

Minutes of the meeting of the South Bank Colleges Board

**held at 4.00pm on Thursday, 14 November 2019
Lambeth College Board Room (C303)**

Present

Ruth Farwell (Chair)
Steve Balmont
Cllr Jennifer Brathwaite
Sue Dare (*from minute 5*)
Nigel Duckers
Shakira Martin
Mee Ling Ng
Adesewa Ogunyomi
Andrew Owen
David Phoenix

In attendance

Michael Broadway
Richard Flatman
Fiona Morey
Jacqueline Mutibwa
Carol Rose (until item 8)
Jack Stapleton
Michael Webb

1. Welcome and apologies

The Chair welcomed the trustees to the meeting.

2. Declaration of Interests

The Board noted the following continuing declarations of interest: Mee Ling Ng is a director of LSBU; David Phoenix is a director of LSBU and SBA; Sue Dare is the Interim Principal/CEO at National College of Creative Industries.

3. Minutes of the previous meeting

The Board approved the minutes of the meeting held on 14 September 2019 as an accurate record, subject to a minor amendment and their publication, as redacted.

4. Matters arising

The Board noted the action sheet and that the actions had been completed or were on the agenda of the meeting.

Chairs report

The Chair informed the Board about the following events she had attended since the last Board meeting in September 2019: the Student Award Ceremony on 30 October 2019; and the LSBU Group Chairs' meeting that was held in early October 2019 to share information on the strategic issues across the group.

5. Executive Principal's Report

Sue Dare joined the meeting

The report provided an update on the key areas of the college since the last meeting in September 2019.

The Board noted the college KPIs on the turnaround (appendix 1), which had been agreed with DfE and shared with the Board. It was noted that the turnaround performance was positive and that all educational and financial KPIs had either been met or exceeded in 2018/19. The Chair of the Board commended the Executive Principal and the college Leadership team for the work being undertaken to turnaround the performance of the college especially with regard to student achievement and financial sustainability, and that the college was moving in the right direction.

The Board discussed:

- the final 2018/19 student achievement data, which was positive the college had achieved or exceeded its CFADs educational achievement targets for all provision. The figures were higher than the previous year and above the national average.
- the Apprenticeship achievement, which was low and its sub-contracted provision remained a key risk area.
- that on the 2019/20 student recruitment, the initial indication showed that the figures were currently below target and that the outcome would be known in the middle of November 2019 (when the post 42 days ILR RO4 is submitted). However, the targets were achievable and on target to achieve 2020/21 budget target. It was noted that a number of new initiatives were in place to support the growth strategy.
- the self-assessment report (SAR) 2018/19 that reviews and self-assesses the college's performance during the preceding academic year. It identifies the college's strengths and areas of improvement. The college self-assessment report for 2018/19 (prepared in October 2019) had been externally validated and it was agreed that the overall effectiveness continued to be rated as 'Requires Improvement'. Apprenticeships would be a key focus. The Board approved the 2018/19 Self-Assessment Report (SAR), which had been reviewed in detail and recommended to the Board

for approval by the Quality & Improvement Committee on 6 November 2019 (appendix 2).

- the recent Ofsted inspection recommendations. It was noted that the focus for the year was to address the areas requiring improvement identified by Ofsted, which would be monitored at the next inspection visit between November 2019 and May 2020. This included teaching and learning which had been identified as inconsistent across the College and needing attention. The Board noted an update on actions being taken to address the Ofsted recommendations (appendix 3).
- the Teaching, Learning and Assessment (TLA) strategy, which set out the college's vision for teaching and learning in terms of ethos and aspirations and creating a culture of mutual learning for both teachers and students. It was noted that there had been significant investment in the development of TLA since the start of the academic year. The Board approved the Teaching, Learning and Assessment strategy, which had been discussed in detail and recommended to the Board for approval by the Quality & Improvement Committee on 6 November 2019 (appendix 4).
- the ESFA audit on the college's 2018/19 funding claims that was undertaken in October 2019 and that the outcome was positive. An action plan has been developed to address the areas of improvement and the 2019/20 data was more robust than in previous years.
- staff survey as part of the LSBU Group staff survey carried out in June 2019. The Board noted the high engagement and the findings identified from the survey. It was noted that the full report on the outcome of the survey would be circulated to Trustees and considered at the next Board meeting in February 2020.

