

**Minutes of the meeting of the South Bank Colleges Board
held at 4.00pm on Thursday, 24 February 2022
Meeting via Microsoft Teams**

Present

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

Apologies

Jacqui Dyer
Richard Flatman
Paul Ivey

In attendance

Michael Broadway
Stuart Johnston (item 1)
Rachel McCafferty
Fiona Morey
Jacqueline Mutibwa
Wayne Wright

1. Welcome and apologies

The Chair welcomed the trustees to the meeting. The above apologies were received.

Recent IT disruption at the College

Stuart Johnston, Group Director of IT and Digital Transformation reported on the recent IT outage and its impact on the College. This was due to a server failure during the network replacement work being carried out and had resulted in the cancellation of some exams which would be rescheduled by the end of the term. The impact on student experience, staff morale and the support provided was noted. Remedial work was being undertaken to address the issues with LSBU support and the project was expected to be completed by March 2022. A report on lessons learnt would be considered by the Audit Committee.

2. Declaration of Interests

The Board noted that the updated governance agreement between LSBU and SBC (agenda item 15) could lead to a potential for a conflict of interest for the Vice Chancellor as he is both a director of LSBU and of SBC. Having considered the conditions set out in article 20 (points 1 – 4) and having concluded that the

agreement was in the interests of both SBC and LSBU, the Board authorised the Vice Chancellor to participate in the decision regarding the governance agreement.

3. Minutes of the previous meetings

Meeting held on 17 November 2021

The Board approved the minutes of the meeting held on 17 November 2021 as an accurate record and their publication, as redacted.

Meeting held on 23 November 2021

The Board approved the minutes of the meeting held on 23 November 2021 as an accurate record and their publication, as redacted.

Meeting held on 27 January 2022

The Board approved the minutes of the meeting held on 27 January 2022 as an accurate record, subject to a minor amendment and their publication with a minor amendment to the proposed redactions.

4. Matters arising

The Board noted the update on matters arising from the previous meetings. The EDI annual report and student progression and destination data would be presented to the Board at its next meeting in May 2022.

5. Project Working Group Notes

Project Working Group meeting held on 18 February 2022

The Board received an update on the discussions held at the project working group meeting of 18 February 2022, which focused on the financial plans to move to a sustainable operating model.

The basis for the financial plans is the curriculum plan. The working group had challenged the basis for the inclusion of some subjects and not others in the curriculum plan and also the student numbers which were the basis of the financial plan. The financial plan was a high level forecast extrapolated from the 2018/19 base. The group had received assurance that the forecast was underpinned and was being validated through the detailed business planning process for 2022/23 and extrapolation from that for the forecasts for the subsequent years. Proposed KPIs would be used by the working group to assess the validity of the model and to monitor the progress of implementation. The risk concerning the funding of the transition growth due to lagged funding (16-19yrs) was noted.

It was emphasised that the project working group had been set up to do deeper dives into the details of the plans on behalf of the Board and would report to the Board but had no powers of approval delegated to it from the Board.

6. Chief Financial Officer Report and Progress to Financial Sustainability

Update on financial performance for the current year 2021/22 and outcome of mid-year forecast review and other funding and reporting updates

The Board discussed:

- the year to date at the end of January 2022. Year to date position showed a positive variance of £1.1m against budget. Income was in line with budget expectations. On expenditure, staffing costs showed a positive variance of £957k (10% lower than budget) which was mainly due to timing of subcontractor costs not yet incurred for year to date and an under spend on overall pay and staffing costs (£386k).
- the 2021/22 mid-year position. The forecast budget deficit for the full year (before pension costs) was £2.4m against a budget deficit of £1.4m, an adverse variance of £970k. The forecast budget deficit for the full year (after pension costs) was £4.4m against a budget deficit of £3.2m, an adverse variance of £1.2m. The remaining Transaction Unit (TU) grant funding would not cover the entirety of this projected deficit leaving a forecast final deficit of 981k and LSBU support would be needed. To request this a robust 3-year plan from SBC would have to be presented to LSBU and its year end financial performance effect on the group would be considered. With this in mind it was agreed that the SBC strategy day be brought forward to April from its original date in June.
- the significant variances to the budget. The strategies that management are delivering in order to improve the current forecast budget were: the additional delivery on the AEB budget to mitigate the risk on GLA clawback, and the staff and non-staff savings.
- the risk of losing income due to the GLA and ESFA threshold delivery target of 97% for 2021/22 and also the impact of the loss of 16-19 funding in 2022/23. There was concern about managing any shortfalls and that a flexible approach to curriculum delivery would mitigate the risk.
- The AoC letter to the Secretary of State for Education on the challenges facing colleges was noted.
- 2021/22 student enrolment performance which was disappointing. Targets for 16-18 had not been achieved and had a significant negative impact on funding for 2022/23 budget (approximately £1.3m); a key risk to delivering the 3-year business plan. Adult recruitment targets had also not been achieved and the expected shortfall in delivery was approximately £3m. Partner support for the delivery of the AEB grant funding would be sought in order to mitigate the risk of claw back to GLA of £2m. The actions taken to address the poor enrolment performance and reduce the in-year staff expenditure were noted.
- increased inflation costs which would put further pressure on the budget, including the implementation of the increase in employer national insurance costs (+1.25%) from April 2022.

