

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 21 May 2020
via MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
Duncan Brown
John Cole
Peter Fidler
Nelly Kibirige
Mark Lemmon
Nicki Martin
Hilary McCallion
Mee Ling Ng
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Nazene Smout
Vinay Tanna

Apologies

Richard Flatman

In attendance

Pat Bailey
Kerry Johnson
James Stevenson
Ralph Sanders

1. Welcome and apologies

The Chair welcomed Professor Nicola Martin to her first meeting as a staff governor, and welcomed Hattie Tollerson and Maxwell Smith (the incoming student governors) as observers.

The Chair noted that this was the last Board meeting for Nelly Kibirige and Nazene Smout, and thanked them for their contributions as student governors.

The above apologies were noted.

The Chair noted that the Board had just received an informative presentation on the impacts of the coronavirus pandemic, and the mitigating actions taken by the executive.

2. **Declarations of Interest**

In relation to Project LEAP, The Board noted the previously authorised interest of Duncan Brown due to his financial relationship with PwC. It was noted that Peter Fidler had an interest in the VC's Report (para 2.2. on global delivery) related to his Senate membership of MDIS Singapore, which had a campus in Tashkent.

No other member of the meeting declared an interest in any item on the agenda.

3. **Minutes of previous meeting**

The Board approved the minutes of the meeting of 12 March 2020 and their publication.

4. **Matters arising**

The Board noted the matters arising from the previous meeting. Board members were encouraged to volunteer to act as a continuing observer of the Academic Board as part of the review of academic assurance.

In relation to the review of sub-committee recommendations, the Chair of MPIC had set out requirements for how matters would be reported to the Board. The MPIC Chair confirmed that the LEAP paper (minute 9 below refers) followed these requirements.

5. **Chair's business**

The Chair noted that Tony Roberts would chair the Honorary Awards Joint Committee.

The Chair drew attention to the governance and best practice report, which had been issued to the Board as a supplement.

KPI working group update

The Chair of the Finance, Planning and Resources committee provided a verbal update on the progress of the KPI working group. The Board noted that the group was working to set the aspirational pillar level KPIs for the next five-year planning period. It was noted that the KPIs would be presented to the Board for approval on 16 July 2020.

6. **Coronavirus - business recovery**

The Board noted the strategic overview of the LSBU Group's response to the national coronavirus crisis, including lessons learned and current risk.

The Board noted that a phased return to the SE1 campus from remote working would take place over summer 2020, following government guidance

on social distancing. This would enable readiness for semester one. The planned approach would be to ensure an on-campus experience for all students for academic year 2020/21, supplemented with online lectures and seminars. International students would be able to quarantine in halls.

In addition, the move to remote working had provided opportunities to develop new ways of working which would be included in future plans.

The Board noted that the executive was closely monitoring student recruitment for September 2020 but it was too early to accurately predict patterns of behaviour.

The Vice Chancellor drew the Board's attention to the OfS consultation on a new time-limited condition of registration. The new condition would allow OfS to take action (including financial penalties) against higher education providers that engaged in conduct which would not be in the interest of students or the wider sector during the coronavirus pandemic. This condition was proposed to be retrospective.

The Board supported the executive's arrangements for business recovery planning.

7. VC's report

The Board discussed the Vice Chancellor's report.

The Board noted that while the environment remained challenging due to the national coronavirus crisis, LSBU remained on track for most activity and continued to deliver on a wide range of projects.

The Board noted the receipt of a letter from the Education and Skills Funding Agency (ESFA) regarding zero percent apprenticeship completion rates for the first cohort of students, as previously reported to the Board. Due to the small sample size, the ESFA would not undertake any interventions. It was noted that the matter would be formally reported to the next meeting of the Group Audit and Risk Committee.

The Board noted that the executive was working with the Students' Union to help them overcome a number of challenges and to achieve turnaround for the 2020/21 academic year.

The Board noted that a draft term sheet proposing revisions to the SBC grant agreement of January 2019 had been received from the Department for Education (DfE) following the intervention from Gillian Keegan MP, Parliamentary Under Secretary of State for Apprenticeships and Skills. The executive was preparing a response with the aim to progress the NESCC development and avoid risks to GLA funding.

The Board noted that recruitment for 2020/21 remained uncertain although applications continued to be favourable. Due to the impact of coronavirus on

UCAS timelines it was difficult to compare undergraduate recruitment accurately with the previous year. The concern regarding the impact of the pandemic on the apprenticeship and international markets was noted. The Board would continue to receive updates.

The Board noted that a mock REF (Research Excellence Framework) exercise had been completed and that the resulting report was positive. It was expected that REF 2020 would now be postponed to 2021 due to coronavirus. The Board would be invited to a REF workshop in June 2020.

