Lambeth College
Minutes of Corporation Meeting held on 16 March 2017 at 5.30pm at the Clapham Centre

1. STRATEGIC PARTNERSHIP (CONFIDENTIAL)

2. GOVERNANCE

2.1 Apologies and Attendance

<table>
<thead>
<tr>
<th>Present:</th>
<th>In attendance:</th>
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<tbody>
<tr>
<td>Mary McCormack (Chair)</td>
<td>Richard Allanach  Director Finance - Interim</td>
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<tr>
<td>Michael Smith</td>
<td>Lynn Forrester-Walker  Vice Principal Strategic Planning - Interim</td>
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<tr>
<td>Monica Box (Interim Principal)</td>
<td>Mary Heslop  Clerk to the Corporation – Interim</td>
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<tr>
<td>Teum Teklehaimanot</td>
<td>Stephen Bagley  Skills Funding Agency (Observer)</td>
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<tr>
<td>Kirsty Wadley</td>
<td>Wtima Santos  Student</td>
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<tr>
<td>Fred Knipe</td>
<td>Dave Phoenix  Vice Chancellor, LSBU (for item 1.)</td>
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<tr>
<td>Rob Flinter</td>
<td>Ian Mehrtens  Chief Operating Officer, LSBU (for item 1.)</td>
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<tr>
<td>Marcus Walsh</td>
<td>Matthew Dunn  LSBU (for item 1.)</td>
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<td>Ruth Begusa</td>
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<table>
<thead>
<tr>
<th>Apologies received:</th>
<th>Non-attendance:</th>
</tr>
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<tbody>
<tr>
<td>Guy Ware</td>
<td>Mohammed Seedat</td>
</tr>
<tr>
<td>Ayesha Casely-Hayford</td>
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<tr>
<td>Jennifer Bufton</td>
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2.2 Declarations of Interest

There were no declarations of interest.

2.3 Chair’s Introduction

The Chair welcomed Wtima Santos to the meeting. Wtima was attending to support Ruth Begusa for the Learner Voice item. The Chair informed the Board that Charley Hasted, Student Governor, has withdrawn from the College and therefore is no longer a Governor. The Board conveyed their thanks to Charley and wished her well.

The Chair also informed the Board that Paul Reid had resigned from the governing body with effect from 28 February due to the pressure of other commitments. Prior to the Board meeting, a session was delivered by the Interim Principal and members of the College Leadership Group on how the deficit has built up and five Governors had attended this.

David Phoenix and Ian Mehrtens from LSBU would be attending the meeting at about 7.30 for the item on the strategic partnership and this item would therefore be taken later than indicated on the agenda.
3. MINUTES FROM PREVIOUS MEETINGS

3.1 Minutes from 9 February 2017

The minutes from the meeting on 9 February 2017 were agreed as correct, subject to a minor correction on page 8 that a Governor will email the Clerk about.

3.2 Confidential Minutes

The confidential minutes from the meeting on 9 February 2017 were agreed as correct.

3.3 Matters arising

A matters arising report updated Governors on the outstanding matters from the previous meeting. All actions had been completed. There were no other matters arising.

A Governor raised a concern that registers were not being kept for Carillion apprenticeship learners attending the College and that this was a safeguarding issue.

4. LEARNER VOICE REPORT

4.1 Report from Student Governors

The Student Governor and the student gave a verbal report on recent student activity including: citizenship, black history month and the ‘We are all immigrants’ week. Student Union officers will be attending the NUS national conference in April for two days and are liaising with media students to promote the Students’ Union and encourage involvement in campaigning.

5. PRINCIPAL’S REPORT

5.1 Principal’s Report (CONFIDENTIAL)

The Board received a report from the Principal that included updates on the recent Quality Assurance Agency (QAA) review visit, the Further Education Commission (FEC) Stocktake, the Central London Area Review of FE, the Apprenticeship levy, rationalisation and staff costs, HMRC changes, Ofsted support and challenge programme and sub contracting.

6. KEY PERFORMANCE INDICATORS

6.1 Key Performance Indicators

Governors received an update on the current positions against the KPIs as set out in the Financial Recovery Plan. The key areas highlighted in the report were: apprenticeship achievement rates, learner attendance, forecast income and operating surplus/deficit, fee income/learner loan income, agency/interim costs, staff costs, non-pay costs and learner numbers.

In presenting the report, the Interim Principal commented that performance against KPIs in the report highlighted the issues associated with the deficit and provided a sharp focus on: low recruitment, staff costs, partnership activity costs and non pay expenditure. The Chair reminded Governors that the new committee structure provides the opportunity for scrutinising performance against relevant financial and quality KPIs.

The Board NOTED the report.
7. CAPITAL PROJECTS

7.1 Brixton Project Update

The Interim Vice Principal Strategic Planning presented an update report on the Brixton project. On behalf of the College, Peter Marsh Consulting had undertaken a procurement exercise to appoint a contractor to undertake the fit out work at the Brixton Centre, commencing in June 2017 with a completion date of early September 2017. A single stage traditional procurement process was undertaken and four compliant tenders were received. As a result of the initial tender reviews, one tenderer was not taken forward. Post-tender interviews were conducted and the tenderers who then asked to re-visit costs. The costs submitted by the tenderer who scored highest, Gilbert-Ash, did not change. Full details of the tender process were provided in the report.