The Board noted the other funding updates 2022/23 onwards and SBC quarterly performance reports to the ESFA Performance Management Oversight team.

Update on the development of a financially sustainable model

The Board noted the progress made on developing a financially sustainable model through both cost saving and revenue strategies:

- strategies had been identified to address the current underlying financial performance which included: curriculum delivery financial strategies (cost effective curriculum delivery), a workforce restructure which was underway to achieve savings on staff costs of £1.5m and revenue generating strategies based on student and grant growth. The Board approved the one-off costs of up to £900k for the workforce transformation.
- a new affordable curriculum offer had been developed and was being presented to the Board for approval at this meeting.

The Board was concerned about the College's deteriorating financial position and the challenge in delivering the 2021/22 current forecast budget and implications for the 2022/23 budget. The Board noted:

- that management was reviewing how to optimise links with LSBU to support SBC's growth.
- that the option for LSBU financial support would need to be considered.
- that strategies to manage staff morale during the significant changes needed to be considered as staff were key to the delivery of the turnaround. The 1% pay award for 2021/22 was included in the budget. Other non-monetary incentives would be considered.
- whether there was a contingency plan in case the strategies did not materialise.
- that a robust 3-year financial plan was needed and was key to delivering a financially sustainable model. The plan would be considered by the SBC Board prior to review by the LSBU Board.
- that the reporting on progress being made on the estates project would need to be considered as developments were progressing fast in order to meet project delivery time and the opening of the new college in September 2022.

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

The Board received an update on the recent EDI work being undertaken by the College. The Board noted that a detailed action plan was in place which included areas for improvement identified in the SAR 2020/21 such as closing the attainment gaps for minority groups.

The Board noted the update and emphasised the importance of regularly monitoring the action plan.

8. Update from the Students' Union President

The Student Union (SU) President gave a report on the recent activities undertaken by the SU which included; the valentines event which was titled 'love at Lambeth college' and the LGBTQ conference with guest speakers who shared their personal experiences. The event was aimed at combating discrimination and promoting equality.

The SU President gave a report on the FE Commissioner's visit held in January 2022. The Executive Principal thanked the SU for their input and the positive outcome.

9. Executive Principal's Report

The report provided an update on SBC developments including quality, growth and curriculum planning.

The Board discussed:

- the 2021/22 predicted achievement which was in line with the 2021/22 target. Retention was positive and in line with 2021/22 target and above provider group average (PGA).
- the attendance performance. There was concern about the overall attendance performance especially in English and Maths which was a significant challenge for the College. The Board acknowledged that the attendance performance continued to be an area of concern and that the intervention measures and initiatives in place would address the issues and improve the outcomes.
- the teaching, learning and assessment work being undertaken to improve the quality of education. A report on the College's external peer review of the quality of teaching and learning was noted. The findings would support the development of professional practice and inform the CPD programme.
- student recruitment 2020/21. The budget target had not been achieved and due to the lagged funding would have a significant impact on the budget for 2022/23, a key risk for the College. The recruitment strategies being undertaken to mitigate the risk were noted.
- the student journey from application to enrolment process. The process was being reviewed (to assess the need for interviews) in order to improve the conversion rate of applications to enrolments; the risks were manageable. An update on the revised application process and its effectiveness in achieving the targets would be provided to the Board as part of a deeper dive into recruitment at its meeting in May 2022. A new Director of Marketing and Recruitment would be appointed as part of the new structure to lead on this key area of work.
- an update on the developments at London South Bank Technical College (LSBTC) in preparation for its opening in September 2022. The launch of the new SBC website, brand identity and marketing campaign activities were noted.
- the proposed SBC curriculum offer which was aligned to the estates strategy agreed by DfE, in line with the LSBU Group and SBC strategic plan and the curriculum plan underpinning the financial plans. The Board was responsible for the shape and intent of the curriculum offer, which needed to be appropriate, cost effective and designed to meet the needs of the local community. The proposed curriculum offer had been reviewed and recommended to the Board for approval by the Quality & Improvement Committee at its meeting on 9 February 2022 (appendices 2 & 3). The Board approved the SBC curriculum offer for 2022/23.

