

Minutes of a Meeting of the Board of Governors
held at 4pm on Thursday, 20 November 2014
in room 1B27, Technopark, London Road, London SE1

Present

David Longbottom	Chairman
Jerry Cope	Joint Vice Chair
Dame Sarah Mullally	Joint Vice Chair
Prof David Phoenix	Vice Chancellor and Chief Executive
Steve Balmont	
Douglas Denham St Pinnock	
Ken Dytor	
Emine Dzhihan	
Prof Neil Gorman	
Prof Hilary McCallion	
Anne Montgomery	
Mee Ling Ng	
Louisa Nyandey	
Andrew Owen	
Diana Parker	
Prof Shushma Patel	
James Smith	

Apologies

Ilham Abdishakur	SU President
Prof Jon Warwick	

With

Deborah Moorhouse	Grant Thornton, External Auditors (<i>for minutes 25-34</i>)
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In attendance

Prof Pat Bailey	Deputy Vice Chancellor
Prof Phil Cardew	Pro Vice Chancellor (Students and Education)
Richard Flatman	Chief Financial Officer
Paul Ivey	Pro Vice Chancellor (Research and External Engagement)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Manager

Observer

Sharon Page	Governance Consultant, Leadership Foundation for Higher Education
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Welcome and Apologies

1. The Chairman welcomed Emine Dzhihan as a student governor (subject to approval by the Board later in the meeting – minute 5 refers) and Paul Ivey (Pro Vice Chancellor (Research and External Engagement)) to their first meeting.

Declaration of Interests

2. No governor declared an interest in any item on the agenda.

Minutes of the previous meeting

3. The Board approved the minutes of the meeting of 9 October 2014 (paper **BG.64(14)**) and their publication without redactions.

Staff and Student Governors

4. The Board approved the extension of Jon Warwick's term of appointment as an Academic Staff Governor for an additional year pending the review of the membership of the Academic Board during academic year 2014/15 (paper **BG.65(14)**).
5. The Board approved the appointment of Emine Dzhihan as a Student Governor for one year following her election by Student Council.

Governance Effectiveness Review interim report

6. The Board noted an interim report on the governance effectiveness review, which was being undertaken by Sharon Page on behalf of the Leadership Foundation for Higher Education (paper **BG.66(14)**).

Succession Planning

7. The Chairman reported that a Nomination Committee had been arranged to discuss candidates for the forthcoming independent governor vacancies. The Board requested the committee to have due regard to the need to enhance the diversity of the Board.

Matters Arising

8. Minute 17 of 9 October 2014 - the Board noted that the tender documents for the Confucius Institute had gone out and a response was expected at the end of November 2014. An update would be provided at the next Board meeting.
9. Minute 18 of 9 October 2014 - the Board noted that the outcome of the bid to HEFCE under the STEM (Science, Technology, Engineering and Maths) Teaching Capital Funding Scheme would be known in late December 2014.

Vice Chancellor's Report and Key Performance Indicators

10. The Board discussed the Vice Chancellor's report and key performance indicators (paper **BG.67(14)**), which included an update on the senior management structure in the Schools.

Chief Financial Officer's Report

11. The Board discussed in detail the Chief Financial Officer's report (paper **BG.68(14)**), which included updates on the current financial position; the risk of clawback of HEFCE grant impacting 2014/15, which was considered low; HEFCE circular regarding 2012/13 funding, which had been fully provided for in the accounts; and HEFCE audit of 2012/13 data.
12. The Board approved the financial tables for 2014 in appendices 2 and 3 for submission to HEFCE as part of the HEFCE Annual Accountability Return.
13. The Board noted the summary of management accounts to September 2014. The Board requested a report on staff costs at the Policy and Resources Committee meeting of 3 February 2015. In addition, the Board noted that the budget for the EDISON project included a contingency of £600k.

Change Programme update

14. The Board discussed an update on the change programme (paper **BG.69(14)**).

Report on decisions of Committees

15. The Board noted a report on decisions of committees (paper **BG.70(14)**). The KPI Working Group had completed its review of KPIs.

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16. The Board approved the revised terms of reference for the Human Resources Committee, with an additional amendment that the Chairman of the Board is removed as a standing member of the committee.
17. A meeting of the Remuneration Committee would be held following this meeting.
18. The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 5 November 2014. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

Risk appetite

19. The Board discussed the proposed framework for assessing the University's risk appetite (paper **BG.71(14)**). The framework was divided into four sections covering the following types of risk: 1) financial operation and investment; 2) legal compliance; 3) delivery of teaching and learning; and 4) reputation.
20. The Board approved the proposed risk framework. Detailed consideration of the Board's risk appetite in the four risk areas would be considered at the Board strategy day of 23 April 2015.

