

Minutes of the meeting of the South Bank Colleges Board

held at 4.00pm on Wednesday, 18 November 2020

Meeting via Microsoft Teams

Present

Ruth Farwell (Chair)
Andrew Owen (Vice-Chair)
Sue Dare
Nigel Duckers
Jacqui Dyer (item 1)
Shakira Martin
Mee Ling Ng
David Phoenix
Theresa Quinton

Apologies

Steve Balmont

In attendance

Michael Broadway
Richard Flatman
Paul Ivey
Rachel McCafferty
Fiona Morey
Jacqueline Mutibwa

1. Welcome and apologies

The Chair welcomed the trustees to the meeting. The Chair welcomed Rachel McCafferty, the new CFO of Lambeth College and Theresa Quinton, the new student trustee to their first Board meeting.

The above apologies were received.

Jacqui Dyer left the meeting

2. Declaration of Interests

The Board noted the following continuing declarations of interest: Ruth Farwell, Steve Balmont and Richard Flatman are members of LSBU Group 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 16 September 2020

The Board approved the minutes of the meeting held on 16 September 2020 as an accurate record and their publication with minor amendments to the proposed redactions.

4. Matters arising

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

5. SBC Pensions Proposal

The Board was presented with the recommendations from the pensions consultation and SBC Board approval was sought to implement the new defined contribution scheme in SBC as recommended by the Group Pensions Sub-committee.

The Board noted:

- that at its meeting of 9 June 2020, the SBC Board approved the recommendation to consult employees of SBC and SW4 Catering Ltd on the proposal to change its pension provision for new starters within Professional Service Groups in SBC and all existing staff and new starters within SW4 Catering Ltd.
- that the new scheme would apply only to new professional service staff in SBC from the implementation date and it would not affect existing staff as they would continue to have access to the LPFA scheme. It was confirmed that existing staff would be able to continue to access the LPFA scheme if they change roles and/or are promoted within SBC or the wider group.
- current SW4 Catering Ltd staff would be transferred to the new scheme structure which would have a positive impact as staff would benefit from the enhanced scheme compared to the current NEST scheme.
- that following an extensive group wide consultation with staff and trade unions on the proposed new scheme, a counter offer was proposed by the trade unions which was considered by the Group Executive and was rejected on the grounds of non-affordability. A revised offer (the enhanced scheme), was proposed by the Group Executive.
- that on 22 October 2020, the Group Pensions Sub-committee recommended that the implementation of the new scheme structure was approved by the respective Boards with the option of the enhanced scheme assuming no industrial action, and with discretion for the implementation date to be determined to suit local circumstances as recommended by the Executive, subject to an agreed backstop date.

After careful consideration, the Board:

- approved the implementation of the proposed new group Defined Contribution pension scheme at SBC. Nigel Duckers abstained from the decision.
- confirmed support for SW4 Catering Ltd to move to the new scheme and recommended the implementation to the Board of SW4 Catering Ltd.

- delegated implementation of the new scheme to the Group Executive. The Board would be kept updated on the matter.

6. Executive Principal's Report

Shakira Martin joined the meeting

The report provided an update on the key areas of the college since the last meeting in September 2020, including 2019/20 student achievement data, 2020/21 recruitment and 2020/21 Quality KPIs.

The Board discussed:

- the final 2019/20 achievement data which was positive and that the college had achieved or exceeded the provider group average (PGA) for all provisions, national average and the previous year's performance.
- 2020/21 KPIs for the new academic year and performance against target for 2019/20. Good progress had been made on the KPIs. Attendance performance remained a key area of concern and could have a negative effect on the College's SAR grading and Ofsted outcome. The Quality & Improvement Committee would closely monitor the attendance performance. The Board noted that there was a 6% gap between the achievement of White and Black Caribbean students which had increased and therefore was an area of concern that needed to be addressed. The KPIs on quality as reported to the ESFA would be presented to the Board next year.
- an update on the Ofsted visit in September 2020 which focussed on the delivery of an appropriate curriculum offer which was adaptable to the changing circumstances and safeguarding risks posed by the wider digital access. The outcome of the visit was positive.
- student recruitment 2020/21, the figures were slightly below the 2020/21 budget target and would have an impact on the budget for 2021/22. There would be a struggle to achieve the planned growth for 16-18 year olds. There was a decline in recruitment to apprenticeships. The College was working closely with LSBU on delivery of apprenticeship courses. A detailed review of the College's recruitment process and market share analysis had been undertaken. The recommendations would be adapted and identified areas of improvement would be addressed.
- the Health & Safety audit carried out by Internal Auditors BDO that gave 'limited' assurance opinion for the design of the controls in place for Health and Safety. The Audit Committee at its meeting on 3 November 2020, asked that the Board was provided with an update on progress being made on the agreed actions. The Board noted the progress that had been made in addressing the findings of the report, particularly concerning COSHH reporting. The College was working closely with the LSBU group on a number of Health & Safety activities/ developments. The Board would continue to be updated.
- an update on Covid19 and the actions that had been undertaken, the College had complied fully with the recent DfE guidelines announced in October 2020.

