

**Minutes of the meeting of the Board of Governors  
held on Thursday 23 November 2023, 3:30 PM — 6:00 PM GMT  
1B27, Technopark**

**Present**

Andreas Raffel – Chair of the Board  
Duncan Brown (*via Teams*)  
Shona Brown  
Danny Clegg  
John Cole  
Michael Cutbill  
Ruth Farwell  
Peter Fidler  
Tim Fransen  
Abdirahim Ibrahim (*from minute 8*)  
Devonte James  
Mark Lemmon  
Ola Obadara  
Jeremy Parr  
David Phoenix  
Rashda Rana  
Vinay Tanna

**Apologies**

Tara Dean

**In attendance**

Michael Broadway  
Hannah Catchpool, External Audit partner (*from minute 11 to minute 14*)  
Simon Cruickshank  
Richard Flatman  
Deborah Johnston  
James Stevenson

1. **Welcome and apologies**

The Chair welcomed Hitesh Tailor to his first Board meeting as an independent governor and Chair of the SBA Board.

2. **Declarations of interest**

Members of the Executive present declared an interest in the Remuneration Committee report to the Board. Executive members would leave the meeting for that discussion.

3. **Minutes of the previous meetings**

The Board approved the minutes of the meeting of 19 October 2023, and their publication as redacted.

The Board approved the minutes of the Chairs' briefing meeting of 3 November 2023 and the Board briefing meeting of 9 November 2023.

4. **Matters arising**

The Board noted the matters arising.

5. **Students' Union update**

The Students' Union President updated the Board on the work of the SU including, record engagement levels with students, support for apprenticeship programmes, good engagement through course representatives and the 'phonebank' project supporting year 1 – 2 progression.

The Board noted that the SU is starting a governance effectiveness review which would include looking into voter turnout and sabbatical officer roles. The DVC is part of the SU's governance review working group.

6. **Governance effectiveness review**

The Board discussed the draft action plan from the governance effectiveness review 2023 and the proposed terms of reference for the Strategy and People Committee (SPC) and the Finance and Investment Committee (FIC).

The Board noted that it would receive regular updates on the implementation of the action plan. The Board requested that the proposed action to address the recommendation on introducing "an annual academic thematic discussion for the Board" is reviewed.

The Board approved the action plan, subject to this change and the terms of reference of the SPC and the FIC.

7. **Delegation of authority to MPIC**

The Board discussed the proposed delegation of authority to MPIC on the Transform Student Academic Administration Management (TSAAM) business case.

The Board noted that the current chair of MPIC and the incoming chair of FIC had been briefed on the business case.

The Board received assurance that the project was a priority for the Executive and that the costs of the project had been built into the capital plan and is affordable.

The Board delegated authority to MPIC (and FIC, its successor committee) to consider and, if thought fit, approve the TSAAM business case, [REDACTED]

[REDACTED]

8. **Vice Chancellor's report**

The Board discussed the Vice Chancellor's report.

The Board discussed an update on retention and recruitment. The assumptions previously reported to the Board had not changed.

The Executive would carry out a mid-year budget review in January 2024 and would update the Board.

*Abdirahim Ibrahim joined the meeting*

[REDACTED]

The Board noted the decline in the mature student market in London. The Executive is reviewing establishing an Associate College network to increase mature student numbers.

The Board noted that a high percentage of students resit exams. A focus for the Executive is reducing the number of resits. Progression rates from year 2 to year 3 are much higher than for year 1 to year 2. Extenuating circumstances is not the main factor in the high percentage of students resitting.

The Board noted that international fees are slightly above the median for LSBU's type of university.

The Board questioned whether the corporate strategy needed reviewing due to the rapidly changing external environment. The strategy is due to be reviewed at the end of 2024. The Executive is confident that the general direction of the strategy is correct. It is reviewing the organisational delivery and whether the academic portfolio and key structures are right. A review of income generation will be discussed at the April 2024 strategy day.

The Board noted that the REI income target is a 'stretch' target. However, research activity is at best cost neutral and if income targets are not achieved, expenditure will be less. The Board noted the importance of growing research activity from a reputational point of view. LSBU was the most successful university in London for EU funding which has now finished.

The Board supported the creation of a spin out company to develop technology for the rail industry.

**9. CFO report**

The Board discussed the CFO report, which updated on current year financial performance, 2022/23 year end reporting matters, the annual financial return to the OfS and London Realty.

The Board noted that the current forecast for 2023/24 is to deliver a balanced budget, using contingency and LSBU surplus to offset a forecast shortfall in income.

[REDACTED]

The Board requested that future CFO reports include risks and opportunities against the budget and that the presentation of financial reporting is reviewed.

**10. Draft OfS annual accountability return and five-year forecasts to OfS**

The Board discussed the draft annual accountability return and five-year forecasts to the OfS.

