

**Minutes of the meeting of the South Bank Colleges Board
held on Wednesday 10 July 2024, 4:00 PM — 6:30 PM BST
in Board room, Clapham campus, Gateway College**

Present

Ruth Farwell (Chair)
Andrew Owen
Steve Balmont
Sue Dare
Nigel Duckers
Mee Ling Ng
David Phoenix
Issa Issa
Ruth Spellman
Mario Meizah

Apologies

Thesia Kouloungou

In attendance

Fiona Morey, CEO, SBC
Samuel Curtis, Group Company Secretary
Wayne Wright, Principal
Monica Marongiu, Principal
Chris Knell, SBC Vice Principal, Finance and Performance
Peter Ryder, Rockborn
Simon Cruickshank, Group Chief Financial Officer

1. Chair's business

The Chair welcomed members to the meeting and thanked them for their contribution to the pre-board sessions where the external governance review and Ofsted preparation sessions were presented.

The above apologies were noted.

Due to several commercially sensitive items being discussed on the agenda, the Chair reminded the board of members' duty of confidentiality.

2. Declarations of Interest

There were no additional declarations of interest declared.

3. Minutes of the previous meeting

The Board approved the minutes of the meeting held on 9 May 2024 as a true record and their publication, as redacted.

4. Matters arising from previous meeting

The Board considered the matters arising and in particular noted:

- The management accounts had been agreed to be shared with the board on a monthly basis from the beginning of the new academic year, as this had not happened the action should remain open.
- The quarterly reporting of the IFM contract action should remain 'in progress' until the board is comfortable with the level of detail provided.

5. **External Governance Review Report**

The Board received an update from Rockborn regarding the draft external governance review.

The Board noted:

- a) The board development session prior to the meeting was useful as it provided the rationale for the recommendations held within the report.
- b) The report was positive, confirming that the Board has sufficient oversight over SBC and was considered a well governed organisation.
- c) The report will be circulated by email for the board to consider and approve by 31 July 2024.
- d) A task and finish group will be set up to consider the recommendations in detail and bring a report to the board in October.

The Board noted the external governance report from Rockborn and agreed the proposed method of approval.

6. **Update from the Students' Union President**

The Board received an update from the Students' Union President.

The Board noted:

- a) The Student's Union has had a successful academic year with feedback received on all events held being wholly positive.
- b) Feedback received on the events and services provided by the Student's Union should be provided to the Board on an annual basis.**
- c) On the 20th of June, the Union made a donation to the Wonder Foundation which was well received.
- d) The election campaign for Mario's successor has started, however the voting will resume in the new academic year with the new President in place by the end of September.

The Board noted the update from the Students' Union President.

7. **Executive Principal's Report**

The Board received an update from the Executive principal.

The Board noted:

- a) The update has been a positive one with significant progress being made on attendance and results.

- b) Recently the level 4 provision has had applications come directly through the College website, rather than the University's UCAS site, which has had a positive impact.
- c) The proposals for the decant are progressing but as there is limited room, a modular build will be installed at the 9 Elms campus to allow for minimal disruption.
- d) The report should include pass rate details, in addition to the retention and achievement information.
- e) Offers made are conditional on the student passing the testing and/or interview process which is managed at a course level.
- f) Staff recruitment continues to be a challenge for the College; however this is sector wide and remains a priority for the leadership team.
- g) 20 employers attended the employee engagement evening which was positive given there were external conflicting events.
- h) The T-Level foundation programme is not without risk; however SBC's senior leadership team has advised that it offers level 2+ course with English and maths. The Board was assured that the class size would be actively managed.
- i) The HR report was a draft version which would be developed following feedback from the Board.
- j) Vacancies should be included in future reports.
- k) Future reports would include benchmarking data and commentary on the direction of travel.

The Board noted the Executive Principal's Report and the Human Resources report.

8. **Accounting Officer's Report**

The Board received an update from the Accounting Officer.

The Board noted:

- a) The mobilisation of the group wide Integrated Facility Management contract has been completed, with the transfer of staff under TUPE to Mitie on the 1st of June.
- b) The DfE are supportive of the revised approach regarding the estate plan. The grant of £10.51m plus an additional 10% remains in place with a newly agreed time extension to spend the funds by March 25. The Board will need to be assured about the impact on the curriculum plan at a future meeting.
- c) The Executive team has taken the decision to suspend the decant planned for September with the intention to identify a further decant window in quarter 4 2024.
- d) Legal advice has been considered as part of the estates plan.
- e) A further meeting may be required as the process develops, the Board agreed to meet virtually, if needed.

