

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 13 July 2017
Boardroom - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Andrew Owen (Vice-Chair)
David Phoenix
Sodiq Akinbade
Steve Balmont
Shachi Blakemore
Julie Chappell
Michael Cutbill
Douglas Denham St Pinnock
Neil Gorman
Carol Hui
Hilary McCallion
Mee Ling Ng
Jenny Owen

Apologies

Kevin McGrath
Tony Roberts
Suleyman Said
Pat Bailey

In attendance

Richard Flatman
James Stevenson
Michael Broadway
Paul Ivey (for minute 10)

1. Welcome and apologies

The Chair welcomed Julie Chappell and Sodiq Akibade to their first meeting as governors.

The above apologies were noted.

The Chair reported that the Board had just received an informative presentation on internationalisation.

2. Declarations of Interest

No 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 meetings of 18 May 2017 and 13 June 2017 subject to minor amendments and their publication with redactions.

4. Matters arising

All matters arising had been completed.

The Chair requested that governors respond in a timely manner to decisions made by email. It was agreed that where a decision was required, this would be made clear in the email title.

5. Independent governor recruitment update

The Chair updated the Board on independent governor recruitment. Three new independent governors had been appointed bringing the total on the Board to 12, with headroom of one vacancy.

6. Board and committee composition

The Board noted its composition for the next academic year 2017/18 and the membership of its committees, Academic Board, SBUEL Board and South Bank Academies Board.

The Board noted that Douglas Denham St Pinnock would join the Honorary Awards Joint Committee.

A time limited working group had been established by the Chair of the Board to review the governance structure of the expanding 'LSBU group', reporting in autumn 2017.

The Board noted that a "pulse" survey on board effectiveness would be circulated to governors after the meeting.

The Chair reported that governor pairs should be rotated, where practicable, for the start of the new academic year.

The Board noted that Professor Patrick Callaghan had been appointed Dean of Applied Sciences and would start on 1 September 2017. The Board noted that Professor David Mba, Dean of Engineering had resigned and would leave in August 2017.

7. Vice Chancellor's report

The Board discussed in detail the Vice Chancellor's report, which reviewed progress against the three outcomes in the corporate strategy: student success; real world impact; and access to opportunity.

The Board congratulated the executive and staff on achieving a “silver” rating in the Teaching Excellence Framework (TEF).

The Vice Chancellor updated the Board on student recruitment for 2017/18. Full time undergraduate applications were 2% down on the previous year, compared to 5% nationally. The focus was now on clearing.

[REDACTED]

The Board noted that the proposed charge over the Passmore Centre in favour of the London Borough of Southwark as security for the £5m grant was being negotiated. The Board would be requested to approve the final form of the charge via email.

The Board requested that the fire assessment report is brought to the Board meeting of 12 October 2017.

8. **Chief Financial Officer's report**

The Board discussed the Chief Financial Officer's report, including the current financial position and the proposed budget and five year forecasts.

The May 2017 management accounts forecast was £144.5m income and £1m surplus for the year end, delivering to target. The Chief Financial Officer updated the Board on the June 2017 management accounts which showed a forecast surplus of £1.5m.

The Board discussed the proposed budget for 2017/18 which had been discussed in detail by the Finance, Planning and Resources Committee. The budget showed target income of £150.5m to deliver a £1.5m surplus. [REDACTED]

[REDACTED]

The Board noted that the executive was developing “step change” projects on the educational framework; digitally enhanced learning; and student records system. The Board supported additional investment in these areas and requested updates. A report on digitally enhanced learning was due for the Board in autumn 2017.

The Board approved the proposed budget for 2017/18 with a baseline target surplus of £1.5m, with a stretch target of a £3m surplus, which should be achievable, depending on student recruitment and no major unforecast expenditure.

The Board approved the five year forecasts to be submitted to HEFCE. They were in line with the forecasts discussed at the Board strategy day of 26 April 2017. The forecasts would be updated when there was more certainty on Project Larch and proposed estates investment.