- work on developing the SBC strategy with KPIs and milestones linked to the new LSBU group strategy framework and enabling the delivery of the overarching 5 year goals. A progress report would be provided to the Board at the additional meeting in January 2021 with the intention that the SBC strategy be approved at the meeting in February 2021.
- The planned Deputy FE Commissioner and FE Adviser visit to the College in February 2021 to undertake a progress review specifically linked to the college's special designation status and unique FE/HE Group model. Meetings would be held with the Chair of the Board, Group Executive members, the College Leadership team, staff, students and stakeholders.
- the good news about a BTEC Science student who had won the Career Ready STEM national student of the year award in November 2020.

7. Update on Estates Programme

The Board was provided with an update on the Nine Elms STEAM Centre (NESC) and progress associated with the SBC Estates Programme (Vauxhall site).

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

- an update on the revised contract with the DfE which would grant consent for the SBC estates strategy. At its meeting of 22 October 2020, the Board sub-committee was broadly content with the terms of a near final draft contract. The contract was still being negotiated with the DfE. The board sub-committee would be requested to approve a final version of the contract. Work on the estates strategy could not proceed until the contract had been agreed.
- that a written response was awaited on the bid for £1.4m (plus VAT) GLA additional funding that was available to offset project cost increases caused directly by the coronavirus pandemic.
- At a meeting of 27 October 2020, the sub-committee of the Board, with authority delegated by the Board at its meeting of 18 September 2020, had approved the appointment of Graham Construction Limited to undertake the construction of the STEAM Building on the Vauxhall campus (Block A).

8. Estates Development

The Board discussed the Jones Lang LaSalle (JLL) report on SBC estates development appraisal. JLL was appointed to provide a disposal strategy for two sites 'block C' (Vauxhall) and Clapham as set out in their report (Appendix A).

The Board requested that the Estates Team undertakes due diligence on the JLL report and developer options and make recommendations with costed options for the Board meeting in February 2021.

Paul Ivey left the meeting

9. Chief Financial Officer Report

The report provided an update on the financial performance of Lambeth College.

The Board noted:

- that the 2020/21 approved budget was based on delivering the confirmed funding income and achieving £800k savings on staff costs (£340k savings had been realised following the earlier voluntary severance programme). It would be revised to reflect the LPFA Pension adjustment which was forecast to exceed the budget. The financial position for the year remained challenging and the Board would review the 2020/21 budget position at a special meeting scheduled for 12 January 2021.
- the year to date at the end of October 2020, income and expenditure was in line with budget expectations. YTD income showed a £685k positive variance compared to budget which was due to a rebate of historical rates paid at Vauxhall (£417k) and the timing of receipts of bursary and fee income. Staff costs were in line with budget including one-off costs relating to the voluntary redundancy programme (£215k) and expected costs relating to learning support assistants. Other operating expenditure includes equipment purchases for students of £717k. The forecast outturn for the year would be adjusted to reflect the additional grant funding streams awarded to the College.
- ESFA finance forecast. ESFA had requested an updated cash flow from colleges in November 2020 due to the ongoing uncertainties concerning the impact of Covid19 on college finances. The ESFA cash flow return would be submitted by 27 November 2020.
- the CFADs Turnaround financial KPIs.

Amendments to banking arrangements for SBC

The Board approved the addition of Rachel McCafferty, new CFO, to the College bank mandate.

10. Proposed Trustee Appraisal Process

The Board discussed the proposed appraisal and assessment process and the draft questionnaire attached to the report.

The Board approved:

- the general approach of using a questionnaire and a one to one meeting.
- the format of the questionnaire which was based on examples used elsewhere.
- the topics for discussion at the one to one meeting.
- the use of the outcomes of the process to inform a self-assessment report for the Board.
- a process for the review of the Chair, likely to involve the Vice-Chair seeking the opinion of Trustees in the event that they feel unable to raise certain matters at their one to one meeting with the Chair.

