

**Minutes of the meeting of the Board of Governors  
held at 4.00 pm on Thursday, 25 November 2021  
Passmore Centre, main conference room**

**Present**

Jerry Cope (Chair)  
Michael Cutbill (Vice-Chair)  
Duncan Brown  
John Cole  
Peter Fidler  
Ruchika Kumar  
Mark Lemmon  
Nicki Martin  
Jeremy Parr (*for minutes 9 - 21*)  
David Phoenix (*for minutes 1 - 19*)  
Maxwell Smith

**Apologies**

Maureen Dalziel  
Rashda Rana  
Kate Stanton-Davies  
Vinay Tanna

**Observers**

Ruth Farwell (Chair of SBC Board)  
Shani Shamah (Associate Governor)

**In attendance**

Michael Broadway  
Tara Dean (*for minutes 1 - 19*)  
Richard Flatman (*for minutes 1 - 19*)  
Deborah Johnston (*for minutes 14 - 19*)  
Fleur Nieboer (*KPMG, external auditor*) (*for minutes 1 - 11*)  
James Stevenson (*for minutes 1 - 19*)

**1. Welcome and apologies**

The Board welcomed Ruth Farwell, Chair of the SBC Board, to her first LSBU Board meeting as an observer.

The Board welcomed Shani Shamah to her first Board meeting as associate governor. The Board noted Shani's work with the Institute of Health and Social

Care and an overview of the skills and experience that she would bring to the Board.

The Board welcomed Fleur Nieboer to the meeting as external audit partner.

The above apologies were noted.

The Board had just received an informative pre-Board presentation on IT strategy from the Group Director of IT & Digital Transformation.

## **2. Declarations of Interest**

Members of the executive present declared an interest in the Remuneration Committee report to the Board and the Senior Pay Policy. Executive members would leave the meeting for that discussion.

## **3. Minutes of previous meeting**

The Board approved the minutes of the meeting of 15 October 2021, and their publication as redacted.

## **4. Matters arising**

The Board noted the update on matters arising from the previous meeting.

## **5. Chair's business**

The Board noted that the appointment to the staff governor vacancy was being finalised.

The Chair updated the Board on independent governor recruitment. Nurole had been appointed as recruitment consultants and would produce a shortlist by December 2021 for review by the Nomination Committee. Interviews were scheduled for January 2022.

## **6. Governor appraisals**

The Chair updated governors that he would be undertaking governor development conversations over December 2021 and January 2022 with all

governors who had been in post for over a year. The Senior Independent Governor would appraise the Chair.

**7. Group Audit and Risk Committee annual report**

The Board reviewed the Group Audit and Risk Committee's annual report for 2020/21, which had been approved by the Committee at its meeting of 11 November 2021.

The Chair of the Group Audit and Risk Committee agreed to sign the report at the point of approval of the accounts.

**8. External audit findings**

The Board noted KPMG's near final audit findings report which had been discussed in detail by the Group Audit and Risk Committee.

KPMG's opinions were unqualified and provide a "clean" opinion on the use of funds.

The external audit partner confirmed that the identified misstatements were not material. The partner reported that final checks were being completed on one outstanding potential misstatement in relation to Halls debt but this was unlikely to be material.

The Board noted that the identified control deficiency on bank reconciliations was being addressed by management.

The external audit partner confirmed the independence of KPMG from LSBU. All non-audit services provided by KPMG to LSBU during the year were permissible and did not conflict with KPMG's audit work.

The Board noted that due to the pandemic and the IT incident, it had been a challenging year for the audit. The Chair of GARC commended the finance team for maintaining controls during the year and producing a strong set of accounts. The CFO anticipated a smoother process for next year's audit.

The final audit report would be circulated to the Board.

**9. External audit letter of representation**

*Jeremy Parr joined the meeting*

The Board discussed the draft letter of representation to the external auditors, which had been reviewed in detail by the Group Audit and Risk Committee.

For the reporting year, specific representations relating to potential litigation and capital accruals had been included.

The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.

The Board noted that the letter would be finalised once the audit of the accounts was complete.

The Board delegated authority to the Chair, the Vice Chancellor and the Chief Financial Officer to approve the final letter and authorised the Chair to sign the letter on behalf of the Board.

#### **10. Going concern statement**

The Board discussed the 2020/21 going concern statement for inclusion in the annual accounts, which had been reviewed by the Group Audit and Risk Committee.

The Chair of the Finance, Planning and Resources Committee (FPR) confirmed that FPR had considered the University's cashflow in detail throughout 2020/21 including plausible downside scenarios.

The Board was satisfied that it was appropriate to prepare the accounts on a going concern basis.

#### **11. Annual report and accounts 2020/21**

The Board discussed the proposed, near-final LSBU group annual report and financial statements for year ended 31 July 2021, which had been reviewed in detail by the Group Audit and Risk committee and the Finance, Planning and Resources committee. The surplus for the University and Group was £3m.

The Board noted minor amendments to the accounts made since the meeting of the Group Audit and Risk Committee on 11 November 2021.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Group Audit and Risk Committee meeting of 11 November 2021 that would prevent a full internal control compliance statement being made in the annual accounts.

The CFO confirmed that there had been no material post-balance sheet events.