The Board was requested to agree to the broad shape of the return and recognise the risks.

The Board noted the impact on income in subsequent years of the lower than planned 2023 semester 1 recruitment and re-enrolment. Overall, income is growing at a slower rate than costs (a sector-wide issue). The Board noted the projected deficit for 2024/25 of £4m. The Executive is committed to identifying and implementing £10m of income growth or cost savings by 2027/28.

The Board noted the key risks as 2024 student recruitment, retention and cash flow. The Board noted the opportunities as overseas student fee rates and growth, potentially less than anticipated staff cost increases and use of the estate.

The Executive is committed to achieving a sustainable position in terms of cash generation. The Board noted the potential to dispose of New Kent Road halls of residence to provide some headroom on cash flow.

The Board noted the significant turnaround agenda and the potential to use consultants to provide additional capacity to help deliver this.

The Board supported the forecasts and submission to the OfS, subject to a further review by the Chair of FPR and incoming Chair of FIC, and final approval by the Chair of the Board and the Vice Chancellor.

## 11. **External audit findings**

*Hannah Catchpool joined the meeting*

The Board noted RSM's near final audit findings report which had been discussed in detail by the Group Audit and Risk Committee.

The Board noted the significant audit risks, which included income recognition, management override of controls and pension assumptions.

No material issues had been identified.

RSM was anticipating giving unqualified opinions for both LSBU and SBC accounts and a clean regularity opinion for SBC's accounts.

The external audit partner confirmed that the identified misstatements were not material.

12. **External audit letter of representation**

The Board discussed the draft letter of representation to the external auditors, which had been reviewed in detail by the Group Audit and Risk Committee.

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 external audit letter of representation, to be signed by the Chair of the Board at the time of signing the accounts.

13. **Draft LSBU Group consolidated annual report and accounts 2022/23**

The Board discussed the proposed, near-final LSBU group annual report and financial statements for year ended 31 July 2023, which had been reviewed in detail by the Group Audit and Risk committee. The consolidated deficit for the University and Group was £16.3m.

The Board noted minor amendments to the accounts made since the meeting of the Group Audit and Risk Committee on 21 November 2023.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Group Audit and Risk Committee meeting of 21 November 2023 that would prevent a full internal control compliance statement being made in the annual accounts.

The CFO confirmed that there had been no post-balance sheet events.

The Board noted assurances from the Executive that the form and content of the report and accounts were accurate and could be approved by the Board.

After careful consideration, the Board approved the group financial report and accounts to 31 July 2023, subject to a review by GARC of the final set of accounts and final external audit findings report.

*{Secretary's note: GARC approved the final set of accounts via email on 18 December 2023 and the Chair and Vice Chancellor signed the accounts on 19 December 2023.}*

The Board noted that at its meeting of 22 November 2023, the SBC Board had approved its accounts. The accounts of SBC are consolidated into the University group accounts.

14.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

*Hannah Catchpool left the meeting*

15. **GARC annual report to the Board**

The Board reviewed the Group Audit and Risk Committee's annual report for 2022/23, which had been approved by the Committee at its meeting of 21 November 2023.

The Chair of the Group Audit and Risk Committee agreed to sign the report at the point of approval of the accounts.

16. **Draft remuneration report to the Board**

*Members of the Executive, including the Vice Chancellor, left the meeting*

The Board discussed the Remuneration Committee report, which would form part of the annual report and accounts.

The Board noted that the report would be updated to reflect decisions of the Remuneration Committee held earlier in the day.

The Board noted the review of the performance of the Vice Chancellor for 2022/23 and associated individual bonus award of 4%. The Board noted that

the multiple of the Vice Chancellor's pay to the median pay of all staff was in line with the sector.

**17. Final going concern statement**

The Board discussed the 2022/23 going concern statement for inclusion in the annual accounts, which had been reviewed in detail by the Group Audit and Risk Committee.

The Board was satisfied that it was appropriate to prepare the accounts on a going concern basis.

**18. Prevent annual return**

The Board noted the annual report on the Prevent duty, prepared in accordance with OfS guidance. The report demonstrated how LSBU had due regard to the need to prevent people being drawn into terrorism. There had been no references to 'Channel' during the year.

Following review by the Group Audit and Risk Committee, the Board approved the Prevent annual report and the statement of assurance for submission to the OfS.

**19. Public benefit guidance**

The Board noted the Charity Commission's public benefit guidance.

**20. Update from Committee Chairs**

The Board noted the report and approved the revised terms of reference of the Remuneration Committee.

**21. New declaration of interests**

The Board authorised the interests of Ruth Farwell and Hitesh Tailor.

**Date of next meeting**  
4pm on Thursday, 21 March 2024



**Confirmed as a true record**

..... (Chair)