- an update on the proposed consultation on reshaping the College. At its last meeting, the Board supported the proposed reshaping and for the consultation to start. The proposed workforce structure had been launched along with the VR scheme; the process would be completed by 1 April 2022. The proposed leadership and management structure was noted (appendix 4).

10. Accounting Officer's Report

The Accounting Officer provided an update on key matters at the College.

The Board noted:

- a progress update on the College's IT infrastructure work.
- the estates project quarterly monitoring report (Q3 2021/22).
- an update on fire doors at Brixton and Clapham sites and that total expenditure was estimated at £130k (unbudgeted). The work had delayed due to challenges concerning finding workers and shortage of materials due to Brexit. Work would commence at Brixton and the Clapham work plan was being reviewed to ensure that it fits in with the decant plan for the move from Clapham to Vauxhall.

11. Updated KPIs and Targets 2021/22

The final 2021/22 KPI targets would be circulated to trustees as soon as possible.

12. LSBU Group Nomination Committee Proposal

The Board discussed the proposal to create a Group Nomination Committee as part of establishing the group governance structure.

The LSBU Board and the SBA Board had approved the creation of a group nomination committee at their meetings of 25 November 2021 and 16 December 2021.

The SBC Board approved the proposal to create a Group Nomination Committee and its terms of reference.

13. Quality & Improvement Committee - Revised Terms of Reference

At its meeting of 9 February 2022, the Quality & Improvement Committee discussed and recommended its new terms of reference to the Board for approval.

The Board approved the new terms of reference of the Committee.

14. Declaration of Interests - Update

The Board authorised the declared interests of Sue Dare, independent trustee.

15. Updated Governance Agreement with LSBU

The governance agreement between SBC and LSBU had been updated to reflect three years of joint working.

The Board approved the updated governance agreement with LSBU, subject to a minor amendment.

16. The Skills Centre Contract

The Board discussed the proposal to offer an additional £1.4m GLA adult skills funding contract to be delivered by The Skills Centre, an existing partner. This was in response to the low adult recruitment and would address the shortfall on AEB delivery requirement and avoid GLA claw back. There were no concerns on the quality of provision and The Skills Centre's recent Ofsted report was positive.

The Board approved an additional in year contract for adult skills with The Skills Centre for the delivery of construction courses at a contact value of £1.4m which had been included in the re-forecast budget 2021/22.

17. Progress on Board Effectiveness Review Action Plan

The Board noted the skills matrix and progress made on the Board effectiveness review action plan.

18. Board Development Programme 2022

The Board noted the proposed development programme to be delivered in 2022.

19. Report from Committees

The Board noted the report from Committee meetings held since the last meeting on 17 November 2021.

20. Any other business

Lambeth College's Policy on Working from Home

The issue raised was considered a management matter. The College's policy had a flexible approach and considered staff morale and motivation.

Resume face-to-face meetings

The Chair noted that face-to-face meetings would resume at Lambeth College. The next Board meeting in May 2022 and future board meetings would be face-to-face unless the pandemic situation changed. The Chairs of Committees would decide on their respective meeting arrangements.

Strategy Day – 9 June 2022

The strategy day would be brought forward to end of April 2022. The focus would be on the 3-year forecasts and the move to a break even position.

**Date of next meeting
4.00 pm on Thursday, 12 May 2022**

Confirmed as a true record

(Chair)

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