-contextual use of the data and some aspects of LSBU student demographics.

The Board noted that the three main risks are the consequent future drop in league table position, increased regulatory challenges (including the potential for achievement thresholds to be raised) and the impact of these metrics in the new Teaching Excellence Framework (TEF).

The Board noted a number of short-term and medium-term initiatives to respond to these challenges, including the portfolio review and Project Leap.

The Board noted that the biggest issue for LSBU students during the year was the cyber-incident and its impact on their ability to access relevant resources. The Board requested a pre-Board presentation on IT in autumn 2021.

**2. Declarations of Interest**

Nicki Martin and Tony Roberts declared an interest in the proposed recognition payment to staff (included in the CFO's report).

**3. Minutes of previous meeting**

The Board approved the minutes of the meetings of 20 May 2021 and 24 June 2021 and their publication, as redacted.

**4. Matters arising**

The Vice Chancellor updated the Board on the proposed SBC estates disposal. The Heads of Terms with [REDACTED] had been signed, following review by a senior partner at Eversheds and approval by the sub-committee as authorised at the Board meeting of 24 June 2021.

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] The Executive is reviewing this offer and how to mitigate the subsequent challenges with teaching delivery. The Board requested an update on the impact on the group's cashflow if the revised offer is accepted (subject to contract).

**5. Governor appraisals**

The Chair reported that he intends to undertake governor appraisals in December 2021 and January 2022.

**6. Re-appointment of Chancellor**

The Board approved the re-appointment of Sir Simon Hughes as Chancellor for a second term of four years from 1 August 2022.

**7. Committee update: GARC**

The Chair of the Group Audit and Risk Committee updated the Board on the committee's work, including reviewing the response to the cyber-attack, the external audit plan for 2021/22, the internal audit plan for 2021/22 and corporate risk oversight. The Board noted that the committee was closely monitoring the speed with which internal audit recommendations were followed up and resolved by management.

The Board noted the urgent work to audit compliance of fire doors within the estate that had been required during the year and which the committee was monitoring.

The Board recognised the heavy workload on the committee and the Chair of the Board thanked the four members for their contributions.

**8. GARC effectiveness review**

The Chair of the Group Audit and Risk Committee reported to the Board on the recent thorough effectiveness review of the committee. The review sought the views of committee members, the internal and external auditors and members of the Executive, which were moderated by the Senior Independent Governor.

The Board noted that overall, responses were positive, with all respondents agreeing that the committee is properly constituted with appropriate membership and is effective in addressing its duties and reporting requirements. The review identified some areas for improvement, including developing the committee's relationship with the audit committees for SBA and SBC. No major concerns were identified.

The Board noted the results of the effectiveness review and the action plan.

A lighter-touch review would be carried out regularly.

The Board noted that similar effectiveness reviews of the Board's other committees would take place in due course.

The Board thanked Peter Fidler and Kerry Johnson, Governance Officer, for completing the review.

**9. VC report**

The Board discussed the Vice Chancellor's report.

The Board noted that Prof. Tara Dean, the new Provost, would start at the beginning of September 2021. Prof. Deborah Johnston is currently the Acting Provost.

The Board noted the additional work to ensure that the fire doors at the university remained compliant. The financial implications were covered by the CFO's report (see minute below).

The Board noted that, following recent government guidance to ease coronavirus restrictions, the university and the campus would be re-opening in September 2021. Some mitigations against the virus would remain in place on campus.

The Board noted that the Croydon campus would open in September 2021. Currently 175 applicants had accepted a place. The target is to recruit between 250 and 300 students. The Board noted that an Engineering Innovation Centre is being developed close to the campus.

The Board noted that the redevelopment of London Road is progressing. The challenges with the contractor were ongoing.

**10. CFO report**

The Board discussed the CFO report which included updates on the current financial position, 2021/22 budget, ESFA returns, cashflow, revolving credit facility (RCF) with AIB, year-end matters and pensions.

