

Minutes of a Meeting of the Board of Governors
held at 4pm on Thursday, 14 May 2015
in room 1B27, Technopark, London Road, London SE1

Present

David Longbottom	Chairman
Jerry Cope	Vice Chair
Prof David Phoenix	Vice Chancellor and Chief Executive
Ilham Abdishakur	SU President (<i>for minutes 1 – 4 and 6 – 35</i>)
Steve Balmont	
Shachi Blakemore	(<i>for minutes 1 – 4 and 6 – 16</i>)
Douglas Denham St Pinnock	
Prof Neil Gorman	
Carol Hui	(<i>for minutes 1 – 10</i>)
Prof Hilary McCallion	
Kevin McGrath	
Mee Ling Ng	
Andrew Owen	
Prof Shushma Patel	(<i>for minutes 1 – 4 and 6 – 7</i>)
Prof Jon Warwick	(<i>for minutes 1 – 4 and 6 – 35</i>)

Apologies

James Smith

In attendance

Prof Pat Bailey	Deputy Vice Chancellor
Mandy Eddolls	Interim Executive Director of HR (<i>for minutes 3–5</i>)
Richard Flatman	Chief Financial Officer
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Manager

Welcome

1. The Chairman welcomed Shachi Blakemore, Carol Hui and Kevin McGrath to their first Board meeting. Apologies had been received from James Smith.
2. The Chairman reported that governors had just received an informative demonstration of the business analytics tool, which had been developed as part of the excellent student experience project (EDISON).

Strategic HR update

Mandy Eddolls joined the meeting

3. The Executive Director of HR updated the Board on workforce planning. It was noted that any changes to the current appraisal process may need to be negotiated with the trade unions and approved by the Board. The Board authorised Jerry Cope and Mee Ling Ng to approve changes on its behalf.
4. The Board noted the launch of a voluntary severance scheme to all staff. The Board requested an update on costs of the scheme at its meeting of 9 July 2015.

Ilham Abdishakur, Shushma Patel and Jon Warwick left the meeting

5. In the absence of staff and student governors the Executive Director of HR briefed the Board on negotiations with the trade unions on the scope of Part B of the South Bank collective agreement. It was noted that engagement with the unions had been constructive.

Ilham Abdishakur, Shushma Patel and Jon Warwick re-joined the meeting

Mandy Eddolls left the meeting

Declaration of Interests

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

Minutes of the previous meeting

7. The Board approved the minutes of the meeting of 12 February 2015 (paper **BG.14(15)**) and their publication with the proposed redactions.

Shushma Patel left the meeting

Matters Arising

8. The Board noted that Heads of Terms had been drafted for the acquisition of Hugh Astor Court from Peabody. The sub-committee to consider final legal completion would meet shortly. The Board agreed that Kevin McGrath should replace Ken Dytor on the sub-committee following Ken Dytor's retirement from the Board.

Vice Chancellor's Report

9. The Board discussed the Vice Chancellor's report (paper **BG.15(15)**), which reviewed progress against the three outcomes in the corporate strategy: student success; real world impact; and access to opportunity.
10. The Board noted the following key points:
 - a. although average entry tariffs are increasing LSBU was committed to widening participation and access to opportunity;
 - b. the visa refusal rate was 9% (10% limit). Steps were being taken to manage the risk;
 - c. income for research and enterprise activity was £0.3m behind target; and
 - d. the lease for the Havering campus expires in 2018. The Executive were looking at options and an update would be provided to the Board in the autumn.
11. The Board noted that the Executive was in discussions over an option to take a nominations agreement on 270 rooms in a new development in SE1. A proposal may be brought to a future Board meeting.

Carol Hui left the meeting

Chief Financial Officer's Report

12. The Board discussed in detail the Chief Financial Officer's report (paper **BG.16(15)**). The full year forecast was a surplus of £1m against a budget target of £1m.
13. The Board ratified the re-appointment of the PricewaterhouseCoopers as Internal Auditors following a competitive tender process led by the Chairman of the Audit Committee. The contract would be for three years with the possibility of a further two 12 month extensions.
14. The Board approved Shân Wareing as an authorised signatory (following minute 24) on all University bank accounts and contracts. The Board approved the removal of Phil Cardew as an authorised signatory on all University bank accounts.
15. The Board approved the proposal to amend the banking covenant with Barclays and delegated authority to the CFO to finalise negotiations and sign subject to a minimum multiple of 3.5 times rolling 3 year historic average EBITDA.

