

**Minutes of the meeting of the Board of Governors  
held at 10.00 am on Wednesday, 10 April 2019  
Boardroom - Technopark, SE1 6LN**

**Present**

Jerry Cope (Chair)  
Douglas Denham St Pinnock (Vice-Chair)  
David Phoenix  
Steve Balmont  
Duncan Brown  
Michael Cutbill  
Peter Fidler  
Mee Ling Ng  
Hilary McCallion  
Jenny Owen  
Jeremy Parr  
Tony Roberts  
Nazene Smout

**Apologies**

Nelly Kibirige

**In attendance**

Pat Bailey  
James Stevenson  
Michael Broadway  
Richard Flatman

**1. Welcome**

The Chair welcomed attendees to the meeting.

On behalf of the Board, the Chair thanked Charles Egbu who is due to leave LSBU on 12 April 2019.

**2. Current Higher Education Environment**

The VC gave an update on key external and internal challenges focusing on the Higher Education environment. The meeting noted and discussed:

- External uncertainties including:
  - the effect of Brexit on LSBU EU staff;
  - technical education review;
  - T-Levels and potential removal of BTECs;
  - review of the Teaching Excellence and Student Outcomes Framework (TEF);
  - the impending release of the Augar report, with potential to lead to a threshold to entry and lowered fee caps; and
  - the increasing financial risk of pensions.

- Internal challenges including addressing student satisfaction, student retention figures, meeting Group capital requirements and developing research and enterprise.
- The potential for growth in the sector including the social prosperity fund, potential for higher investment in further education, and expansion of apprenticeship programmes.
- The changes in the sector including the inclusion of levels 4 and 5 in FE, the increase of Institutes of Technology who may serve as a competitor model to the Group structure and a greater variety of HE delivery models.

The meeting discussed the opportunities for the Group and the need to prioritise.

### 3. **Finance update**

The CFO presented on the current financial forecast and provided a 2019/20 budget planning update. The meeting noted and discussed:

- The forecast surplus for 18/19 of £1.5m, with £3m in contingency, due to better than expected student recruitment and lower staff costs;
- The ongoing Align project analysing the effectiveness of services provided and ways to increase efficiency;
- Income is driven by a recovery in recruitment of students with actual numbers for 2018/19 higher than previously projected for the year;
- Staff savings are being realised and there may be up to £2m of additional staff savings as compared to the February 2019 forecast;
- The areas of risk are Enterprise and TNE income, however if staff costs are upheld, the Group will be able to cover any downturns;
- The 5 year financial forecast is being revised and the target of £155m for the 19/20 budget will be a challenge. Three scenarios were presented with differing levels of risk. Scenario 2 is recommended as the most achievable and realistic (total income of £152m); and
- The Augar report will potentially have an adverse impact on revenue in the future although timing is uncertain and full impact will take a number of years. A number of scenarios were considered and a reasonable working assumption for steady state impact is a downward revenue adjustment in the range of £5m- £10m.

#### 4. **Group corporate strategy: 2020-25**

The Vice Chancellor updated the meeting on the concept of the LSBU Group. The intention is for the Group to operate as one economic unit with a common educational framework across the Group. The boards of the individual companies would develop local visions and monitor the implementation of local plans to deliver these vision.

The meeting summarised the challenges and opportunities of operating as a group as:

- the need to develop and remain focused on student-centred learning;
- the size of the group allows for increased influence with key stakeholders, including the government, regulators and employers;
- the culture of the different organisations needs to be group-focused;
- the opportunity to be radical in some practices;
- the need to continue to innovate; and
- whether external support is required to deliver the benefits of the group structure.

#### 5. **Group Corporate Strategy: 2020-2025**

The COO/DVC (Education) introduced the concept of the group educational framework which is based on four components:

- knowledge;
- application;
- employer input; and
- extra-curricular to build social capital and confidence.

This framework will be articulated and delivered at all stages of the LSBU group.

#### **South Bank Academies (SBA) vision**

The SBA CEO updated the meeting on the current position of SBA and its draft vision which would be further refined at the SBA strategy session in May 2019:

“We serve our community and create a pipeline of talent for industry, by providing world-class professionally focussed education opportunities with programmes that ensure our students are sought after by universities and employers”.

### **South Bank Colleges (SBC) vision**

The Executive Principal updated the meeting on the current position of SBC and its vision for the future.

### **London South Bank University (LSBU) vision**

The Provost will update the LSBU Board of Governors at its next meeting on the vision for LSBU.

## **6. Summary and close**

The meeting noted the challenges in the external environment and internally, and the challenges and opportunities arising from the group structure. Overall the meeting concluded that the Group is well placed to deal with these challenges.