6. Report from Student Union President

The Student Union (SU) President gave a report on the recent and 2019/20 planned activities undertaken by the SU and its impact on the students and the local community.

The Board noted that the SU had supported students in registering to vote.

The Board noted the 2019 organisation chart and that it would be provided with regular reports on the work of the SU. The Board commended the SU President for the comprehensive report.

7. Update on LSBU and Lambeth College Transition Activity

The Board was provided with an update on Lambeth College and LSBU transition work since the last Board meeting in September 2019. It was noted that the work focused on the professional services areas, in particular health and safety.

The Board noted that LSBU estates management was working closely with the college leadership team to rectify the health and safety compliance matters and that most of them had been resolved and quality assurance given.

It was noted that a local Major Incident and Response plan and procedure was being developed to align with the group plan. It was also noted that the recruitment of a compliance advisor was underway to develop policies and procedures and support cultural change.

The Board noted that good progress was being made on the transition work to fully integrate the college into the LSBU Group.

8. Vauxhall development update

Jennifer Brathwaite joined the meeting

The Board was provided with an updated SBC estates strategy, which included the business plan and the cost analysis with independent valuation.

The Board noted that the monthly steering group meetings involving the key stakeholders of SBC, LSBU, DfE and Lambeth Council were positive.

The Board noted a report by Peter Marsh Consulting on the comparison between the updated plan (November 2019) and the original plan (May 2018) and the key conclusions to date. It was noted that whilst the November 2019 strategy may require marginally more space, the build costs of delivering it was less than the earlier May 2018 strategy (c.£6.7m less) and would maintain a presence at Clapham.

The Board discussed the progress that had been made on refining the estate strategy including curriculum needs, development costs and potential income of the plan. The Board noted:

- that the updated plan (November 2019) presented in the report was in line with the previous plan (May 2018) and FE norms but offered better value for money.
- that independent consultants had been engaged to undertake detailed work on market testing the assumptions and validate the costs on the updated business plan i.e. valuation of the Clapham site and block 'C' at Vauxhall.
- that further work was being undertaken by Peter Marsh Consulting on finalising the funding gap.
- the final business case and estate strategy would be submitted to DfE by 22 November 2019 in order to adhere to the obligations set out in the Grant Agreement with the DfE dated 31 January 2019. It would be presented to the Board for approval on 10 December 2019.

The Board supported the updated estates plan and its submission to the DfE. It was noted that further work would be undertaken to review the valuation and funding assumptions, risks and opportunities and finalise the funding gap ahead of the Board meeting on 10 December 2019.

9. Chief Financial Officer Report

Shakira Martin joined the meeting

The report provided an update on 2018/19 financial position, statutory reporting matters and financial KPIs.

On the statutory matters, the Board noted:

- that the Lambeth College Corporation statutory closure accounts ending 31 January 2019 (six months) had been amended to reflect the impact of the McCloud judgement on pension costs and scheme deficit which amounted to £200K. The revised finalised accounts and the associated letter of representation were presented to the Board for approval.
- that the SBC accounts ending 31 July 2019 showed a full year surplus of £16.3m (which includes £16.2m recognised gain on the acquisition of the assets and liabilities of Lambeth College Corporation and a small operating surplus).
- that the audit of the accounts was substantially complete.

The Board also noted:

- that the main challenge in delivering the 2019/20 budget was the student income in relation to adult students as the enrolment figures were below target and that an action plan was in place to address the matter.
- that the recent ESFA audit undertaken on student number returns was positive and that there were no issues resulting in a claw back on funding of some of the AEB allocation.
- the financial KPIs.

10. External Audit Report

The Board discussed KPMG's audit findings report for the year-end 31 July 2019, which the Audit Committee had discussed in detail at its meeting of 6 November 2019.

The Board noted the two audit differences identified during the course of the audit, which had been included in the financial statements and relate to funding body grant income and pension liability.

There were no matters, which needed to be brought to the attention of the Board.

11. Letter of Representation to KPMG

The Board discussed the draft letter of representation to the external auditors, which had been reviewed by the Audit Committee at its meeting of 6 November 2019.

The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable. The Executive also confirmed to the Board that it knew of no reason why the letter of representation cannot be approved by the Board in substantially the form presented to the meeting.

