

Minutes of the meeting of the South Bank Colleges Board

held at 4.00pm on Wednesday, 6 May 2020
Meeting via Microsoft Teams

Present

Ruth Farwell (Chair)
Steve Balmont
Sue Dare
Nigel Duckers
Shakira Martin
Mee Ling Ng
Adesewa Ogunyomi
Andrew Owen
David Phoenix

In attendance

Michael Broadway
Richard Flatman
Paul Ivey
Fiona Morey
Jacqueline Mutibwa
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: Steve Balmont is Chair, LSBU Pensions sub-committee; Mee Ling Ng is a director of LSBU; Sue Dare is senior lead at National College Creative Industries Ltd and interim CEO at National College for Advanced Transport and Infrastructure; David Phoenix is a director of LSBU and SBA.

3. Minutes of the previous meetings

Meeting held on 26 February 2020

The Board approved the minutes of the meeting held on 26 February 2020 as an accurate record, subject to a minor amendment and their publication, as redacted.

4. Matters arising

There were no matters arising from the minutes of the meeting.

5. Coronavirus Update - Lambeth College

The Executive Principal gave an update on the College's response to the coronavirus crisis and the key risks to the College. The Board continued to be provided with regular updates on the situation via email.

The Board expressed their sadness about the death of two people in the College community due to coronavirus; a student and a recently retired employee and extended their sympathy and condolences to their families.

The Executive Principal gave an update on the education delivery during the lockdown and noted the following:

- that 95% of the provision was delivered online and noted the challenges due to poor IT infrastructure, shortage of student and staff laptops and the lack of access to technology.
- that the College funding income was not materially affected as the vast majority was from government grants (ESFA and GLA) and very limited commercial income. The 2019/20 grant funding would not be affected by lockdown.
- there was a range of support being provided to students and staff. There were weekly updates on latest guidance and mental health and well-being support.
- business planning and growth for the future would be focussing on the relevance of the current offer in context of economic downturn, labour market and impact on apprenticeship provision.

There was feedback from the student trustee and staff trustee about their experience of the online delivery and issues of concern.

The Board discussed the key risks and how they were being addressed:

- IT infrastructure was unable to provide sustained and increased reliance on remote working. IT infrastructure was poor due to outdated equipment and software due to little investment for some years. Significant investment was needed and the College was working closely with LSBU Group to develop a proposal to upgrade the IT infrastructure.
- Staff health and well-being matters and the challenges to be addressed in ensuring staff safety.
- Student recruitment and the impact on business planning and growth 2020/21. The challenges regarding marketing, enrolment and implementing a transitional programme to support students back to education. The College would be working with LSBU Group on supporting student recruitment.
- Course portfolio and the need to review the current course offer and delivery patterns in light of changes to employment. The need to respond quickly to new demands; reskilling and supporting students for the job market, addressing the consequences of economic downturn and labour market, risk

to ESOL provision due to focus on online delivery and challenges with Apprenticeship delivery.

- The social distancing requirements which would require a complete review of the delivery models and associated costs.

The Board noted the coronavirus risk register. It also noted a detailed report on work being undertaken by departments in the delivery and managing change due to the lockdown.

There was discussion about the work being undertaken on assessing GCSE, vocational and technical qualifications following DfE guidelines.

The Board noted the findings of the staff survey on remote learning which was undertaken before Easter to identify levels of student engagement and to get feedback on the support teachers needed. The findings of the survey were largely positive. The Board also noted that a student survey was underway to ascertain their feedback on online learning.

There was discussion about the strategy to reopen the college; the support that needed to be in place and challenges to be addressed. It was noted that the strategy would provide reassurance to students and staff and that a full risk assessment across all areas of work would be undertaken supported by the government guidelines.

It was noted that the Quality & Improvement Committee would review the work being progressed at its meeting in June 2020. The Board would be provided with an update on the strategy to reopen the college at its meeting in July 2020.

On behalf of the Board, the Chair thanked the Executive Principal and the Leadership team for the tremendous work undertaken under the difficult circumstances.

6. Corporate Risk Register Review

The Board noted that the Coronavirus risk register would be incorporated into the corporate risk register which would be reviewed in detail at the next meeting in July 2020.

7. Update on Estates Programme

The Board was provided with an update on the Nine Elms STEAM Centre (NESC) and the development of the Vauxhall site.

There was an update on the demolition of buildings on the Vauxhall campus which was still ongoing and had delayed the development process due to a party wall agreement with the adjacent housing development which had still not been resolved.

A progress report on the NESC project was provided. The Board noted:

- that the pre-construction work undertaken by Sir Robert McAlpine (SRM) was progressing well. A tendering process to seek a new contractor for the delivery of the main construction work (phase 2) was underway as the contract price submitted by SRM was high and substantially above than the available budget.
- that after the completion of due diligence, a report would be presented to the SBC Board and LSBU for consideration. Construction work would commence in October 2020 to June 2022.

The Board noted a progress report on the Vauxhall estates development. The Board noted:

- the funding gap for the entire programme had increased to £12-15m (from £5-8m) assuming the non-NESC elements could be controlled. The programme was now delayed to June 2022.
- Avison Young (AY) had been engaged to carry out options appraisal for both the disposal of land at Clapham and proposed use of 'block C' (Vauxhall). Work undertaken by AY showed that it might be possible to close the funding gap via a joint venture. The Group Executive had appointed Jones Lang LaSalle (JLL) to develop the proposal and, an options appraisal would be presented to the Board in July 2020.
- the challenges to date which included an additional funding risk due to the GLA funding (£20m) as a result of the delays in getting approval from the DfE and the retender for the NESC construction work.