The Board noted that a performance evaluation report would be presented to the Board at its meeting in February 2021.

11. Year-end Reporting and Approvals 2019/20:

This item was adjourned to 23 November 2020.

{Secretary's note: At its meeting of 23 November 2020, the Board discussed:

External audit findings

The Board noted KPMG's audit findings report which had been discussed in detail by the Audit Committee. KPMG's opinions were unqualified and provide a "clean" opinion on the use of funds.

The external auditor confirmed that the identified misstatements were not material.

The external auditor confirmed that KPMG had completed its review of going concern and had no material concerns that the accounts are prepared on a going concern basis.

The external auditor confirmed the independence of KPMG from SBC.

A final external audit report would be circulated to the Board.

External Audit Letter of Representation

The Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Audit Committee.

For the reporting year, three specific representations 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.

Annual report and accounts

The Board discussed the proposed SBC annual report and financial statements for year ended 31 July 2020, which had been reviewed in detail by the Audit committee. The surplus was £0.

The Board noted amendments to the accounts made since the meeting of the Audit Committee on 3 November 2020. The Board requested clarification on the treatment of staff costs in SW4 Catering Ltd.

The Board noted that there had been no material post-balance sheet events.

The Board noted assurances from the Group 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 SBC 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}

12. Audit Committee Annual Report

The Board reviewed the Audit Committee's annual report for 2019/20, which had been approved by the Committee at its meeting of 3 November 2020.

The Chair of the Audit Committee agreed to sign the report at the point of approval of the accounts.

{Secretary's note: the Chair of the Audit Committee signed the report on 23 November 2020, the date on which the accounts were approved.}

13. Updated Equality & Diversity Policy 2020/21 and Review Annual Report 2019/20

The Board discussed the updated Equality and Diversity policy which set out how SBC will meet its general and specific duties under the Equalities Act 2010. It was noted that the policy had been updated to reflect a new set of equality, diversity and inclusion (EDI) targets that are closely aligned to the new LSBU Group strategy.

The Board reviewed the policy and requested that it should include: the role and responsibilities of governors; and closing the students' achievement gaps in some ethnic groups. It was noted that a new LSBU group Equality & Diversity policy was being developed.

The Board:

- approved the updated Equality and Diversity Policy 2020/21, subject to the changes requested.
- noted the annual report 2019/20 detailing work undertaken during the year.

14. Self-Assessment Report (SAR) 2019/20

The Board was presented with the 2019/20 Self-Assessment Report (SAR), which had been discussed in detail and recommended to the Board for approval by the Quality & Improvement Committee on 4 November 2020.

The SAR 2019/20 (prepared in October 2020) had been validated by a panel including the Chair of the Quality & Improvement Committee, an Ofsted inspector and the College Leadership Team and it was agreed that the overall effectiveness to be rated as 'Good'. Attendance and apprenticeships remained areas of improvement. The Chair of the Quality & Improvement Committee complimented the staff at the College on their work to bring about improvements in the College's performance in such a short amount of time. It was agreed that the Chair of the Board would write to staff to thank them.

The Board approved the 2019/20 Self-Assessment Report.

15. Sub-contracting contract

The Board and the Accounting Officer are required to approve the College's subcontracting delivery policy and the fees and charges policy in order to comply with the ESFA Adult Education Budget funding rules.

It was noted that the funding allocation from the ESFA was £1.3m which would be used to support learners outside the GLA region, as the College focused on direct delivery in London.

It was noted that the subcontracting delivery policies had been discussed and recommended to the Board for approval by the Quality & Improvement Committee on 4 November 2020.

The Board approved:

- Lambeth College's 2020/21 Supply Chain Fees & Charges Policy
- Lambeth College's 2020/21 Supply Chain Fees & Charges
- 2020/21 list of subcontractors and maximum contract values

16. Trustee Register of Interest – Update

The Board authorised the declared interests of Jacqui Dyer, Independent Trustee.

17. Public Benefit Guidance

The Board noted the public benefit guidance and that the draft public benefit statement for SBC was included in the annual report and accounts for 2019/20.

18. Board Annual Work Plan 2021

The Board noted the annual work plan for 2021 and future meeting dates.

19. Report from Committees

The Board noted the report from Committee meetings held since the last meeting on 14 July 2020.

**Date of next meeting
4.00 pm on Wednesday, 17 February 2021**

Confirmed as a true record

(Chair)

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