The Board approved the letter of representation and authorised the Chair to sign the letter on behalf of the Board.

12. Audit Committee Annual Report

It was noted that under the ESFA's Post-16 Audit Code of Practice, Audit Committees of Further Education Colleges are required to produce an annual report for the Board, summarising the committee's activities relating to the financial year under review.

At its meeting of 6 November 2019, the Audit Committee had discussed and approved its annual report.

The Board noted the annual report and the Audit Committee's opinion on the adequacy and effectiveness of the college's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets and that these arrangements are adequate and effective.

13. Financial Statements for the year ending 31 July 2019

The Board was presented with the first SBC accounts for the period 1 August 2018 to 31 July 2019 which represents 12 months from incorporation of the company with 6 months educational activity (1 February to 31 July 2019). It was noted that the accounts would be consolidated into the LSBU group accounts.

The Board discussed the draft annual report and financial statements, which had been reviewed in detail by the Audit Committee at its meeting of 6 November 2019. It was noted that minor amendments had been made to the report and financial statements since the Audit Committee meeting in particular the inclusion of the acquisition of the assets and liabilities of Lambeth College Corporation (LCC) at fair value and its impact on the income and expenditure account and the adjustment following the McCloud judgement on pension costs and scheme deficit. The Board noted the main changes set out in the report, which had been audited by KPMG.

The Executive confirmed to the Board that it knew of no reason why the draft report and financial statements cannot be approved by the Board in substantially the form presented to the meeting.

The Board approved the annual report and financial statements in their current form for the year ending 31 July 2019 and authorised the Chair and Accounting Officer to sign them on behalf of the Board.

14. Quality Improvement Policy

The Board noted the updated Quality & Improvement Policy 2019/21, which seeks to continuously improve the standards and quality of education and training offered by the College. It sets out the principles and framework on which the improvements would be achieved.

The Board noted a minor amendment on the use of the word 'student', which should be consistently applied in the policy to include apprentices. It was noted that the Policy had been reviewed and recommended to the Board for approval by the Quality & Improvement Committee at its meeting of 6 November 2019.

The Board approved the updated Quality & Improvement Policy 2019/21, subject to the minor amendment being made.

15. Lambeth College Corporation (LCC) Amended Closure Accounts – Letter of Representation to the Auditors

At its meeting on 3 July 2019, the Board had approved the letter of representation for the LCC closure accounts. The Board noted that the letter of representation needed to be approved again following changes to the accounts following the McCloud judgement.

The Board approved the amended letter of representation to the external auditors and authorised the Chair to sign the letter on behalf of the Board.

16. Lambeth College Corporation (LCC) – Amended Closure Accounts (1 August 2018 to 31 January 2019)

At its meeting on 3 July 2019, the Board approved the LCC closure accounts. The Board noted that the accounts had also since been amended to reflect an adjustment on the impact of the McCloud judgement on pension costs and scheme deficit, which amounted to £200k.

The Board approved the revised final annual report and financial statements for the period 1 August 2018 to 31 January 2019 and authorised the Chair and Accounting Officer to sign them on behalf of the Board.

17. Revised Terms of Reference of the Audit Committee

The Board approved the formation of the Audit Committee and its terms of reference (TOR) on 27 February 2019.

It was noted that 5.3 of the TOR should be amended to reflect the remit of the Audit Committee to provide advice to the Board on the annual report & accounts and external auditor’s management letter. The Board approved the revised TOR subject to the amendment being made.

18. Reports from Committees

The Board noted the report from Committee meetings held since the last meeting on 18 September 2019.

19. Corporate Risk Register

The Board noted the risk register, which had been revised so that it was more strategic and aligned with the LSBU risk register. It was noted that the Audit Committee had reviewed the register at its meeting on 6 November 2019.

The Board at its next meeting in February 2020 would have a more detailed discussion on the risk register and consider the new and emerging risks and the use of RAG rating in order to monitor and mitigate the risks.

20. Board Annual Work Plan 2020

The Board noted the annual work plan for 2020 and that the comments from the Trustees and Committees would be sought on the plan.

Date of next meeting

4.00pm, on Wednesday 26 February 2020

Confirmed as a true record

(Chair)

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