The Vice-Chancellor provided the Board with an update on DfE's decision on the SBC estates strategy. The Minister had agreed to allow the estates strategy to progress subject to a guarantee that SBC takes out a negative pledge for 10 years after completion of the strategy. The heads of terms were awaited from the DfE and were likely to include that if the institution sells, refinances or releases value in other ways from the FE estate within ten years of completion, it would be liable to pay back £17.5m to government.

The Board discussed the implications and options under consideration. It was noted that the current grant agreement (approved 31 January 2019) would remain effective until completion of the new build programme and then the new DfE terms would take effect. It was noted that the approach provided a way forward. It was recommended that the Board supports the approach in principle.

The Board noted:

- the options under consideration and agreed to support the principle of a negative pledge.
- the appointment of commercial real estate advisor JLL to design a robust process for the disposal of 'block C' (Vauxhall) and Clapham site.
- the Avison Young Delivery Options report.
- that an update report with the options appraisal for Stage 2 of the estates programme, details of the draft negative pledge and the DfE term sheet would be presented at the Board meeting in July 2020.

8. Executive Principal's Report

The report focused on the 'business as usual' aspects of the college in relation to quality, curriculum planning and development, 2020/21 funding and an update on the Ofsted monitoring visit in March 2020.

The Board discussed:

- the outcome of the recent Ofsted monitoring visit (March 10th to 12th). Ofsted recognised the work that had been undertaken since the last inspection (May 2019), and gave a positive outcome report with significant progress made in 4 areas and 2 areas had made reasonable progress. The Board noted the Ofsted Monitoring Visit report (appendix 1).
- The National Achievement Rates for the sector had been published which enabled to benchmark the College's 2018/19 performance against the sector. It was noted that the College had made significant progress across all classroom-based delivery categories. Overall performance had improved by 78 places and the college was now 43rd out of 172 colleges in England. The college achievement rate exceeded its CFADs educational achievement target for classroom-based learning. The apprenticeship achievement was still low and remained a key risk area.
- Work being undertaken on: the curriculum offer, career pathways and business planning and growth for 2020/21 – 2022/23 with focus on increasing level 3 provision and reducing the reliance on sub-contractors and partners.

The Board noted a number of positive developments set out in the report including the College's successful bid for a GLA Innovation Grant of £500K and its work on a new LSBU Group facility at Tabard Street which will house a dedicated Health Skills Centre. The Centre was due to open in August 2020.

The Board commended the Executive Principal and Leadership team for the recent work that had been undertaken especially the positive Ofsted monitoring visit report, the significant performance improvement at the national level, the successful GLA bid and its work at Tabard Street.

9. Chief Financial Officer Report

The report provided an update on the current financial performance of Lambeth College, ESFA finance forecast and 2020/21 initial budget.

The Board noted:

- the financial impact due to the lockdown. Income from government funding had been protected for 2019/20 but there was a £400k loss from commercial income (£150k) and tuition fee refunds for courses that could not be delivered online (£250K).

- that year to date (YTD) at half year showed a deficit of £1,194K compared to budget deficit of £1,857K; a positive variance of £663K. Staff costs showed an overspend of £931K due to restructuring of a faculty and agency staff costs. There was an under spend on operating expenses and depreciation costs.
- the 2019/20 full year budget is forecast to be delivered; the forecast deficit was £2,740K and £45K better than the CFADS model.
- the 2020/21 initial budget which was modelled on a budget deficit of c. £2m and £500k better than the CFADS model. The budget was based on delivering the confirmed funding income and achieving savings on staff costs. There was discussion about delivering the budget and that a minimum of £500K in savings was required to be made in 2020/21. This would be achieved through staff restructuring and considering different ways of delivery. A review of faculty contribution would be undertaken to ensure that all faculties were delivering their contribution and also consider the staff base that would be sustainable to deliver the curriculum model. It was noted that the key challenge to the budget was the high staff costs which could not be sustained in future years and that the Trade Unions would be consulted during the planning process.

The Board noted that the final budget report with the resources needed for the proposed curriculum delivery model including staff and other costs would be presented at its meeting in July 2020.

10. Change to Board Membership

The report informed the Board about the changes to the membership of the SBC Board.

The Board:

- noted that Cllr Jennifer Brathwaite had stepped down from the Board on 22 April 2020 and would be replaced by a new nominee from Lambeth Council.
- considered and approved the recommendation to appoint Cllr Jacqui Dyer, Lambeth Council Cabinet Member for Jobs, Skills and Community Safety as an Independent Trustee of the SBC Board from 22 April 2020.

11. Annual Declarations of interest

The Board authorised the Trustees new declared interests.

12. Trustee Development Plan

The Board noted the proposed Development Programme to be delivered in 2020.

13. Reports from Committees

The Board noted the report from the Quality & Improvement Committee. The Chair of the Quality and Improvement Committee gave a report and noted that focus was on improving teaching, learning and assessments. The Chair of the Committee noted that there were no concerns that needed to be brought to the attention of the Board at this time.

Date of next meeting

4.00pm, on Tuesday 14 July 2020

Confirmed as a true record

(Chair)

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