

Minutes of the meeting of the South Bank Colleges Board

**held at 4.00pm on Wednesday, 1 May 2019
Lambeth College Board Room (C303)**

Present

Andrew Owen (interim Chair)
Steve Balmont
Sue Dare
Nigel Duckers
Shakira Martin
Mee Ling Ng
David Phoenix

In attendance

Darrell Bate
Michael Broadway
Jacqueline Mutibwa
Carol Rose
Michael Webb

Apologies

Leslie Bortey
Fiona Morey

1. Welcome and apologies

The Chair of the meeting welcomed the trustees to the meeting. The above apologies had been received. The Chair noted that the Board had just received an informative briefing session on Ofsted.

2. Declarations of Interest

The Board noted the following continuing declarations of interest: Steve Balmont, Mee Ling Ng are directors of LSBU and their interest on item 12; David Phoenix is a director of LSBU and SBA; Sue Dare is the Interim Principal/CEO at National College of Creative Industries; Nigel Duckers an employee of LC and his interest on item 9 (staff pay).

3. Minutes of the previous meeting

The minutes of the meeting held on 27 February 2019 were approved as an accurate record. The minutes would be published on the Lambeth College website, with any confidential matters redacted as appropriate.

4. Matters arising

There were no matters arising from the minutes.

5. Nine Elms Skills Centre (NESC) Update

The Board discussed an update on the development of the NESC project on the college's Vauxhall site.

The expected opening date of the NESC centre was September 2021 and that the whole Vauxhall site scheme was expected to be completed by December 2022. It was noted that GLA supported the project and would produce a draft funding agreement to SBC soon.

It was noted that a planning application had been submitted to the London Borough of Lambeth. Under the conditions of the transfer of Lambeth College to SBC, DfE consent was also required. It was noted that residents' consultation had taken place on the site plans and that there was some concern about the height of the buildings, which were significantly lower than in previous proposals.

The Board discussed the importance of developing the college's academic strategy to the Vauxhall estate plans. The Board requested to have better understanding of the project, the utilisation of the site and the short term and long-term options for funding the project. The Board requested a presentation on the Vauxhall project at its next meeting and how it fitted in with the education strategy.

6. Appointment of Contractor for Nine Elms Skills Centre (NESC)

The Board discussed the proposed appointment of Sir Robert McAlpine as the main contractor for the works required to develop the design and then build the NESC of the redevelopment of Vauxhall as Phase 1 project.

The Board approved:

- the recommendation to appoint Sir Robert McAlpine as the main contractor for Stage 1 works required to develop the design and then build the STEAM Centre as the Phase 1 Project on the Nine Elms Campus.
- that subject to approval of a full business case for Stage 2 (covering the stage 2 construction costs, projected cashflows for the duration of the project and funding arrangements), and the proposed second-stage contract value remaining affordable within the project budget, planning permission and DfE consent (under the position agreed with the DfE in the LC/SBC transaction), the full JCT construction contract will be entered into later in 2019.

The Group Estates team would monitor the work delivered by the contractor and the project cash flow and that the Board would be provided with progress reports. The Board requested that the potential VAT recovery on the project is reviewed.

The Board noted that the approval was subject to consent of LSBU under the Governance Agreement.

{Secretary's note: At its meeting of 23 May 2019, the LSBU Board of Governors approved the appointment of Sir Robert McAlpine as set out above}.

7. LSBU Group Strategy

The report provided an update on the development of the SBC strategy as part of the LSBU Group. SBC Trustees had previously been invited to attend a meeting with SBA and LSBU Governors to feed into the group strategy development. The LSBU Group Corporate Strategy was available at the meeting for information. It was noted that a 2020-25 SBC Strategy was being developed based on the four pillars of the LSBU Group Strategy: Access to Opportunity, Student Success, Real World Impact and Key Group Strategy Dependencies.

It was noted that measurable KPIs would be developed and shared across the college and used to support the operational plan. It was noted that the strategy was being developed in consultation with the SBC leadership team and that the next step was consultation with the staff and student communities. It was noted that a separate session would be organised for the Board to discuss the draft Strategy in more detail.

The Board noted the draft SBC five year strategy and that the final document would be presented to the Board for approval.

8. Update on LSBU and Lambeth College Transition Activity

The report provided an update on Lambeth College and LSBU transition programme. It was noted that good progress had been made on the transition work across the professional services areas: system integration, improvement of financial management, supporting people, health & safety compliance and ICT review.

The Board requested that it was provided with a strategic overview of the turnaround performance (with KPIs) to ensure that SBC meets the requirements and timescale agreed with DfE on the college's turnaround.

The Board noted that the transition work across the professional services areas was progressing well to fully integrate the college into the LSBU Group.

9. Executive Principal's Report

The report provided an overview of the progress made in key areas of the college since the last meeting in February 2019.