Based on the tender returns, tender interviews, the views of the project team and resolution and qualifications, it was concluded that Gilbert-Ash be appointed to progress with the tendered works for an adjusted tender sum of £1,541,445 against a budget sum of £1.186m.

In response to a question, the Interim Vice Principal Strategic Planning confirmed that, as set out in the report, a single stage traditional procurement process was undertaken with the contract being ‘Design and Build’.

A question was also raised by a Governor on the cost of the Vauxhall decant and a breakdown of the costs was requested.

The Board APPROVED the appointment of Gilbert-Ash to undertake the fit out work at the Brixton Centre

8. FINANCE

8.1 Finance Committee Report

Governors received a report from the Finance Committee which met on 7 March 2017. The report included the following items:

- An update on the financial recovery plan
- The Local Government Superannuation Scheme
- The Framework for the 2017/18 budget
- Exceptional Financial Support
- Management Accounts (and solvency advice)
- A paper from the Principal on the financial position
- SW4 Catering Ltd.
- Treasure Policy
- Finance KPIs
- The Committee’s work programme

The management accounts for the six month period ending January 2017 were included as part of the report.

In presenting the management accounts, the Interim Director of Finance drew the Board’s attention to the forecast staff ratio for the year against the two measures discussed earlier in the meeting. Performance against the two measures was going in different directions and the staff cost to income measures captured the issues already discussed on relation to the deficit and why it is higher than forecast.
In response to a question on the movement in estates costs, the Interim Director of Finance explained that some of the costs on rates are recent demands that are historic and that the College is still paying rates on the Vauxhall site although there is a three month rebate. Governors were invited to email any further questions on this to the Interim Director Finance.

The Board NOTED the report from the Chair of Finance Committee, including the Committee’s advice that the College could continue to trade.

The Board AGREED that the College could continue to trade as solvent on the understanding that the College is meeting the requirements of the SFA for Exceptional Financial Support.

8.2 SW4 CATERING LTD

The Interim Director of Finance presented a paper setting out three options for the future of SW4 (Catering) Ltd, the College’s trading subsidiary. The position of SW4 (Catering) Ltd was considered at the March meetings of the Audit and of the Finance Committees and the Finance Committee required the executive to prepare an options paper for presentation to the Corporation. The three options presented were:

- **Option D** - Wind the company up and transfer its employees to the corporation;
- **Option E** - Wind the company up and TUPE transfer its employees to providers of cleaning and security;
- **Option F** - Regularise the operation of the company.

There is a minimum level of regularisation that must be undertaken whichever option is chosen and this was set out in the paper. This included the appointment of a senior post holder to the role of Nominated Officer, appointing the Interim Principal as Director of SW4 (Catering) Ltd; and formalising the Corporation’s financial support for the company through writing off the company’s debts to the Corporation or providing a guarantee to the company.

In discussion, the following points were made:

- That unless the College believes that using a specialist contractor would result in great improvements, option E is ruled out.
- The LSBU business enterprise arm could take SW4 Catering into its operation
- To regularise the operation under option F, requires that two Governors are Directors and the Chair nominated Rob Flinter and Fred Knipe.
- Option E looks favourable, except for the additional cost and it would be helpful to understand what the equivalent is in LSBU.
- The implications of the options needs to be clearer.

The Chair proposed that the Board agree option F for 3 or 4 months and then re-visit this in discussions with LSBU.

It was AGREED that the paper should set out more clearly the options and benefits of E and that F is a short term option.

The Interim Director of Finance advised the Board that the debt should be written off by the College; the Company would be close to break even for the full year.
The Board AGREED to regularise the company (option F) and instructed the Executive to implement its chosen option.

9. **AUDIT COMMITTEE**

9.1 **Audit Committee Report**

Governors received a report from the Chair of Audit Committee. The report covered:

- Committee membership
- Report on progress of previous recommendations
- Appointment of Internal Audit Service Provider 2016/17
- Risk Management
- SW4 Catering Ltd.
- Financial Regulations Review
- Internal Control Questionnaire.

The Chair of Audit Committee reported that the Committee had reviewed outstanding internal audit recommendations that were red-rated. The Committee was not satisfied that, in a small number of cases, existing recommendations were being implemented.

The Chair of Audit Committee also informed the Board that the Committee had agreed to increase the scope of the internal audit programme so that an internal audit opinion could be provided for 2016/17.

The Committee had reviewed the risk register and were alerted to financial and other risks to the College of not progressing with the current plan for the Vauxhall Nine Elms Skills Centre.

The Committee has also reviewed a revised risk policy.

The Board NOTED the report and APPROVED the revised risk policy as recommended by the Audit Committee.

10. **Quality and Curriculum**

10.1 **Attendance Report**

The Board received a report on learner attendance. The College’s KPI for attendance is 86% for vocational and ESOL course and 80% for English and maths (functional skills and GCSE). Whole College attendance has declined since Christmas from 86.3% to 84.7%. At 6 March, College attendance has improved slightly (+0.7%) when compared to the same point last year. Attendance is significantly short of the KPI for GCSE courses and this is due to low 16-18 attendance.

16-18 English and maths attendance continues to be a priority for improvement.

The Board NOTED the report.

11. **REMUNERATION (CONFIDENTIAL)**

11.1 **Update from the Remuneration Committee**

The Board NOTED the report.
12. REVIEW OF CONFIDENTIAL ITEMS

5.1 Principal’s Report
11. Remuneration Committee

The meeting ended at 8.45