8. CFO's report

The Board discussed the Group Chief Financial Officer's report, which included an update on the current year financial performance, the draft LSBU budget for 2020/21, and an update on the revised cashflow forecast.

The Board noted the current year financial performance as at 31 March 2020. The full year income forecast of £154.8m was a reduction of approximately £5m on previous reports due to the effects of the national coronavirus crisis. The strong current year recruitment had enabled the reduction to be managed within the budget to date.

8.1 Budget 2020/21

The Board noted that the Finance, Planning and Resources (FPR) committee had reviewed the draft 2020/21 budget scenarios in detail. FPR had supported the recommendation of the executive that the Board approves scenario 2(b) as the basis for a draft budget 2020/21. It was noted that the proposed scenario assumed income of £153m (a reduction of £13.5m compared with the pre-virus projection).

The Board noted that a comprehensive budget review would take place in November 2020 when there would be more clarity about recruitment and income forecasts. In addition, work would have been undertaken on the target operating model and Align programme. Further scenarios would be assessed in detail over summer 2020.

The Board discussed the proposed budget in detail, noting the cost base and use of earmarked contingency funds. The Board welcomed continued scenario planning as income streams become clearer in autumn 2020. The executive was urged to continue to be closely connected to the sector and government policy. There was a discussion on the proposed revolving credit facility (RCF), minuted at 8.2 below.

Following detailed discussion, the Board approved the proposed 2020/21 budget.

8.2 Revolving credit facility

The Board noted the update on commercial negotiations regarding the proposed new revolving credit facility (RCF), as discussed in detail by FPR on 28 April 2020.

The Board supported the proposal for an RCF [REDACTED]. The Board authorised a sub-committee of Rashda Rana, Michael Cutbill and Dave Phoenix, and advised by Richard Flatman, to approve the terms and authorise completion of the revolving credit facility, and the granting of any required security, and additional sources of financing from London Borough of Lambeth.

8.3 Pensions

The Board noted that planning continued for the introduction of a defined contribution pension scheme to new professional staff joining LSBU and SBC. Consultation was due to begin in June 2020, with implementation planned for 1 October 2020. The pensions sub-committee supported these steps.

9. **Project LEAP business case**

The Board discussed the Project LEAP business case in detail, noting total overall programme cost of [REDACTED]. The business case proposed purchase of key software, customer relationship management and student record systems for LSBU. The strategic objective was to transform the LSBU student experience.

It was noted that the FPR committee had reviewed the financial scenarios of the 2020/21 budget in light of the pandemic. The Chair of FPR confirmed that the committee believed Project LEAP to be affordable.

The Chair of the Major Projects and Investment Committee (MPIC) confirmed that it had supported the executive's recommendation that the Board approve the full business case. This was based on FPR's review of affordability, and taking into account the updated cashflow forecasts. MPIC had supported flattening and lengthening the expenditure profile of the programme at this time of considerable financial uncertainty due to the pandemic. [REDACTED]

[REDACTED]

Governors discussed the proposal in detail, querying the capacity of senior management to deliver the programme. The executive confirmed that responsibilities were distributed with no single point of failure.

The Chair of MPIC confirmed that updates on programme progress would be expected at every MPIC meeting.

Following the above discussion the Board approved the full business case and future expenditure of [REDACTED]
[REDACTED]
[REDACTED]

10. **Delegation of authority**

SBC revision of 2019 grant agreement

The Board authorised a sub-committee of Jerry Cope, Rashda Rana, Michael Cutbill, Dave Phoenix and Richard Flatman to consent on behalf of LSBU to SBC approving a new agreement and any related arrangements with the Department for Education related to the SBC estates strategy.

11. **Corporate risk**

The Board noted the corporate risk register, which currently included zero critical risks, eleven high risks, fourteen medium risks and one low risk. A detailed review would be carried out by the Group Audit and Risk committee at its next meeting (18 June 2020).

12. **Students' Union election results**

The Board noted the March 2020 SU election results and returning officer's report which demonstrated that the election was run in a fair and democratic manner as required under the Education Act 1994.

13. **Reports and decisions of committees**

The Board noted the report on decisions of committees since the last meeting.

The Board approved the updated terms of reference for the Major Projects and Investment committee, and the Finance, Planning and Resources committee, confirming FPR's responsibility for consideration of capital finance and borrowing proposals.

14. **Declarations of interest (new staff governor)**

The Board authorised the interests of Professor Nicola Martin, to be published on the website.

**Date of next meeting
4.00 pm, on Thursday, 11 June 2020**

Confirmed as a true record

..... (Chair)