9. **Project Larch update**

The Vice Chancellor updated the Board on Project Larch.

Since the extraordinary Board meeting of 13 June 2017, the Vice Chancellor had met the FE Commissioner, Head of the Transaction Unit (TU) and the Deputy Director of the ESFA to address concerns over the proposed governance model, estates plan and restructuring finance for the project.

The Board noted that concerns over the estates plans had been largely addressed.

It was noted that the TU would only consider loan and not a grant. The FE Commissioner had indicated that an interim model where LSBU exercises control over Lambeth College prior to its business being transferred to a wholly-owned designated subsidiary (stage 2) of LSBU could be acceptable. The Board agreed that it would only support entering the interim model if the future position was clear, that designation was approved and that financial consolidation was not required.

During the interim model, consolidation of the college accounts into group was not anticipated, and a loan from the TU would not therefore impact on LSBU's group financial position. Discussions continued as to whether the TU would write off part or all of the loan for stage 2. The Board reiterated its redline that the transaction should not have an adverse impact on LSBU's consolidated financial position.

The Board discussed the senior management time spent in pursuing the project and expressed its desire to resolve the position in a timely manner.

The Board requested a recommendation on Project Larch to its next meeting of 12 October 2017.

10. **Further development of SBUEL and potential joint venture**

Paul Ivey joined the meeting

The Board discussed the proposed changes to South Bank University Enterprises Ltd (the Company) and a proposed joint venture (JV) with Gulf Educational Projects (GEP) (the holding company for Applied Science University in Bahrain with whom LSBU has an academic partnership).

The Board noted that plans for developing a JV with GEP were at an early stage. A high level strategic case would come to the Board of Governors ahead of approval of the business case by the Company Board.

The Board approved:

- the proposed change of name of the Company from South Bank University Enterprises Limited to “London South Bank University – enterprise limited”, subject to gaining the necessary approvals for use of the work “bank” and “university” in the company name;
- the revised composition of the board of the Company as follows:
 - The Pro Vice Chancellor (Research and External Engagement) (or equivalent) of the University (*ex officio*) (Chair of the Board)
 - one director who is an Independent Governor of London South Bank University (the University)
 - up to two directors who are independent non-executive directors
 - The Chief Financial Officer (or equivalent) of the University (*ex officio*)
 - The Director of Enterprise (or equivalent) of the University (*ex officio*)
 - The Executive Director of Organisational Development and HR (or equivalent) of the University (*ex officio*)
- The appointment of Mandy Eddolls, LSBU Executive Director of Organisational Development and HR as a director of the Company; and
- in principle, establishing a JV between the Company and GEP

The Board noted that there were vacancies for two independent non-executive directors on the Company board. A skills analysis and recruitment for these vacancies would start as the strategy of the Company developed.

Paul Ivey left the meeting

11. **Cleaning contract**

The Board discussed the proposed cleaning contract with Churchill Contract Services Ltd for the provision of cleaning and waste services at LSBU with effect from 1 August 2017. [REDACTED]

The Board noted that financial due diligence on Churchill Contract Services would take place as part of the new supplier approval process.

The Board noted that the SU had raised questions regarding evening and weekend working, which would be addressed outside the meeting.

The Board approved the awarding of the contract to Churchill Contract Services Ltd, subject to the financial due diligence as part of the new supplier approval process.

12. Reports on decisions of committees

The Board noted the reports on decisions of committees.

13. Corporate risk register

The Board noted the corporate risk register.

14. Declaration of interest

The Board authorised Jerry Cope's declared interest as Vice Chair of the University and Colleges Employers' Association (UCEA) Board.

15. Any other business

The Board noted that this was the last Board meeting for Andrew Owen and Neil Gorman. The Chair warmly thanked Mr Owen and Mr Gorman for their contributions, and the wisdom and experience they brought to the Board and University.

**Date of next meeting
4.00 pm, on Friday, 28 July 2017**

Confirmed as a true record

..... (Chair)