

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 23 November 2017
1B27 - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Douglas Denham St Pinnock (Vice-Chair)
David Phoenix
Sodiq Akinbade
Steve Balmont
Duncan Brown
Julie Chappell
Michael Cutbill
Peter Fidler
Mee Ling Ng
Hilary McCallion
Tony Roberts
Suleyman Said

Apologies

Shachi Blakemore
Kevin McGrath
Carol Hui
Jenny Owen

In attendance

Pat Bailey
Richard Flatman
Markos Koumaditis
James Stevenson
Michael Broadway
Fleur Nieboer (*KPMG – external auditor – from minute 10*)

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

Prior to the meeting the Board had received an informative presentation on research at LSBU.

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 meeting of 12 October 2017 and their publication as redacted.

4. Matters arising

The Board received an update on the proposed charge over the Passmore Centre, the terms of which were awaited from the London Borough of Southwark (LBS). The Board would be requested to approve the charge over the Passmore Centre when it was available. A preferred contractor for the building work had been identified and the Major Projects and Investment Committee would be asked to approve its appointment, following the approval of the charge.

5. Chair's business

The Chair informed the Board that he had attended a Department for Education consultation on the Office for Students and new regulatory framework for Higher Education.

The Board congratulated Carol Hui, independent governor, on recently winning the following two awards:

- Chinese Business Leaders' Award for Talent Management; and
- World's Leading General Counsel, 2017/18 "to recognise Achievement and Excellence in the field of Business Law and Practice".

6. 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 noted that undergraduate year one to year two progression is likely to be down by 3% from the previous year after several years of improvement. The Executive is analysing the reasons. An update would be circulated to the Board in December 2017 ahead of a detailed update to the Finance, Planning and Resources Committee meeting of 27 February 2018.

In response to a question about the validation process, an update providing reassurance to the Board would be circulated.

The Board noted an update on Project Larch. The Minister of State for Apprenticeship and Skills, who will make the final decision, is consulting local MPs and councillors.

The Board noted a further review by the Executive about the "South Bank Agreement" with academic staff.

7. Chief Financial Officer's report

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2017/18 and an update on year end reporting matters.

The October 2017 management accounts full year forecast indicated a £5m shortfall on income but the target budget surplus of £1.5m was still expected. The Board discussed in-year budget management through contingency and savings in operating expenditure, and the ongoing workforce planning exercises.

The Board approved the updated pro forma financial commentary for submission to HEFCE as part of the annual accountability return.

8. Health and safety annual report, 2015/17

Markos Koumaditis joined the meeting

The Board discussed the annual health and safety report in detail. The Board welcomed the positive report. It was noted that the health and safety team is focusing on the main challenges of fire evacuation times and display screen equipment compliance. Updates would be provided in the half-yearly update.

The Board noted that PwC were conducting a planned internal audit on health and safety which would be discussed at the next Audit Committee meeting.

9. Prevent annual return

The Board noted the annual report on the Prevent duty, prepared in accordance with HEFCE guidance. The report demonstrated how LSBU had had due regard to the need to prevent people being drawn into terrorism.

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

Markos Koumaditis left the meeting

10. Audit Committee annual report

Fleur Nieboer, KPMG joined the meeting

The Board noted the Audit Committee's annual report for 2016/17 which had been approved by the Audit Committee at its meeting of 9 November 2017.

The Board noted the annual opinion of the internal auditor, PwC, which found that “governance, risk management and control, and value for money arrangements in relation to business critical areas is generally satisfactory”. This was the second highest of four ratings.

The Chair of the Audit Committee agreed to sign the report for submission to HEFCE.

11. External audit findings

The Board noted KPMG’s audit findings report which had been discussed in detail by the Audit Committee. There were no matters which needed to be brought to the attention of the Board.

12. Letter of representation to the auditors

The Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Audit Committee. 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. Annual report and accounts

The Board discussed the proposed annual report and financial statements for year ended 31 July 2017, which had been reviewed by the Audit committee and the Finance, Planning and Resources committee. The surplus was £1.8m.

The Board noted minor amendments to the accounts made since the meeting of the Audit Committee on 9 November 2017.

The Board noted that an additional note had been included this year on how senior pay is determined.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 9 November 2017 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 annual report and financial statements for the year ended 31 July 2017 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 7 November 2017. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

14. Corporate strategy progress report

The Board noted the half yearly Corporate Strategy Progress report. The Board was pleased to note the strong performance for 2016/17. The Board discussed the corporate strategy targets and noted that a key issue for the Board is the sustainability of the income target.

15. Key performance indicators report 2016/17 and targets for 2017/18

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2017/18. The Board noted that the financial KPI targets were in line with the approved 2017/18 budget.

The Board noted that KPI11 on the percentage of students recruited before clearing would be reviewed for approval by the Board.

16. Annual Academic Board report

The Board noted the Academic Board annual report, which summarised the work of the Academic Board and its committees during 2016/17.

17. Quality assurance return to HEFCE

The Board noted the requirement to approve an annual statement to confirm that it is assured that “LSBU is maintaining its responsibility for improving student academic experience and student outcomes, and that academic standards are set and appropriately maintained”.

Following detailed review by the Academic Board and the Audit Committee, and having noted the role of the Academic Board in relation to quality in the previous item, the Board approved the full assurance statement for submission to HEFCE.

18. Reports on decisions of committees

The Board noted the report.

The Board noted the Modern Slavery Act statement which had been reviewed and approved on its behalf by the Audit Committee at its meeting of 9 November 2017. No changes had been made from the previous year's statement. The statement would be published on the University's website.

19. Annual declarations of interest

The Board authorised the declared interests of its members.

The Board authorised the additional declared interest of Michael Cutbill as Director of Strategy and Marketing of Age UK.

The Board noted that David Phoenix was no longer a Board member of Universities UK or a member of the UK Performance Indicators Steering Group.

20. Any other business

The Board noted the recent BBC Panorama investigation into alleged student loans fraud. There had been an untrue allegation that a senior academic LSBU was involved with one of the alleged partners to the fraud. HEFCE had been informed that the allegation was unfounded.

**Date of next meeting
4.00 pm, on Thursday 15 March 2018**

Confirmed as a true record

..... (Chair)