

**Minutes of the meeting of the South Bank Colleges Board  
held at 4.00pm on Wednesday, 22 November 2023  
in Board room, Clapham campus, Gateway College**

**Present**

Ruth Farwell (Chair)  
Andrew Owen (Vice Chair)  
Sue Dare  
Nigel Duckers  
Thesia Kouloungou  
Mario Meizah  
Mee Ling Ng  
David Phoenix

**Apologies**

Jacqui Dyer  
Steve Balmont  
Monica Marongiu

**In attendance**

Michael Broadway  
Simon Cruickshank  
Richard Flatman  
Fiona Morey  
Jacqueline Mutibwa  
Ian Rule  
Wayne Wright

**1. Welcome and apologies**

The Chair welcomed the trustees to the meeting. The Chair also welcomed Simon Cruickshank, the new Group CFO, to his first meeting of the SBC Board. The above apologies were noted.

The Board had just had an informative discussion on sub-contracting and partnership delivery in terms of Board oversight led by Bayo Emanuel, Bids & Partnership Manager. The session considered SBC's rationale for its approach, the selection of its partners, performance management, compliance issues, risks and board liabilities.

The session was followed by a curriculum presentation on the essential skills (adults) and the current projects and developments by Aswathy Bose, Director of Essential Skills (Adults).

**2. Declaration of Interests**

No member declared an interest in any item on the agenda.

### **3. Minutes of the previous meetings**

The Board approved the minutes of the meeting held on 27 September 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. Most of the actions had been completed and an update on the two outstanding actions would be provided to the Board by the end of December 2023.

### **5. Year-end Reporting and Approvals 2022/23**

#### RSM external audit findings

The Board received the draft external audit year-end report 2022/23 which had been discussed in detail by the Audit Committee at its meeting of 1 November 2023.

The audit was substantially complete, subject to resolving the outstanding matters which were noted.

On the final confirmation of the status of SBC as public or private sector, the Accounting Officer confirmed that DfE had recognised SBC as private and not public sector. He explained the status of the entities associated with SBC and that: Lambeth College Institution (dissolved in 2019) was designated and public sector but with no assets or staffing; SBC was a private entity and Lambeth College was a brand. Lambeth College corporation had been dissolved and its assets transferred to SBC.

There was discussion about the risk identified during the audit concerning Funding Body Income i.e. student data and the funding claims in the final ILR claim. This was not material and therefore not relevant to the approval of the accounts. However, given it appears in the audit report, a stronger management response was needed, and a robust due diligence process introduced, an area of work that would be considered by the Audit Committee.

The Executive noted that it was a positive audit and there were no major concerns. The final external audit report would be circulated to the Board.

#### Letter of Representation to RSM

The draft letter of representation to the external auditors had been reviewed by the Audit Committee at its meeting of 1 November 2023.

The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.

The Board approved the letter of representation in its final form and authorised the Chair to sign the letter on behalf of the Board.

## Annual report and accounts

The Board discussed the draft annual report and accounts for year ended 31 July 2023 which had been discussed in detail by the Audit Committee at its meeting of 1 November 2023. The draft accounts were further reviewed by the Audit Committee members prior to the Board meeting.

There would be final revisions to the accounts following RSM audit review which were not expected to be material adjustments.

The Board noted assurances from the Executive that the content of the report and accounts were accurate and could be approved by the Board, subject to any final revisions following RSM audit review.

The Board approved the annual report and accounts for the year ended 31 July 2023, subject to RSM audit review and authorised the Chair and the Accounting Officer to sign on behalf of the Board.

### **6. Audit Committee Annual Report**

At its meeting of 1 November 2023, the Audit Committee discussed and approved its annual report subject to the completion of the RSM external audit report.

The Board noted the annual report and the Audit Committee's opinion on the adequacy and effectiveness of the college's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets and that these arrangements are adequate and effective.

The Chair of the Audit Committee would sign the report when the accounts are signed.

### **7. Chief Financial Officer Report**

The Board discussed the 2023/24 current financial performance.

The Board discussed:

- the 2023/24 period 3 position which showed a positive outlook. The 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). As at October 2023, the full year forecast showed an improvement in forecasted income by £2.4m which was due to changes to deferred capital grant releases (£1m), anticipated in-year growth funding (£0.8m) and ESFA funding for pay award and TPS increases (£0.6m). The forecasted income was offset by changes to depreciation and pension charges, and the increased pay award which resulted in an overall forecasted surplus of £1m which would enable the delivery of an improved position on the budget. The anticipated changes to the forecast (Appendix A) were noted.