Annual detailed review of risk

21. The Board considered the corporate risk register in detail (paper **BG.72(14)**). The risk register is reviewed in detail by the Executive on a monthly basis and by the Audit Committee at each meeting. The corporate risk register is closely aligned to the Corporate Strategy 2015-2020 and the annual internal audit plan.
22. The only corporate risk rated as "critical" was the risk of failing to meet revenue targets. The Board noted that there was a further element of risk due to the changes to the organisation, including the move to Schools. The Executive had put measures in place to address this risk. The Board requested the Executive to be clear on functional accountability.
23. The Executive were requested to review the risk relating to use of learning technologies and review whether a separate risk covering the student experience should be added.

24. At its next meeting, the Board requested presentations by the seven Deans of Schools.

Audit Committee Annual Report

Deborah Moorhouse of Grant Thornton entered the meeting

25. The Board noted the Audit Committee's annual report for 2013/14 (paper **BG.73(14)**). The Chair of the Audit Committee would sign the report at the end of the meeting.

External Audit findings

26. The Board noted Grant Thornton's audit findings report which had been discussed in detail by the Audit Committee (paper **BG.74(14)**). There were no matters which needed to be brought to the attention of the Board. The Board noted that the audit partner had been changed in the last year.
{Secretary's note – the question of the external audit re-tender would be considered by the Audit Committee in June 2015}

External audit letter of representation

27. The Board noted the letter of representation to the external auditors (paper **BG.75(14)**). It was noted that there were no representations specific to LSBU. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.
28. The Board approved the letter and authorised the Chairman to sign the letter on behalf of the Board.

Annual report and financial statements for year ended 31 July 2014

29. The Board discussed the annual report and financial statements for year ended 31 July 2014 (paper **BG.76(14)**), which had been reviewed by the Audit committee and the Policy and Resources committee. An operating surplus of £3.1m was reported which was ahead of the budget target of £2.5m.
30. The Board noted minor amendments to the accounts.
31. 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.

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32. After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2015 and authorised signature by the Chairman and Vice Chancellor on behalf of the Board.

Minutes of 43rd AGM

33. The Board approved the minutes of the 43rd AGM held on 21 November 2013 (paper **BG.77(14)**). For future years, the Board noted that AGM business should be dealt with by written resolution. Under the University's Articles of Association there was no longer a need to hold an AGM.

Written Resolution to reappoint Grant Thornton

34. The meeting (in its capacity as the members of the company) approved the written resolution to reappoint Grant Thornton UK LLP as external auditors to the University for the year to 31 July 2015 on the recommendation of the Audit Committee. The meeting requested the Chairman to sign the written resolution on behalf of LSBU.

Deborah Moorhouse left the meeting

Board Strategy Day report

35. The Board noted the report of the Board Strategy day held on 15 October 2014 (paper **BG.79(14)**).

Annual Declarations of Interest

36. The Board authorised the declared interests of its members, under section 175 of the Companies Act 2006, as set out in paper **BG.80(14)**. The Board agreed to delete the question about freemasonry.
37. The following interests were declared in the meeting and authorised by the Board:
 - a. Sarah Mullally – trustee of Sarum College, Salisbury;
 - b. Prof Shushma Patel – external examiner at Staffordshire University; and governor of Winston Way Primary School; and
 - c. Prof Neil Gorman – Chairman of Higher Education Data and Information Improvement Programme; and governor of Oakham School.

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38. The Board authorised publication of the register and requested circulation of the register to governors.

Any other business

39. The Board noted that Professor Phil Cardew had been appointed as Deputy Vice Chancellor (Academic) at Leeds Beckett University and would be leaving the University in March 2015. The vacancy for the Pro Vice Chancellor (Students and Education) would be advertised in December 2014.
40. The Board noted that the QAA's institutional audit of LSBU was expected in 2016/17.

Date of next meeting

41. The next Board meeting will be at 4pm on Thursday 12 February 2014.
42. The Chairman thanked the Board for their support for the change process over the last year.

The Chairman closed the meeting.

Confirmed as a true record:

..... (Chairman)