The Board noted assurances from the Executive that the form and content of the report and accounts were accurate and could be approved by the Board.

After careful consideration, the Board approved the LSBU group annual report and financial statements for the year ended 31 July 2021, subject to minor amendments and authorised the Chair and Vice Chancellor to sign on behalf of the Board. The final version of the accounts would be circulated to the Board prior to signature.

The Board noted that at its meeting of 23 November 2021, the SBC Board had approved its accounts, subject to final confirmation from KPMG. At its meeting of 16 November 2021 the SBUEL Board had approved its accounts. The accounts of SBC and SBUEL are consolidated into the University group accounts.

*Fleur Nieboer left the meeting*

## 12. **Prevent annual return**

The Board noted the annual report on the Prevent duty, prepared in accordance with OfS guidance. The report demonstrated how LSBU had due regard to the need to prevent people being drawn into terrorism.

Following review by the Group Audit and Risk Committee, the Board approved the Prevent annual report and the statement of assurance for submission to the OfS.

## 13. **Re-appointment of external auditors**

The Board confirmed that KPMG UK LLP shall continue as auditor of the University for the financial year, 2021/22. The Board noted that KPMG are coming to the end of their original five year term. A review of options would be brought to the Group Audit and Risk Committee meeting of February 2022.

## 14. **VC report**

The Board discussed the Vice Chancellor's report.

The Board noted an update on the London Road project. A revised completion date of March 2022 had been received from the developer.

The Board noted that the industrial action at SBC had been resolved.

The Board noted an update on government policy, including the continuing introduction of 'T levels' and the pausing of the OfS's review of the Access and Participation Plan.

The Board discussed recruitment challenges at SBC, which would impact on next year's budget. The opening of the Technical College at Vauxhall in September 2022 should help improve recruitment.

*Deborah Johnston joined the meeting*

The Board discussed the decline in LSBU student progression during academic year 2020/21. The Executive is reviewing the reasons for the decline and setting remedial action.

## 15. **CFO report**

The Board discussed the CFO report, which updated on current year financial performance, 2020/21 year end reporting matters, the annual financial return to the OfS, financial covenant compliance and authorised signatories.


The Board noted that the current forecast for 2021/22 is to deliver to budget.

The Board noted that following approval by the RCF sub-committee, the RCF with Barclays had been extended by one year.

The Board noted that following the cash flow review, the bank covenant compliance forecast had been revised and continued to be positive.

The Board noted that the OfS had extended the deadlines for the annual financial return this year due to the coronavirus pandemic. The Board noted the current five year forecasts were due to be submitted to the OfS by 28 February 2022. The Board would be requested to approve the final forecasts prior to submission to the OfS.

The Board noted that the triennial valuation of the LPFA would take place during the current financial year.



The Board noted the update on enterprise income and the development of a new enterprise strategy. The Board requested a pre-board presentation on the enterprise strategy in the new year.

**16. Corporate risk detailed discussion**

The Board discussed the corporate risk register in detail which was regularly reviewed by the Group Audit and Risk Committee. The Board noted that there were 29 corporate risks. These risks had been mapped against the newly agreed risk domains (minute 10 of the Board meeting of 21 October 2021 refers).

The Board discussed the key risk of the current operating environment of no fee increases, increasing costs and the need to invest. The Board noted that this overall risk was covered by the other risks in the register and mitigations for the risk were covered in the corporate strategy. The Executive will give further consideration to presentation of this risk.

**17. Group-wide and LSBU KPIs**

The board discussed an update on group-wide and LSBU KPIs which had been reviewed by FPR. The Board approved extending the corporate strategy targets by one year to 2026, due to the challenges of the pandemic and the IT incident during 2020/21.

The Board requested the final KPI list for approval at its March 2022 meeting.

**18. Reports and decisions of committees**

The Board noted the report and approved:

- The Modern Slavery Act Statement;
- The creation of a Group Nomination Committee and its terms of reference;
- Minor revisions to the Academic Board terms of reference; and
- Minor revisions to the Enterprise Advisory Board terms of reference.

19. **SBA articles of association update**

The Board:

- consented in principle to South Bank Academies adopting the new DfE model articles for multi academy trusts;
- consented to the SBA Board approving any amendments to the model articles that the SBA Board considers are in the best interests of SBA and in line with the relationship with the LSBU Group; and
- delegated authority to the Group Nomination Committee to appoint company members to SBA on behalf of LSBU.

20. **Remuneration Committee report to the Board**

*Members of the Executive, including the Vice Chancellor, left the meeting*

The Board discussed the Remuneration Committee report.

The Board noted the review of the performance of the Vice Chancellor for 2020/21 and associated individual bonus award of £12k and team bonus award of £3.7k. The Board noted that the multiple of the Vice Chancellor's pay to the median pay of all staff was in line with the sector.

The Board noted that an independent review of executive salaries had taken place.

The Board noted the annual Remuneration Committee report, which would form part of the annual report and accounts.

21. **Senior remuneration policy**

The Board approved the updated senior remuneration policy which had been discussed in detail by the Remuneration Committee.

**Date of next meeting**  
**4.00 pm, on Thursday, 24 March 2022**

**Confirmed as a true record**

..... (Chair)