

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 21 November 2019
Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Douglas Denham St Pinnock (Vice-Chair)
Duncan Brown
John Cole
Michael Cutbill
Nelly Kibirige
Mark Lemmon
Hilary McCallion
Mee Ling Ng
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Vinay Tanna

Apologies

Peter Fidler
Nazene Smout

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
James Stevenson
Fleur Nieboer
Jack Stapleton, KPMG (*from minute 10*)

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

2. Declarations of Interest

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

3. Minutes of previous meeting

The Board approved the minutes of the meeting of 17 October 2019, subject to minor amendments, and their publication.

4. **Matters arising**

The Board noted the update on matters arising.

The Board received an update from an independent governor who observed the Academic Board meeting of 12 November 2019. The Board discussed the revised terms of reference for the Academic Board (included in the reports and decisions of committees item (minute 17 refers)). The Board approved the revised terms of reference, subject to reviewing the Academic Board's role in developing academic strategy and how the Board receives appropriate assurance on academic quality in the institution.

5. **Chair's business**

The Chair reported that this was the last Board meeting for Douglas Denham St Pinnock before his second term ends in February 2020. The Board thanked Mr Denham St Pinnock for his significant contribution to the Board, as a governor, Vice Chair and Chair of MPIC, and the University since 2012.

The Chair would ask for expressions of interest in the roles of Vice Chair and Chair of MPIC from the independent governors.

6. **VC's report**

The Board discussed the VC's report in detail.

The Board noted that despite a successful year overall, progression was still below target and sector benchmarks. The Executive and the Academic Board are reviewing ways to improve the level of progression. The Board requested that the topic is presented ahead of its March 2020 meeting.

The Board discussed apprenticeships provision and noted the low progression rates in the School of Health and Social Care. The Board noted that actions had been taken to address this issue and was assured by the Executive that the level of non-progression would improve. An update would be provided at the next meeting.

The Board noted the Vice Chancellor's report on the late payment of fees to the OfS and QAA and remedial steps taken to prevent a recurrence.

7. **CFO's report**

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2019/20 and an update on year end reporting matters.

The Board noted that the current forecast for 2019/20 is to deliver to the budgeted surplus of £1.5m. The Board noted that staff costs are currently

59% of income although this is forecast to reduce to 56% in line with the previous year by the year end.

The Board approved the updated pro forma financial commentary and five year forecasts (consolidating SBC as required by the OfS) for submission to the OfS as part of the annual accountability return.

The Board noted that the revaluation of the LPFA pension scheme is expected early in the new year 2020 and would help inform the approach to pension provision in the group.

8. Corporate strategy progress report

The Board welcomed the informative half-yearly Corporate Strategy Progress report.

The Board noted that there had been a review of senior management in the Students' Union in August 2019. The report is being finalised. An interim CEO has been appointed following the resignation of the previous CEO.

The Board noted that appraisal completion rate is currently below target and asked FPR to consider, when a final figure was available.

9. KPI targets 2019/20

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2019/20, subject to a review of rating criteria for each KPI.

The Board noted that the financial KPI targets were in line with the approved 2019/20 budget.

10. Audit Committee annual report

Fleur Nieboer and Jack Stapleton, KPMG joined the meeting

The Board reviewed the Audit Committee's annual report for 2018/19, which had been approved by the Audit Committee at its meeting of 7 November 2019.

The Chair of the Audit Committee agreed to sign the report for submission to the Office for Students (OfS).

11. External audit findings

The Board noted KPMG's audit findings report which had been discussed in detail by the Audit Committee. KPMG's opinions were unqualified and provide a "clean" opinion on the use of funds.

The external audit partner confirmed the independence of KPMG from LSBU.

All non-audit services provided by KMPG to LSBU during the year were permissible and not a conflict with KPMG's audit work.

12. External audit letter of representation

The Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Audit Committee. For the reporting year, a specific representation related to potential litigation 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 approved the letter and authorised the Chair to sign the letter on behalf of the Board.

13. Remuneration Committee report to Board

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

The Board discussed the remuneration committee report to the Board.

The Board noted the review of the performance of the Vice Chancellor for 2018/19 and associated individual bonus award of 8.5% (£20k) and team bonus award of 4.5% (£10.5k). 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 on his appointment the Vice Chancellor had been loaned money from the University in order to purchase property close to the University. At its meeting of 2 July 2019, the Remuneration Committee noted that the Vice Chancellor had secured a mortgage to enable him to repay the interest free loan to the University. The committee noted the increase in living costs for the Vice Chancellor under this arrangement. The committee noted that the taxable benefit for the Vice Chancellor from this loan was approximately £10k per year.

The Board noted that the committee had, following repayment of the loan in full to the University, approved an annual, non-consolidated accommodation allowance of £10k to the Vice Chancellor to reflect this taxable benefit and as a contribution to these increased living costs.

The Board discussed the performance-related bonus scheme for executive members and noted that the Remuneration Committee had agreed to increase the team bonus to 8% in addition to the individual bonus of up to 10%.

Members of the executive re-joined the meeting.

14. Draft annual report and accounts

The Board discussed the proposed LSBU group annual report and financial statements for year ended 31 July 2019, which had been reviewed in detail by the Audit committee and the Finance, Planning and Resources committee. The surplus was £3m.

The Board noted amendments to the accounts made since the meeting of the Audit Committee on 7 November 2019 and reviewed by the Audit Committee.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 7 November 2019 that would prevent a full internal control compliance statement being made in the annual accounts.

The Board noted 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 2019 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that the accounts for South Bank Colleges (SBC) had been approved by the SBC Board at its meeting of 14 November 2019 and that the accounts of South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 12 November 2019.

The accounts of SBC and SBUEL were consolidated into the University group accounts.

15. Written resolution to re-appoint external auditors

The Board noted the prior approval by a majority of the members of LSBU (the company) of the written resolution to reappoint KPMG LLP as external auditors to the University for the year to 31 July 2020 with delegation of remuneration to Executive. The Chair would sign the written resolution on behalf of LSBU at the end of the meeting.

16. 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 had due regard to the need to prevent people being drawn into terrorism.

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

17. Reports and decisions of committees

The Board noted the reports and decisions of committees.

The Board approved the Modern Slavery Act statement.

The Academic Board terms of reference had been discussed under Matters arising (minute 4 refers).

**Date of next meeting
4.00 pm, on Thursday, 12 March 2020**

Confirmed as a true record

..... (Chair)