

**MINUTES OF THE PART A MEETING OF THE BOARD OF LAMBETH COLLEGE
CORPORATION HELD ON 18 OCTOBER AT 17.30**

Present: Monica Box (Interim Chief Executive)
Jennifer Bufton
Nigel Duckers
Fred Knipe
Mary McCormack (Chair)
Michael Smith
Teum Teklehaimanot
Kirsty Wadsley
Guy Ware

Apologies: Leslie Bortey
Mohammed Seedat
Rob Flinter

Non attendance: None

In attendance: Richard Allanach (Interim Director of Finance)
Jon Allen (Note taker)
Steve Bagley (ESFA Observer)
Mary Heslop (Interim Clerk)
Peter Marsh (PMc Ltd) for agenda item 9 only
Ian Mehrstens, (Chief Operating Officer, LSBU)
Fiona Morey (Principal Designate)

1 INTRODUCTIONS

1.1 Apologies

Leslie Bortey, Rob Flinter, Mohammed Seedat.

1.2 DECLARATION OF INTERESTS

1.2.1 The Chair drew the attention of Governors and those in attendance to the requirement to declare any interests they might have on any of the agenda items. It was noted that none of the Governors or those in attendance had any such declarations to make.

1.3 CHAIR'S INTRODUCTION

1.3.1 The Chair informed the meeting that agenda item 7, Dissolution and Transfer, would be dealt with first and the agenda item to be declared confidential with the minutes recorded separately. In attendance for this agenda item will be Glynne Stanfield, legal representative, Eversheds.

1.3.2 The Chair welcomed Ian Mehrstens, Chief Operating Officer, LSBU.

1.3.3 The Chair welcomed Fiona Morey, Principal Designate.

1.3.4 The Chair reported that Peter Marsh would be in attendance for the agenda item on NESC.

1.4 STUDENT GOVERNOR APPOINTMENTS

1.4.1 The Interim Clerk reported the resignation of the student governor, Mary McMahon and this was **NOTED** by the Board. The Student Union has elected Emmanuel Quainoo to be the second student governor.

1.4.2 It was **RESOLVED** to approve the appointment of Emmanuel Quainoo as student governor with effect from 18 October 2018.

1.4.3 The Interim Clerk reported apologies from both student governors as they were attending student governor training facilitated by the National Union of Students.

2 MINUTES FROM THE PREVIOUS MEETING

- 2.1 The minutes from the meeting of 12 July were agreed as correct, subject to the amendment of the last sentence of minute 6.25 to read: *'It was noted that negotiation and approval is with DfE/ESFA but that the Corporation should not rely solely on the DfE's assessment and should take appropriate independent advice on the governance documents.'*

It was confirmed that independent advice referred to in the revised minute had been, and continues to be, sought from Eversheds Sutherland.

3. MATTERS ARISING

3.1 A matters arising report updated Governors on the outstanding matters from the previous meeting. All actions were either completed or were on the agenda for this meeting.

4. REPORT FROM STUDENT GOVERNOR

4.1 Via the Interim Clerk, the following summary report was received from the Student Governors:

- Positive meeting with the LSBU Students Union and President leading to a number of joint initiatives
- Planning the introduction of a student magazine
- Good organisation of English and maths but evening attendance is an issue for some. There are also still some timetabling issues.
- No improvement in the choice of menus in the canteen and the prices are still too high.
- The prayer room is too small and used predominantly by one religion, so the use of the room requires timetabling.

4.2 The Board **NOTED** the report and **ASKED** the Interim Principal and Principal Designate to take forward the issues raised by the Student Governors on English and maths, canteen, and the prayer room.

5. SAFEGUARDING ANNUAL REPORT 2017/18

5.1 The Principal Designate presented the report. The report provided an overview of the College's safeguarding provision and impact for the 2017/18 academic year. The report focused on:

- Safeguarding highlights
- Annual review of Safeguarding Policy and Procedure
- Work with local Safer Neighbourhoods Police
- Prevent radicalisation
- Safeguarding disclosures
- School links learners aged 16 and under
- Looked after young people
- Welfare and wellbeing for learners
- Safeguarding relating to staff

5.2 Following review, it was **AGREED** that there was a need to ensure that all staff and governors completed the required safeguarding training as soon as possible to ensure full compliance.

