

**Minutes of the meeting of the South Bank Colleges Board
held at 4.00pm on Wednesday, 12 July 2023
in Board room, Clapham campus, Gateway College**

Present

Ruth Farwell (Chair)
Andrew Owen (Vice Chair)
Steve Balmont
Sue Dare
Nigel Duckers
Moriam Folawiyo
Mee Ling Ng
David Phoenix

Apologies

Jacqui Dyer
Thesia Kouloungou

In attendance

Michael Broadway
Richard Flatman
Monica Marongiu
Fiona Morey
Jacqueline Mutibwa
Ian Rule
Wayne Wright
Rychard Scrase-Field (item 5)

1. Welcome and apologies

The Chair welcomed the trustees to the meeting.

The Board had just had an informative session on Ofsted's 2023 priorities for further education and SBC's response to the post Covid challenges which included: student safety and mental health, attendance, sexual harassment and tackling the 'lost learning' through Covid. There was also a discussion on Safeguarding in respect of the gangs and violence in the local community which learners have to deal with.

The Board requested regular updates on these matters and emphasised the importance of taking a consistent approach across both campuses.

2. Declaration of Interests

The Board noted that the proposed IFM solution which would be an SBC arrangement with LSBU to contract with a third party/parties (item 5) could lead to a potential for a conflict of duty for the Chair of the Board and the Vice Chancellor as they are both directors of LSBU and of SBC. The Board agreed that the Chair of the Board and the Vice Chancellor were not conflicted at this stage and could

participate in the discussion at the meeting. A recommendation on how to handle this potential conflict would be made to the Board at the time of any decision by the Board to award a contract.

3. Minutes of the previous meetings

Board Meeting – 4 May 2023

The Board approved the minutes of the meeting held on 4 May 2023 as an accurate record and their publication, as redacted.

Board Strategy Day – 8 June 2023

The Board approved the notes of the strategy day held on 8 June 2023 as an accurate record and their publication, as redacted.

4. Matters arising

The Board noted the update on matters arising from the previous meetings and that most actions had been completed or were being progressed and are still ongoing.

5. SBC Integrated Facilities Management Services

The Board discussed the progress to date on the proposed changes to SBC estates operating model.

6. Executive Principal's Report (LSBTC and LGC reports)

The Board discussed the key matters since the last meeting in May 2023.

The Board discussed:

- the end of 2022/23 academic year performance. The College was expecting to achieve the 2022/23 approved budget. Growth targets had been positive compared to the previous year in particular for 16-18 year olds but lower than planned in apprenticeships. An increase in internal delivery of the GLA AEB allocation was likely not to be achieved which was mainly due to the delay in the opening of LSBTC. Predicted achievement was below target though predicted to improve compared to 2021/22.
- SBC's overall performance against the 2022/23 educational and financial KPI targets agreed by the Board. Though the performance was slightly below the agreed targets, there was an improvement since the last report in May 2023 and compared to 2021/22.
- attendance which remained a serious concern for most of 2022/23 academic year. Performance had dropped compared to the previous year despite the various strategies put in place. The attendance strategy had been revised and the Board had received a briefing session on attendance performance and would be a key area of improvement in 2023/24.

The Board received updates on LSBTC and LGC performance.

7. Accounting Officer's Report

The Board discussed the key matters since its last meeting in May 2023.

The Board discussed:

- an update on closure of Phase 1 NESC project (Block A). The outstanding matters were being resolved including the financial closure report. A revised Deed of Variation to support funds to be carried forward to 2023/24 had been agreed by GLA. An update on Phase 2 Blocks B and D was noted.
- an update on progress being made on closing the outstanding actions from historic estates health & safety audits. The Board noted a reportable incident under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) had been submitted to the Health and Safety Executive (in accordance with statutory requirement).

8. Appointment of External Auditors – Update from Chair of Audit Committee

The Board received an update on the appointment of RSM, the new group external auditors. The Audit Committee had approved SBC's audit plan for the year ended 2022/23 at its meeting with RSM on 10 July 2023. The key risk was on regulatory requirements relating to reclassification to public sector and RSM would be informed of any changes to SBC's status.

9. Chief Financial Officer Report

The Board received an update on SBC's 2022/23 financial performance and the 2023/24 Student Fee Policy for approval.

The Board discussed:

- the year to date position at the end of May 2023 which showed a net positive variance of £774k overall against budget. The current budget performance was in line with the budget expectations. Performance on financial contribution was still below budget (6.9%) but was moving in the right direction.
- the 2022/23 period 10 position. As at May 2023, the full year forecast showed that the budgeted operating deficit position of £992k would be achieved. The key risk to achievement of the forecast was the forecasted income from internal delivery of AEB provision; the need to achieve at least 97% of the allocation.
- the Tuition Fees Policy 2023/24. The Board approved the draft tuition fees policy for 2023/24 which was in line with the previous year's policy, there were no material changes and fees would be set in line with ESFA guidance.

10. Draft Budget 2023/24

The Board was presented with the draft 2023/24 budget for approval.

The project working group at its previous meetings had discussed in detail the assumptions behind the draft budget and the associated risks.