16. The Board approved the revised levels of authority for expenditure (set out in the appendix to these minutes).
17. The Board noted the HEFCE grant letter for 2015/16 and the HEFCE risk assessment letter, noting that LSBU “was not at higher risk”.

Shachi Blakemore left the meeting

Risk Appetite

18. The Board discussed the proposals for the University’s appetite for risk in the following areas: financial; academic delivery; legal and compliance; and reputational (paper **BG.17(15)**).
19. Based on the definitions in the risk appetite framework the Board agreed the following risk appetite for the University:
 - a. Legal and compliance – cautious;
 - b. Financial – open;
 - c. Reputational – open; and
 - d. Academic delivery – seek.
20. The matter would be reviewed annually.

Risk Register

21. The Board noted the corporate risk register (paper **BG.18(15)**).

Governance effectiveness review report

22. The Board noted the governance effectiveness review report (paper **BG.19(15)**). The recommendations had been discussed in detail at the board strategy day of 23 April 2015.
23. The Board approved:
 - a. the closure of the Educational Character, Policy & Resources, Human Resources and Property Committees;
 - b. the establishment and terms of reference of a Major Projects and Investment Committee and a Finance, Planning & Resources Committee, subject to minor changes as agreed by the Vice Chair;
 - c. the related changes to the levels of authority in the Financial Regulations (set out as an appendix to these minutes);

- d. the Standing Orders covering the Role of the Board, Primary Responsibilities of the Board and the Schedule of Matters Reserved to the Board; and
 - e. that a joint meeting between board and academic board would be held.
24. The Board itself would review the effectiveness of the new governance structure in Spring 2016.

Appointment of Pro Vice Chancellor (Education and Student Experience)

25. The Board ratified the appointment of Professor Shân Wareing as Pro Vice Chancellor (Education and Student Experience) (paper **BG.20(15)**).

Change Programme - transition

26. The Board noted an update on the change programme which had been closed (paper **BG.21(15)**). As major projects are closed the remaining projects would be monitored by the Operations Group with updates to the Board in the Vice Chancellor's report.
27. The Board noted the closure report of the EDISON project.

Report on decisions of Committees

28. The Board noted a report on decisions of the Audit Committee and the South Bank University Enterprises Ltd board of directors from meetings held in February and March 2015 (paper **BG.22(15)**).

Students' Union election results

29. The Board noted the Students' Union election results for sabbatical and other officers of the Union (paper **BG.23(15)**). The Board noted that Abdi Osman had been elected Students' Union President and appointed him as a student governor from 1 July 2015.
30. The Board noted the returning officer's report that the elections had been conducted in a fair and democratic manner.

Board membership and declarations of interest update

31. The Board noted its current membership (paper **BG.24(15)**).

32. The Board authorised the declared interests of Jerry Cope, Carol Hui and Dave Phoenix.

Board strategy day notes – 23 April 2015

33. The Board noted the report on the Board strategy day of 23 April 2015 (paper **BG.25(15)**).

Any other business

34. The Board noted that this was the last Board meeting for Ilham Abdishakur, whose term of office as Students' Union President ended on 30 June 2015. The Chair warmly thanked her for her contribution to the Board.

Date of next meeting

35. The next Board meeting will be on 9 July 2015.
36. The Chairman reported that a general meeting of LSBU followed the Board meeting.

The Chairman closed the meeting.

Confirmed as a true record:

..... (Chairman)

Appendix

Levels of authority approved in minute 22:

Total expenditure value (Inc. VAT)	Capital		Revenue	
	Planned	Unplanned*	Within Budget	Outside Budget
Over £5 million	Board of Governors	Board of Governors	Board of Governors	Board of Governors
from £2 million but less than £5 million	Major Projects and Investments Committee	Board of Governors	Major Projects and Investments Committee	Board of Governors
From £1 million but less than £2 million	Executive Meeting	Board of Governors	Delegated Levels of Authority	Board of Governors
From £500,000 but less than £1 million	Executive	Major Projects and Investments Committee	Delegated Levels of Authority	Major Projects and Investments Committee
Less than £500,000	VC & CFO	VC & CFO	Delegated Levels of Authority	VC & CFO

* Unplanned capital projects should be very rare. The Major Projects and Investment Committee will review master plans and the majority of capital expenditure will be planned. Expenditure proposals should be submitted to the lowest level of authorisation first, being escalated up through the approval hierarchy on the table above following each approval stage.