The Board noted the May 2021 management accounts which had been reviewed by FPR which forecast income to be £9m ahead of budget at £162m. The surplus was forecast to be in the range of £5m to £9m, before accounting for to three potentially material uncertainties: i) the cost of fire door improvements, [REDACTED] ii) the proposed recognition payment to staff (see below); and iii) the final FRS102 pensions report.

The Board discussed the proposed recognition payment to staff (excluding members of the Executive and hourly paid lecturers) to reflect the hard work in responding to the challenges with dealing with the pandemic and the cyber-attack. The payment would be a one-off, non-consolidated payment with each fully eligible member of staff receiving the same amount before deductions.

The Board approved the proposed recognition payment, subject to the costs being accounted for in financial year 2020/21 and, if in the Group CFO's reasonable opinion, a surplus of at least £3m is likely after making the payment.

The Board authorised the Executive to determine the amount of the payment (up to 1.5% of forecast total staff costs with an actual financial cap of £1.5m), the timing of the payment and the eligibility criteria.

The Board requested that the contribution of hourly paid lecturers is acknowledged and noted that further work was being undertaken on the scale and nature of their relationship with the university.

The Board discussed the proposed budget for 2021/22 with a business-as-usual surplus of £5m offset by a £3m investment in the Croydon campus. The budgeted income was £169m which the Executive considered to be reasonable and achievable.

The Board noted that operating expenditure was being prioritised to address the challenges as set out in the pre-board presentation.

The Board approved the budget for 2021/22.

The Board noted that the insurance claim for the cyber attack was being finalised. [REDACTED] The costs have been written off in the current financial year and there were no assumptions on the success of the claim in either the forecasts for 2020/21 or the budget for 2021/22.

The Board noted the 2021/22 budgets for SBA and SBC.

#### 11. **EDI annual report 2020/21**

The Board discussed the EDI annual report, 2020/21.

The Board noted the progress made on EDI measures during the year, including reducing the gender pay gap from 5% to 3.8%.

The Board noted that the EDI strategy had been approved by the Executive and would be launched in the new academic year. The strategy would be presented to the Board at its October 2021 meeting.

The Board noted that the Executive is committed to achieving the Race Equality Charter Mark by 2022.

The Board supported the annual report.

**12. 2015-20 strategy review**

The Board noted the 2015-20 strategy review. The Board noted the 2015-20 strategy review, noting key achievements and areas for further development to be addressed in the current strategy.

**13. LSBU Global: partnership risk framework**

The Board approved the transnational education (TNE) risk assessment process. The Board agreed that its prior approval would be required for international branch campuses and for international joint ventures.

**14. Standing orders review**

The Board approved the amendments to the Standing Orders, which included changes to the method of appointment for staff governors and changes to the Schedule of Matters Reserved.

The Schedule of Matters Reserved had been reviewed from a 'group-perspective' and updated to include changes to the TNE risk assessment process (please see previous minute). The Schedule now covered LSBU matters and group-wide matters reserved to the LSBU Board. Group-wide matters reserved to the LSBU Board were based on the Governance Agreements between LSBU and its subsidiaries, which would be updated.

The Board delegated authority to a sub-committee of the Chair of the Board, the Vice Chair and the Chair of MPIC to approve consequential amendments to the Governance Agreements with SBA and SBC.

**15. Corporate risk report**

The Board noted the updated corporate risk register.

**16. Board effectiveness review: final report**

The Board noted the final report on the actions arising from the Board effectiveness review of 2019.

**17. Reports and decisions of committees**

The Board noted the reports from committees.

The Board approved the updated terms of reference of the Remuneration Committee.

**Date of next meeting**  
**4.00 pm, on Thursday, 23 September 2021 – Board strategy day**  
**4.00 pm, on Thursday, 21 October 2021 – Board meeting**

**Confirmed as a true record**

..... (Chair)