

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 22 November 2018
1B27 - Technopark, SE1 6LN**

Present

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

Apologies

Peter Fidler
Kevin McGrath

In attendance

Michael Broadway
Richard Flatman
James Stevenson
Shân Wareing
Fleur Nieboer

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 18 October 2018 and their publication.

4. **Matters arising**

The Board noted the progress against the matters arising from the previous meeting.

The Board noted that despite the unsuccessful application for the Race Equality Charter mark the Executive intended to progress with the action plan. The Executive would review whether to make another application in 12 months.

The Board noted updates on re-enrolment of overseas students and third party staff costs.

5. **Vice Chancellor's report**

The Board discussed the Vice Chancellor's report in detail.

The Board noted that an Ofsted inspection of LSBU's apprenticeship provision was expected which the executive was preparing for.

The Board noted an update on student recruitment for semester 2 which looked positive. The Board discussed the different challenges for student recruitment to HSC. The School of HSC is reviewing its management structure to ensure it is the best position to meet these challenges.

The Board noted that re-enrolments in the schools of Law and Social Sciences, and Business have declined and requested that the Finance, Planning and Resources Committee reviews the reasons.

The Board noted that the Fees and Funding Review (Augar review) and the review of Technical Education would report in the new year. The ONS report on treatment of student loan expenditure is awaited. The executive is modelling the potential impact of any proposed changes to fees and funding.

The Board noted an update on progress of the transfer of Lambeth College to the LSBU group. Contracts had been exchanged with Lambeth College Corporation and the transfer date set for 31 January 2019.

The Board noted progress with developing the International Branch Campus in Cairo as part of LSBU's partnership with the British University in Egypt. The business case would be brought to the Major Projects and Investment Committee meeting of 28 February 2019.

6. **Chief Financial Officer's report**

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2018/19 and an update on year end reporting matters.

The Board noted that the current forecast for 2018/19 is to deliver to budget.

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

7. Key performance indicators report 2017/18 and targets 2018/19

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2018/19.

The Board noted that the financial KPI targets were in line with the approved 2018/19 budget.

8. Corporate strategy progress report

The Board noted the half yearly Corporate Strategy Progress report.

9. Health and Safety annual report, 2017/18

The Board discussed the annual health and safety report in detail. The Board requested more information on students and on mental health in future reports.

The Board noted that the internal auditors had deemed fire evacuation procedures to be satisfactory but that there is scope for improvement in behaviours of staff and students in evacuating.

The Board requested an update on these areas in the next health and safety report.

The Board noted progress made in these areas.

Shân Wareing left the meeting.

10. Quality assurance return to OfS

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

11. Annual Academic Board report

The Board noted the Academic Board annual report, which summarised the work of the Academic Board and its committees during 2017/18.

12. **Audit Committee Annual Report**

Fleur Nieboer, KPMG joined the meeting

The Board noted the Audit Committee's annual report for 2017/18 which had been approved by the Audit Committee at its meeting of 8 November 2018.

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 the Office for Students (OfS).

13. **External audit findings**

The Board noted KPMG's audit findings report which had been discussed in detail by the Audit Committee. There was one high risk finding which related to the closure of an account with HSBC, which had been resolved.

The external audit partner confirmed the independence of KPMG from LSBU. All non audit services provided by KPMG to LSBU during the year were permissible and not a conflict with KPMG's audit work.

14. **Letter of representation to KPMG**

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.

15. **Remuneration Committee report to Board**

In the absence of members of the Executive

The Board discussed the remuneration committee report to the Board.

The Board noted that the remuneration committee had discussed an independent review of executive salaries undertaken by Korn Ferry and subsequently approved a revised approach to benchmarking for executive salaries. The review had taken into account the new areas of group responsibilities for members of the executive.

The Board noted the review of the performance of the Vice Chancellor for 2017/18 and associated bonus award of 8% (£19k). 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 discussed the bonus scheme for executive members and noted that the Remuneration Committee had agreed to include team bonus of up to 5% in addition to the current individual bonus of up to 10%. The new HR director would be requested to review staff incentives.

Members of the executive rejoined the meeting.

16. **Annual report and accounts**

The Board discussed the proposed annual report and financial statements for year ended 31 July 2018, 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 8 November 2018.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 8 November 2018 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 2018 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 5 November 2018. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

17. **Written resolution to reappoint KPMG as External Auditors with delegation of remuneration to Executive**

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 2019 with delegation of remuneration to Executive. The Chair would sign the written resolution on behalf of LSBU at the end of the meeting.

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

{Secretary's note: a minor amendment to the report was approved by the Chair of the Board after the Board meeting}

19. **Corporate Risk**

The Board noted the corporate risk register, which had been updated following the detailed discussion at the Board meeting of 18 October 2018.

20. **Reports and 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 8 November 2018. No changes had been made from the previous year's statement. The statement would be published on the University's website.

21. **Any other business**

The Board noted that the SU President had joined over 100 student leaders on a visit to Auschwitz as part of the Holocaust Educational Trust's Lessons from Auschwitz Universities Project.

The Board noted the plight of the jailed academic in the United Arab Emirates (UAE).

{Secretary's note: the Vice Chancellor subsequently confirmed that LSBU did not have, and was not negotiating, any contracts with the UAE}.

The Chair noted that Steve Balmont would be stepping down as Chair of Audit Committee with effect from 1 January 2019. Mr Balmont would continue as a governor and member of the Audit Committee until 31 July 2019. Duncan Brown would become Chair of the Audit Committee from 1 January 2019. The Chair thanked Mr Balmont for his services to the University as Chair of the Audit Committee.

Date of next meeting
4.00 pm, on Thursday, 14 March 2019

Confirmed as a true record

..... (Chair)