- the key risks to achieving the forecast mainly relate to the forecasted income from all the funding streams especially from internal delivery of AEB provision; the need to achieve at least 97% of the allocation. The situation concerning the risk on AEB delivery would be known in the new year, though there was significant work being done to improve the performance. The performance on financial contribution was still below budget targets and was a challenge.
- that SBC needed to achieve an operational budget surplus and build cash reserves in order to sustain it and make future capital investments. The Executive and the Accounting Officer gave assurance that the risk would be closely monitored and managed, and trustees would be informed if the situation got worse.

The Board recognised LSBU's financial support and reaffirmed that SBC must achieve an operational budget surplus (ideally trending to overall breakeven) in order to sustain the College and also its commitment to the group. The Board noted the positive report on the current financial forecasts and that the financial position would continue to be monitored by the project working group.

## **8. Update from the Students' Union President**

The Students Union (SU) President gave a report on the recent and upcoming activities. The SU President had attended the Festival of Student Governance event in Birmingham (13 & 14 November 2023), organised by UNLOC and AoC. The event provided an in-depth insight into the role and responsibilities of a student governor and would equip the SU President in his role. The networking and sharing of experiences with other student governors across the UK were very helpful too.

Recent SU activities included Black History Month in October, Anti-bullying Awareness week in November with events across the college promoting awareness and campaigning against bullying. The SU had created an anti-bullying tutorial to be delivered by the LDCs in the college.

Activities planned for the rest of the year included fundraising for charities and reviving the Podcast.

## **9. Executive Principal's Report (Update on EDI matters, LSBTC and LGC reports)**

The Board received an update on the AoC Annual Conference held in Birmingham on 14 & 15 November 2023. The Executive Principal, the College Principals and Chair of the Board attended the event and shared the LSBU group model during a session which was well attended and generated a good level of discussion. There was an update on the FE sector and how SBC was responding to the external environment in which it operates in i.e. policy changes, sector challenges, achievement and Ofsted's focus and priorities. It was noted that SBC is positioned positively in this respect.

The Board noted the key matters since its last meeting in September 2023.

- The final 2022/23 achievement data. Overall achievement was 85% though below target (by 4%), there was a slight improvement from last year and above national average. There was concern about 19+ achievement at the LGC with the largest provision of adult students (ESOL), performance was below national average and the previous year. This was due to learning disruptions caused by staff shortages and the challenges concerning staff recruitment were noted. The Principal gave assurance that the department was fully staffed for the 2023/24 academic year and performance was expected to improve. The apprenticeships achievement was low and below the 50% target, the provision would be subject to enhanced monitoring from the ESFA until performance improved.
- 2023/24 recruitment update. 16-19 year olds (ESFA) current figures were positive (15% above allocation) and was expected to be higher with in-year recruitment. On adult provision, there was a risk that the budget target may not be achieved. There was growth in apprenticeship recruitment, though still below the planned target, income had slightly improved from the previous year. Class sizes due to growth in student numbers on some courses were being monitored and the situation managed.
- The key risks included adult recruitment which was below target and was a risk to income on the GLA AEB provision which would be addressed by increasing the adult offer in other areas, attendance had slightly improved (80% against a target of 90%), recruitment and retention of staff and a significant increase in students with education, health and care (EHC) plans compared to the previous year which required investment in infrastructure and learning support assistants.
- The report on Safeguarding and Prevent and the initiatives and activities that supported safeguarding and welfare at SBC. The risk concerning knife crime was noted. DfE and AoC recommendation that FE college Boards should have a SEND Link Governor, who would have a particular interest in the needs of students with SEND and would help the Board discharge its responsibilities for students with SEND was noted. Mee Ling Ng had been appointed to the role.

#### Self-Assessment Report (SAR) 2022/23 and Quality Improvement Plan (QIP) 2023/24

The Board noted the 2022/23 SAR and the updated 2023/24 QIP that review the quality of the education provision. The documents had been quality assured by an Ofsted inspector and reviewed by the Chair of the Board and the Chair of the Quality and Improvement Committee at a validation meeting. The documents had also been discussed in detail and recommended to the Board for approval by the Quality and Improvement Committee at its meeting on 8 November 2023.

