

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 19 November 2020
MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
Duncan Brown
John Cole
Peter Fidler
Mark Lemmon
Hilary McCallion
Mee Ling Ng
Jeremy Parr (*from minute 6*)
David Phoenix (*for minutes 1 - 19*)
Rashda Rana
Tony Roberts
Deepa Shah
Maxwell Smith
Harriet Tollerson
Vinay Tanna

Apologies

Nicki Martin

In attendance

Pat Bailey (*for minutes 1 - 19*)
Michael Broadway
Richard Flatman (*for minutes 1 - 19*)
Paul Ivey (*for minutes 9 and 10*)
Deborah Johnston (*for minute 8*)
James Stevenson (*for minutes 1 - 19*)

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apology was noted.

The Board had just received an informative pre-Board presentation on EDI. A further discussion would take place at the Group strategy meeting in December 2020.

The Board noted that this was Hilary McCallion and Mee Ling Ng's final full Board meeting. The Board thanked them for their valuable contribution to the Board and the University over many years.

2. **Declarations of Interest**

The Board noted Peter Fidler's previously declared interest in the proposed Tashkent partnership.

Members of the executive present declared an interest in the Remuneration Committee report to the Board. Executive members would leave the meeting for that discussion.

3. **Minutes of previous meeting**

The Board approved the minutes of the meeting of 15 October 2020, and their publication.

4. **Matters arising**

The Board noted the update on matters arising from the previous meeting.

5. **Chair's business**

The Chair updated the Board on independent governor recruitment. Audeliss had been appointed as recruitment consultants and would produce a longlist by December 2020. The Nomination Committee would review the longlist in January 2021 and interviews were scheduled for January 2021.

6. **VC Report**

The Board discussed the Vice Chancellor's report.

The Vice Chancellor updated the Board on the OfS's consultation on the criteria B1 – 6 of the conditions of registration, which related to quality, standards and outcomes for students. The OfS were consulting on whether to make student achievement data absolute. Details of the consultation would be circulated to the Board.

The Board welcomed the improvement in progression into the current academic year, 2020/21 but noted the need to continue to improve this area.

The Board discussed the number of significant projects across the Group and noted that the new target operating model, discussed by the Finance, Planning and Resources Committee, was intended further to clarify accountability and decision-making and build capacity in priority areas.

Jeremy Parr joined the meeting

The Board noted that the Executive is seeking regulatory approval to expand into dental and medical education.

The Board noted that the London Road redevelopment remains on target and on budget but that there are cost challenges with the developer.

The Board noted that a decision on the Sir Simon Milton Westminster UTC joining South Bank Academies was still awaited from the DfE.

The Board noted that the Executive had recently discussed adopting the International Holocaust Remembrance Alliance definition of anti-semitism as part of a wider statement on race. There was a need for further discussion with senior academics before a recommendation.

The Board noted an update from the Provost on the impact of the coronavirus pandemic on the University. The number of positive cases on campus remained relatively low. The testing of students prior to their travelling home for Christmas was being arranged in line with government and NHS/PHE guidance.

7. CFO Report

The Board discussed the CFO report, which updated on current year financial performance, 2019/20 year end reporting matters, the annual accountability return to the OfS, financial covenant compliance and authorised signatories.

The Board noted that the current forecast for 2020/21 is to deliver a £0.7m surplus, against scenario 2B budget target of £2m. The Board welcomed that there appeared to be some headroom within the forecast in view of the potentially difficult next few months as the pandemic continued.

The Board noted that the OfS had extended the deadlines for the annual accountability return this year due to the coronavirus pandemic. The Board noted the current five year forecasts which were now due to be submitted to the OfS by 28 February 2021. The Executive would review the 2020/21 budget in January 2021 which may impact the forecasts. The Board would be requested to approve the final forecasts ahead of submission to the OfS.

The Board noted that LSBU remained compliant with its financial covenants to its lenders.

The Board approved the proposed changes to the 'bank signatories' section of the Financial Regulations and approved that Deborah Johnston, Warren

Turner and Marcelle Moncrieffe-Johnson are authorised signatories on the university's bank accounts.

8. **Annual Education Report from Academic Board**

Deborah Johnston joined the meeting

The Board discussed the annual education report in detail. The Board welcomed the report which provided assurance to the Board of Governors on good academic governance during 2019/20.

The Board noted the approach taken to ensure that quality and standards were maintained during the coronavirus pandemic. The Board noted that an appropriate balance had been struck between maintaining standards and adjusting for the new environment.

The Board noted areas identified for improvement, including progression, graduate outcomes and addressing awarding gaps.

Deborah Johnston left the meeting

9. **SBC estates strategy**

Paul Ivey joined the meeting

The Board noted an update on the SBC estates strategy. Following a review by a consultant, at its meeting of 18 November 2020, the SBC Board had concluded that the estates strategy was affordable. Further details and specific approvals would be considered by both boards in due course.

