

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 12 March 2020
Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Duncan Brown
John Cole
Michael Cutbill (*except minute 6*)
Nelly Kibirige
Mark Lemmon
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Nazene Smout
Vinay Tanna

Apologies

Peter Fidler
Hilary McCallion
Mee Ling Ng

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
James Stevenson

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

The Chair noted that the Board had received an informative presentation on progression.

2. Declarations of Interest

The Board noted that Michael Cutbill had an interest in the item on Vice Chair. Mr Cutbill would be asked to leave the meeting for the item.

The Board noted that members of the executive present and the staff governor had an interest in the pensions update included in the CFO report.

The Board noted the Chair's previously declared interest in the Croydon campus proposal.

3. Minutes of previous meeting

The Board approved the minutes of the meeting of 21 November 2019, subject to minor amendments, and their publication.

4. Matters arising

The Board noted the matters arising from the previous meeting. An update on academic assurance reporting will be given at the next Board meeting.

5. New staff governor

The Board approved the appointment of Professor Nicola Martin as a staff governor for a term of three years with effect from 1 April 2020.

6. Vice Chair and Pro Chancellor

Michael Cutbill left the meeting

The Board considered the Chair's recommendation to appoint Michael Cutbill as Vice Chair. After due consideration, the Board approved the appointment of Michael Cutbill as Vice Chair and Pro Chancellor with immediate effect.

The Board approved the role description of the Vice Chair.

Michael Cutbill rejoined the meeting

7. Senior Independent Director

Following recent CUC guidance, the Board approved the creation of the role of Senior Independent Director (SID) governor and the draft role description.

The Board considered the Chair's recommendation to appoint Hilary McCallion as the SID. After due consideration, the Board approved the appointment of Hilary McCallion as the SID with immediate effect.

8. Reports and decisions of committees

The Board noted the report on decisions of committees, including the sub-committee's approval of the intra-group facility agreement for £13.8m between LSBU and SBC to fund the cashflow for the turnaround of Lambeth College.

The Board approved the updated terms of reference for the Group Pensions sub-committee.

9. **Corporate risk**

The Board noted the update on corporate risk. The Board would review risk in detail following the approval of a revised Group Risk Policy by the Group Audit and Risk Committee.

10. **Prevent policy**

The Board noted the updated Prevent policy as required under the Counter Terrorism and Security Act 2015.

11. **Declarations of interest**

The Board authorised the updated interests of Jerry Cope and Deepa Shah, to be published on the website.

12. **Sector governance best practice**

The Board noted LSBU's response to the governance issues raised in an OfS report of another HE institution.

13. **Health and Safety annual report 2018/19**

Nicole Louis and Ed Spacey joined the meeting

The Board discussed the annual health and safety assurance report in detail.

The Board noted the increase in demand for mental health support from students and that the executive is developing an action plan to address the underlying causes.

The Board took assurance from the report.

The Board discussed an update on the Coronavirus situation. An action plan had been developed to minimise the impact of the pandemic on the core activities of the Group. The Board noted plans to finish face-to-face teaching before Easter in case of closure after Easter. Alternative assessment measures were being developed for semester 2 exams.

'Gold Command' would meet regularly as necessary to manage any situation. The Board would receive regular updates.

The Board noted that the April 2020 strategy day will be postponed to the summer 2020.

Nicole Louis and Ed Spacey left the meeting

14. **VC's report**

The Board discussed the Vice Chancellor's report.

The Board noted that the DfE was expected to provide feedback on the SBC estates strategy on 18 March 2020. The Board noted that the delay had led to challenges with funding and to the timeline.

The Board noted that UCU is seeking to ballot for strike action in relation to potential changes to the USS pension fund and to pay and working conditions.

The Board noted an update on the Augar review and potential for student number control of certain courses.

The Board noted the positive recruitment numbers which was largely a result of improved league table position, increased effectiveness at processing applications and messaging to potential students.

The Board noted the change to use the Graduate Outcomes survey instead of the Destination of Leavers of Higher Education survey to measure employability and the likely negative impact on league table position. The Executive will monitor the impact.

The Board noted the mock REF exercise was positive. A briefing for governors on REF, TEF and KEF would be offered.

15. **CFO's report**

The Board discussed the Group Chief Financial Officer's report, which included an update on the latest income projections for 2019/20, budget planning for 2020/21, OfS matters, audit matters, pensions, South Bank Colleges, group cashflow and project LEAP.

The Board noted that the current forecast for 2019/20 is deliver to at least to budget of £1.5m.

The Board noted that the board pensions working group had met to consider options for the future provision of the Local Government Pension Scheme

(LGPS). The proposal that would be put to the unions as part of consultation is to offer a newly set up defined contribution scheme instead of the LGPS to new non-academic starters from 1 August 2020. The objective is to better manage risk and reduce future scheme deficits rather than reducing current cost, thereby reducing the risk of pension provision becoming unaffordable in the future. The Board noted the likely employment relations issues. The Board supported the proposal in principle and authorised the executive to begin consultation with staff and the trade unions, at a time taking account of other events.

Following a governor's question about intra-group lending to SBC, a general point of governance was discussed in relation the background information provided to the Board to underpin recommendations of sub-committees, particularly MPIC. The Board requested a review of how recommendations from sub-committees are presented to the Board.

16. **Croydon HE business case**

The Board discussed the proposal to establish an HE presence in Croydon. The proposal had been discussed in detail by the Major Projects and Investment Committee (MPIC) at its meeting of 27 February 2020. The committee strongly supported the proposal.

The Board noted the outline business case for HE provision in Croydon and the rationale for an LSBU presence in the area. Educational delivery would commence in September 2021, with Health as the primary provider and Business as the secondary provider alongside additional enterprise and CPD activity.

The financial case presented a number of scenarios based on varying student number intakes. It was noted that in all scenarios the proposal moved from deficit to surplus in 2023/24. In cashflow terms, assuming receipt of a potential grant from Croydon Council of £3.3m, the maximum cash requirement until break-even was £4.1m. The payback period of the discounted cashflows (at 6%) was just over 5 years. A key point in negotiations with the landlord was the desire for a break clause in the 15 year lease term.

Having noted MPIC's review and its support for the proposal, the Board approved in principle and authorised a sub-committee of Rashda Rana, Jeremy Parr, David Phoenix and Richard Flatman to approve the final business case and authorise execution of the necessary legal documentation.

17. LSBU Cairo business case

The Board noted the update on the development of LSBU Cairo, which had been reviewed by MPIC at its meeting of 27 February 2020.

**Date of next meeting
4.00 pm, on Thursday, 21 May 2020**

Confirmed as a true record

..... (Chair)