Attendance and achievement especially in English and Maths continued to be areas for improvement in 2023/24.

The Board approved:

- the 2022/23 SAR subject to inclusion of the data that had been discussed at the board meeting and that the overall effectiveness of the College continued to be self-assessed as 'Good'.
- the updated QIP 2023/24 which would address the areas for improvement identified in the SAR 2022/23 and would be monitored by the Quality and Improvement Committee.

#### Update on Equality, Diversity and Inclusion (EDI) Matters

The Board noted an update on the EDI work undertaken by the College which focused on the development of SBC anti-racism manifesto (appendix A).

The Board received updates on LSBTC and LGC performance against KPIs, risks and developments.

### **10. Accounting Officer's Report**

#### Report from the Project Working Group meeting – 16 November 2023

The Chair reported on the matters discussed at the last project working group meeting which were in the Accounting Officer's report. The draft notes would be shared with the trustees.

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

The Board discussed:

- an update on Phase 2 Blocks B and D. The ONS reclassification matter had delayed the scheme and the costs had increased substantially (circa £17.02m) due to inflation making the scheme unaffordable. The scheme had been redesigned to shrink Block D while enabling the delivery of a curriculum plan that remained compliant within the DfE Deed of Consent and also affordable. The financial risk concerning the FE Capital Transformation Fund (FECTF) grant of £10.5m capital grant due to the delay of the scheme was noted. Discussions were ongoing with DfE to secure the grant.
- an update on the procurement for the construction of Blocks B and D (Phase 2) which had delayed due to the ONS reclassification matter. The procurement options for the delivery of Blocks B and D at Vauxhall were noted. The Board approved the commencement of the procurement for the construction of Blocks B & D through the Procure Partnership Framework under a Single Stage Design and Build Contract. This would allow an early contract appointment, support the

DfE FECTF and deliver both Blocks in advance of September 2026. The construction of Block A (Phase 1), that was completed was procured using this method. The governance structure and oversight of Phase 2 would be presented to the project working group and the Board.

An update on Health & Safety was noted.

#### **11. External Governance Review**

The Board received a report on the DfE requirement for FE colleges to undertake an external governance review (EGR) by July 2024; and every three years, with an annual governance self-assessment to 'level up governance'.

The Board discussed the external governance review process and agreed to delegate authority to the project working group to oversee the review and approve the related arrangements and cost. The proposed plan and timeline for the external review was noted.

The Board noted the progress made on the Board effectiveness review action plan 2022 (current action plan). The actions would be implemented along with those from the findings of the 2024 external review.

#### **12. Audit Committee – Revised Terms of Reference (TOR)**

At its meeting of 1 November 2023, the Audit Committee discussed and agreed the proposed changes to its TOR in order to comply with the provisions in the updated Post 16 Audit Code of Practice 2022/23 published in 2023 and the regulatory requirements recommended by the auditors.

The Board approved the revised TOR of the Audit Committee.

#### **13. LSBU Group Environmental Sustainability Policy**

The Board was presented with the draft LSBU Group Environmental Sustainability Policy which set out the group's approach to engaging with the sustainability agenda.

The Board discussed the overarching framework for environmental sustainability and how SBC sits within would need to be considered. Student engagement on the sustainability agenda needed to be emphasised in the policy.

The Board noted the draft policy and that a performance management framework with KPIs and targets would be developed to monitor progress on the policy. Progress against the KPIs would be monitored by the Group Executive and an annual report would be published.

#### **14. New AoC Code of Good Governance 2023**

The Board noted the new AoC Code of Governance, published in October 2023.

#### **15. Public Benefit Guidance**

The Board noted the public benefit guidance and that the draft public benefit statement for SBC was included in the annual report and accounts for 2022/23.

**16. Report from Committees**

The Board noted the report from Committee meetings held since the last meeting in September 2023.

**17. LSBU Group Strategy Day Notes**

The Board noted the notes from the Strategy Day held on 21 September 2023.

**18. Any other business**

The Board noted that Richard Flatman would be leaving LSBU Group at the end of November 2023. On behalf of the SBC Board, the Chair thanked Richard for his contribution and support in improving SBC's financial position and wished him well in his future endeavours.

The Chair wished trustees a nice and peaceful festive season.

**Date of next meeting  
4.00 pm on Thursday, 29 February 2024**

**Confirmed as a true record**

(Chair)

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