10. **TEAM University, Tashkent**

The Board discussed the proposal to establish a partnership with Team University in Tashkent, Uzbekistan. The proposal had been discussed in detail by the Major Projects and Investment Committee.

The Board approved the partnership with Team University in principle, subject to institutional and course validations of Team University and completion of further more detailed due diligence work. The Board would be updated on developments.

Paul Ivey left the meeting

11. **LSBU Group pension proposal**

The Board discussed the proposed new group defined contribution pension scheme for new starters in LSBU and SBC and for current and future staff in SBUEL and SW4CL. The Board noted that the proposals had been subject to extensive consultation with staff and trade unions in both LSBU and SBC. The proposals had been reviewed in detail by the Group Pensions Sub-committee which had recommended them to the Board for approval.

The proposed scheme was 'pension quality mark' (PQM) compliant.

The Board noted that the SBC and SBUEL Boards had supported the implementation of the proposed new scheme in their respective companies.

{Secretary's note: at its meeting of 25 November 2020, the SW4 Catering Ltd Board supported the implementation of the proposed new scheme in SW4.}

The Board approved the implementation of the Aviva defined contribution pension scheme for new starters at LSBU and SBC from a date to be agreed; and for current and future staff at SBUEL and SW4CL. The implementation date of the new scheme in each institution would be determined by the Group Executive.

12. **Group Audit and Risk Committee Annual Report**

The Board reviewed the Group Audit and Risk Committee's annual report for 2019/20, which had been approved by the Committee at its meeting of 5 November 2020.

The Chair of the Group Audit and Risk Committee agreed to sign the report at the point of approval of the accounts, for submission to the Office for Students (OfS).

{Secretary's note: the Chair of the Group Audit and Risk Committee signed the report on 25 November 2020, the date on which the accounts were approved.}

13. **External Audit Findings**

This item was adjourned to 25 November 2020.

{Secretary's note: At its adjourned meeting of 25 November 2020, the Board noted KPMG's audit findings report which had been discussed in detail by the Group Audit and Risk Committee. KPMG's opinions were unqualified and provide a "clean" opinion on the use of funds.}

The external audit partner confirmed that the identified misstatements were not material.

The Board noted that the identified control deficiency on bank reconciliations was being addressed by management.

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. External Audit Letter of Representation

This item was adjourned to 25 November 2020.

{Secretary's note: At its adjourned meeting of 25 November 2020, the Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Group Audit and Risk Committee.

For the reporting year, specific representations related to potential and actual litigation had been included.

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. Going concern

This item was adjourned to 25 November 2020.

{Secretary's note: At its adjourned meeting of 25 November 2020, the Board discussed the 2019/20 going concern statement for inclusion in the annual accounts, which had been reviewed in detail by the Group Audit and Risk Committee.

The Chair of the Finance, Planning and Resources Committee (FPR) confirmed that FPR had considered the University's cashflow in detail throughout 2020.

The Board noted that there would be a new auditing standard on going concern which would apply for next year's accounts

The Board was satisfied that it was appropriate to prepare the accounts on a going concern basis.}

16. Annual Report and Accounts

This item was adjourned to 25 November 2020.

{Secretary's note: At its adjourned meeting of 25 November 2020, the Board discussed the proposed LSBU group annual report and financial statements for year ended 31 July 2020, which had been reviewed in detail by the Group Audit and Risk committee and the Finance, Planning and Resources committee. The surplus for the University was £1.2m.

The Board noted amendments to the accounts made since the meeting of the Group Audit and Risk Committee on 5 November 2020 and subsequently reviewed by the Committee.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Group Audit and Risk Committee meeting of 5 November 2020 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.

The Board confirmed that KPMG UK LLP shall continue as auditor of the University for the financial year, 2020/21.

After careful consideration, the Board approved the LSBU group annual report and financial statements for the year ended 31 July 2020 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that at its meeting of 24 November 2020, the SBC Board had approved its accounts and that at its meeting of 10 November 2020 the SBUEL Board had approved its accounts. The accounts of SBC and SBUEL were consolidated into the University group accounts.

The Board requested a review of the accounts preparation process.}

17. 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 review by the Group Audit and Risk Committee, the Board approved the Prevent annual report and the statement of assurance for submission to the OfS.

18. Report and Decisions of Committees

The Board noted the reports and decisions of committees. The Board approved the annual Modern Slavery Act statement.

19. **CUC Higher Education Code of Governance**

The Board noted the update on the new CUC Code of Governance.

20. **Remuneration Committee Report to Board of Governors**

Members of the Executive, including the Vice Chancellor, left the meeting

The Board discussed the Remuneration Committee report.

The Board noted the review of the performance of the Vice Chancellor for 2019/20 and associated individual bonus award of 7.5% (£17.9k) and team bonus award of 6.5% (£15.5k). 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 performance-related bonus scheme for executive members. The Board noted that the Remuneration Committee was commissioning an independent review of executive salaries to report in 2021.

The Board noted the annual remuneration report.

**Date of next meeting
4.00 pm, on Wednesday, 25 November 2020**

Confirmed as a true record

..... (Chair)