It was noted that the focus had been on: business planning for 2019/20, developing a 3-year curriculum growth strategy, 2018/19 achievement data, preparation for an Ofsted inspection and negotiations with Trade Unions on the pay award.

The Board noted the contents of the report.

Overview of Pay and Union Action

The Accounting Officer updated the Board on the current pay dispute with UCU, the options available and sought the Board's approval on the recommendation presented in the report. The report was tabled at the meeting.

The Board was provided with an update on the ongoing SBC dispute with UCU with regard to pay award and the review of the old and new staff contracts as part of a national dispute. It was noted that a letter from UCU had been circulated to trustees setting out the matters prior to the meeting.

The Board approved:

- an increase in total cost of core staff pay of 4% which includes: 1% London Living Wage, 1% National Pay Award and 2% Discretionary Pay Award. It was agreed that the Executive Principal with the Unions would determine the distribution of the 2%;
- changes in the terms and conditions for teaching staff on the new contract to include: improving sick pay, an increase of 5 days holidays for academic staff and a reduction in annualised teaching hours from 850 to 824 (weekly teaching of 23 hrs).

It was noted that the decision was based on the need for management to create a fresh start and that staff input to the quality and financial turnaround of the college was important. The Board was mindful about the college's financial position and that the award would increase the forecast deficit but the Board considered it justified as part of the 3 year turnaround plan.

The Board noted that it would expect the Unions to work constructively with management to deliver the changes needed to ensure medium term viability in terms of balancing income & expenditure, improving quality and developing processes and procedures that are fit for the future.

10. Chief Financial Officer Report

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

It was noted that year to date (YTD) deficit was £5.8m compared to budget deficit of £2.6m. It was noted that YTD income was £13.8m resulting in £1.9m negative variance compared to budget, which was due to under recruitment of adult learners in September. On YTD costs there was an over-spend of £0.57m compared to budget mainly due staff costs.

The Board noted the following:

- the Management Accounts for the period ending 31 March 2019.
- the cash flow forecast for the year to 31 July 2019. It was noted that the rolling 12 months cash flow had not yet been prepared.
- that LC statutory closure accounts ending 31 January 2019 (six months) for Lambeth College Corporation (which dissolved on the transfer of Lambeth College Corporation to SBC) would be considered by the Audit Committee at its meeting of 11 June 2019 and recommended to the Board for approval in July 2019.
- the initial budget for 2019/20 compared with the CFADS model assumption for the same year. It was noted that the budget did not include the additional costs relating to the Board's resolution on the staff pay award discussed under item 9. The final budget would be presented to the Board for approval at its meeting in July 2019.

The Board approved the Tuition Fee Policy for 2019/20.

11. Corporate Risk Register

The Board reviewed the risk register and noted that it had been aligned with the LSBU risk register. It was noted that the risk register would need to reflect the risks associated with the delivery of the college strategic plan.

12. Facility Agreement between SBC and LSBU

The Board noted the two proposed facility agreements to be entered into between LSBU and SBC: to enable SBC to fund the turnaround of Lambeth College; and to enable SBC to manage cash flow for its estates redevelopment plans.

The Board noted the key terms of the proposed facility agreements between LSBU and SBC, and authorised the Executive Principal or Chief Financial Officer to approve and execute the final version of the agreements.

13. Authority Limits and Authorised Signatories

The Board noted the authority limits and authorised signatories. The Board also noted that the financial regulations would be reviewed in 2019/20 in order to be reasonably aligned with LSBU group financial regulations and the Governance Agreement.

14. Update on Recruitment of Trustees to SBC Board

The report provided an update on the recruitment of Trustees to SBC Board.

The Board:

- noted that following approval at its meeting of 27 February 2019, Ruth Farwell would start as a trustee and Chair of the Board on 7 May 2019.
- approved the appointment of Cllr Jennifer Brathwaite, Deputy Leader of Lambeth Council (with a portfolio for children and young people) as an Independent Trustee of SBC, following the resignation of Cllr Jack Hopkins.
- noted the appointment of Nigel Duckers as Staff Trustee with effect from 12 April 2019 (approved by written resolution of the Board on 12 April 2019).

15. Board Work Plan 2019

The Board noted the annual work plan for 2019, which was being developed.

16. Reports from Committees

The Board noted the report from the Quality & Improvement Committee.

17. Approval of Trustees Conflict of Interest

The Board authorised the interests declared by trustees and the Executive Principal.

18. Partnership Services Contract between SBC and The Skills Centre Ltd

The Board noted the Partnership Services contract between SBC and The Skills Centre Ltd for the delivery of Adult Education construction courses which was approved by the Interim Chair of the Board on 18 March 2019.

19. Any Other Business

LSBU and LC Students' Union Structures

The Board noted the intention to merge the Students' Union of LSBU and LC to bring positive benefits to the students and the LSBU Group. The new arrangement would be in place for the new academic year 2019/20.