The Board noted the Accounting Officer's Report and thanked the team for the work that has been undertaken on the plans.

9. **Chief Financial Officer's Report**

The Board received an update from the SBC Chief Financial Officer.

The Board noted:

- a) The core income for the College for 24/25 sits at £31 million.
- b) Two of the key priority areas the ESFA will look at is on SBCs EBITDA- a judgement of the core profitability of the business and the operating surplus.
- c) The proposed budget highlights a 5% budget for EBITDA for 24/25 (6% and above is considered good in the sector).
- d) This proposal would get the College to a "break even" point with a surplus in the following years.
- e) There is a 66% staffing ratio which should remain the focus for the College.
- f) There has been a 17.2% growth in core funding, ESFA Study Programmes 16-19.
- g) Management accounts will be provided to the board on a monthly basis.**
- h) The budget presented was considered a cautious one which was welcomed by the Board, members are welcome to have a call with the CFO to discuss the detail of the finances.
- i) On the college financial forecast there is greater uncertainty the further into the future the model projects and does not include any future capital projects, so it is subject to change.
- j) Debt from the entities sits at Group level, which is a factor taken as part of the covenant compliance process. The University and banks are currently in discussion regarding amending the covenants.
- k) The updated fees policy has been rewritten based on updates from the funding regulations.

The Board:

- a) Noted the update from the SBC Chief Financial Officer.
- b) Approved the 24/25 budget
- c) Approved the 10 year college financial forecast
- d) Approved the updated fees policy

10. **Appointment of Internal Auditors**

The Board received an update on the appointment of the internal auditors.

The Board noted:

- a) BDO's contract with LSBU came to an end in 2024, consideration was given to having an internal audit team, however it was decided that a specialist audit firm would be the most suitable option.
- b) A panel was formed to conduct a tender process which comprised of representatives from LSBU, SBC and SBA.

- c) Four firms were found eligible and interviewed, however KPMG were selected as the Group internal audit due to the low cost and high-quality tender bid.
- d) KPMG will be conducting group audits which will also offer the three separate entities increased audit coverage.
- e) The audit Committees for SBA and LSBU have agreed to nominate KPMG to their respective Boards.
- f) SBC's audit committee initially had concerns regarding the appointment of KPMG, however, follow up discussions with the procurement team and Group CFO, have reduced those concerns and now the Committee agrees to the appointment.
- g) A group audit plan will be created at the beginning of the academic year.

The Board approved the appointment of KPMG as the internal auditor.

11. **2024/25 KPIs and targets (educational and financial)**

The Board received an update on the 24/25 KPIs and targets.

The Board noted:

- a) 3 new KPIs have been incorporated to improve tracking to provide a more holistic view of the funding of student activity.
- b) Further work is being conducted by the team to provide further detail on the targets, which will be incorporated for the start of the academic year.

The board approved the 24/25 KPIs and targets.

12. **Corporate Risk Register and Risk Appetite 2024/25**

The board received an update on the SBC corporate risk register and considered the risk appetite 24/25.

The Board noted:

- a) The Audit Committee considered the risk register in detail and approved five changes to the previous version.

The board noted the corporate risk register and approved the risk appetite for 24/25.

13. **Sub-Contracting Contracts & Policies 2024/25 and Partnership Contracts 2024/25**

The Board received an update on the sub-contracting contracts and policies for 24/25.

The board noted:

- a) These contracts have been considered and approved by SBC's Quality Committee.

The Board:

- a) Noted the Sub-contracting Policy for 2024/25
- b) Reviewed the summary feedback of the submitted Expressions of Interest and Pre-Qualification questionnaires from organisations seeking to be a South Bank Colleges approved subcontractor and partner for the 2024/25 academic year.
- c) Agreed the 2024/25 subcontractors and partners and contract values for approval.

14. **Estates update**

The board noted the estates update that was provided as part of the Accounting Officer's report.

15. **Report from Committees**

The board received an update from the Chairs of the Audit Committee and Quality Committee.

The board also noted the previous agreement that minutes of the sub-committees of the board will be distributed to the full board once the Chair has approved the draft.

16. **Any other business**

The Chair noted that Andrew Owen and Mario Meizah's terms as board members will come to an end following this meeting. The Board thanked Andrew and Mario for their time and commitment.

There were no additional items of business.

Date of next meeting
16:00 on 26 September 2024

Confirmed as a true record

..... (Chair)