The Board discussed:

- the proposed 2023/24 budget which was in line with the high-level indicative draft budget discussed at the previous meeting. The 2023/24 budget was modelled on delivering a break-even operating position before pensions and a projected budget deficit of £1.3m after pension costs (a non-cash pension costs of £1.3m). An operating surplus was forecast in 2024/25.
- the key risks to delivering the 2023/24 budget was growth in some income streams especially AEB, Apprenticeship and Level 4 provision. There were also risks related to increase in pay and non-pay expenditure. The uncertainties regarding the new campus at Nine Elms and the planned decant at Clapham would have an impact on the budget.

The Board:

- approved the draft 2023/24 budget.
- noted the contents of the ESFA College Financial Forecast Return (CFFR) commentary which would be submitted to ESFA by 31 July 2023. The 2023/24 budget was positive and with a Financial Health of 'Good'.

{Secretary's note – under the Governance Agreement with LSBU, the LSBU Board, at its meeting of 20 July 2023, consented to SBC's deficit budget of £1.3m, subject to the deficit being no more than budgeted and that the SBC board will formally alert LSBU if the position is likely to deteriorate}

11. KPIs and targets for 2023/24 (educational and financial)

The Board discussed the 2023/24 financial and educational KPIs and targets which had been discussed in detail and recommended to the Board for approval by the Audit Committee on 13 June 2023 and Quality Committee on 20 June 2023. It was noted that the targets relating to the student achievement would be reviewed.

The Board approved the proposed KPIs and targets for 2023/24.

12. Corporate Risk Register and Risk Appetite 2023/24

The Board discussed the corporate risk register which had been reviewed by the Audit Committee on 13 June 2023.

The Board also discussed SBC's risk appetite for 2023/24, which had been discussed and recommended to the Board for approval by the Audit Committee on 13 June 2023. The Board approved the proposed SBC risk appetite for 2023/24 (no changes were proposed for 2023/24).

13. Updated Financial Regulations

The Board discussed the updated financial regulations, which had been discussed in detail and recommended to the Board for approval by the Audit Committee on 13 June 2023.

The Board noted the minor changes and approved the updated financial regulations.

14. Sub-Contracting Contracts & Policies 2023/24

The Board discussed the sub-contracting activity for 2023/24 which had been discussed and recommended to the Board for approval by the Quality Committee on 20 June 2023.

The Board discussed:

- the ESFA subcontracting reforms to the subcontracting of post-16 education and training which included reducing the volume of subcontracted activity i.e. a maximum subcontracting threshold of 25% in any single funding stream had been set. ESFA had agreed that SBC could continue with contracting above the 25% for AEB in 2023/24 academic year though SBC's target was a reduction of 20% delivery of AEB funding to subcontractors in 2023/24.
- the difference between sub-contracting and partnership delivery in terms of the Board oversight. A subcontractor delivers the whole education and training provision on behalf of the college and is not directly under the control of the college. The partnership arrangement is where the college provision is jointly delivered with a third party. There was discussion about SBC's rationale to sub-contract or partner for the delivery of education and training, its approach to the selection of suitable partners and the performance management of the provision. The subcontracting contract management plan for 2023/24 was noted. The Board would receive a presentation on the difference between sub-contracting and partnership delivery in terms of Board oversight i.e. the arrangements and liabilities at the Board development session in November 2023.
- the 2023/24 subcontractors who were recommended mainly because of their strong track record of performance in the curriculum areas strategically aligned to Labour Market Intelligence and Local Enterprise Partnership priorities.

The Board approved:

- 2023/24 Subcontractor policy;
- 2023/24 Subcontracting Contract Management plan; and
- the recommended list of the 2023/24 subcontractors and indicative contract values, including ratification of the appointment of Learning Curve Group in 2022/23.

15. College Partnership Contracts 2023/24

The Board discussed the partnership contracts for 2023/24 which had been discussed and recommended to the Board for approval by the Quality Committee on 20 June 2023.

The Board approved the recommended list of 2023/24 partnerships contracts and indicative contract values.

16. Update from the Students' Union President

The Student Union (SU) President noted that there had not been any recent activities undertaken by the SU due to the examinations period.

17. Update on Equality, Diversity and Inclusion (EDI) Matters

The Board received an update on the EDI work being undertaken by the colleges. Focus was on the Black leadership programme work on anti-racism and the Gender and Ethnicity pay gap report.

The Board noted the Gender and Ethnicity pay gap report 2023 which detailed the actions that had been undertaken during the year and those that would be undertaken in 2023/24. There was still much work to be done. The pay gap figures would be included in the final report and shared with the Board prior to publication.

The Board approved the publication of the SBC Gender and Ethnicity Pay Gap Report 2023 on the LSBU website alongside the University reports.

18. LSBU group EDI Plan

The Board noted the group EDI annual report.

19. Report from Committees

The Board noted the report from Committee meetings held since the last meeting on 4 May 2023.

20. Any other business

Chair's end of year message

The Chair noted that the academic year 2022/23 was an exceptional year with many positive developments, especially the opening of the new LSBTC. On behalf of the Board, the Chair thanked SLT for their tremendous work and to all staff for enabling a successful year. A letter would be sent to all staff thanking them for a positive year despite the challenges.

Moriam Folawiyo, Student Trustee

The Board noted that Moriam would be stepping down from the Board at the end of this academic year 2022/23 to progress to university. On behalf of the Board, the Chair thanked Moriam for her student updates and challenging the Board on the things that are important to students. She wished her all the best in her future endeavours.

**Date of next meeting
4.00 pm on Wednesday, 27 September 2023**

Confirmed as a true record

(Chair)

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