The Board NOTED and WELCOMED the detail of the report and asked for the minutes to record thanks to Philip Cunniffe, Assistant Principal - Curriculum and Learner Services.

6. GDPR

6.1 The Interim Principal presented the report that included the updated GDPR Implementation Tracker. The College has appointed Kishan Narayan, HR Advisor as the Data Protection Officer. He has been in post since 20th August 2018. The activities listed in the updated tracker continue to be progressed appropriately. The planned October refresh of the student records system will ensure retention compliance.

The Board NOTED and WELCOMED the excellent progress that has been made and requested for the minutes to record thanks to Kishan Narayan for his work in this important area.

7. DISSOLUTION AND TRANSFER

7.1 It was confirmed that the required Order for Designation has been laid before Parliament. The new institution is due to come into operation at midnight on 31 January 2019.

7.2 Formal discussions with Trade Union on TUPE arrangements will commence on 03 November 2018. The TUPE transfer of all staff to SBC will be completed by the end of December. It was reported that no objections had been raised at this point in time. Assurances were sought on how staff will be informed of their TUPE transfer, including pension transfer arrangements, and it was confirmed this is to be done via a letter to each member of staff from the College's HR Department.

7.3 Ian Mehrtens outlined the process for recruitment to the SBC Board. There are currently three Trustees on the SBC Board, including the Vice Chancellor. The

remaining appointments will be made between now and 31 January 2019 through the use of an external recruitment agency engaged by LSBU. Disappointment was expressed by some governors that there was no specific reference to having local community representation on the SBC Board. In response, Ian Mehrkens stated that as the Articles had already been approved and therefore cannot be changed, there needs to be an element of trust that the community interests will be best served by the membership of the SBC Board. Concern was also expressed that there was no representation from the SBC Board on the LSBU Board. In response it was stated that the Vice Chancellor is a member of both the SBC Board and the LSBU Board.

7.4 It was agreed to declare the rest of the discussions and resolutions on this agenda item as being confidential and for the confidential minutes to be recorded separately.

8. PRINCIPAL DESIGNATES'S REPORT

8.1 The Principal Designate presented her report and drew the Board's attention to the following key sections of the report that are not covered in other agenda items:

8.1.1 2018/19 recruitment: To date 1,350 16-18 years olds have been enrolled against the ESFA allocation of 1,305 students. It was to be welcomed that enrolment has maintained levels similar to last year, however the budget for 2019/20 is based on recruitment of 1,551 16-18 year olds and due to the lagged funding methodology and the allocation for 2019/20 being based on 2018/19 recruitment, the College will not achieve the funding in the 2019/20 budget. Adult recruitment is at 84% of headcount target and similar to this time last year which means there is a need to put in place additional provision for AEB if the College is to achieve the budget target of £10,912,170. The College has planned to deliver £2.5 million of its AEB through sub-contracting, a reduction of £1 million on 2017/18 when the College subcontracted £3.5 million and also underspent its AEB by £1.6 million. The Executive is working with Heads of Faculty to further develop the AEB offer and is also working closely with LSBU on a range of programmes that have the potential to address a shortfall in AEB provision. This includes providing English and maths for adults in the workplace who are unable to access higher and degree apprenticeships due to levels of English and maths, provision of AEB courses for LSBU alumni and for LSBU staff. The Executive is working with the LSBU business development team to increase the offer to employers. There is, however, a risk that the ESFA will rebase the AEB allocation for 2019/20.

8.1.2 SAR: All managers have completed their self-assessment reports which have been validated by the Head of Quality. The overall college SAR was validated by an external expert (Ofsted Inspector) on 16 October. The College has provisionally self-assessed 'Overall Effectiveness' as grade 3 which represents a positive progression from 2016/17 where all areas were graded 4. Of particular note is the marked improvement in English and maths and the fact that all subject sector areas have improved their achievement outcomes.

8.1.3 LSBU: Much of the focus of the new academic year has been on the bedding in of the new role as Principal Designate. A benefit of the uniqueness of the role of Principal Designate for Lambeth College and Executive Director at LSBU has been in the membership of the LSBU Executive group. In this capacity the Principal Designate attends weekly executive meetings and has been able to represent the voice of the college as part of the senior team. Many benefits of partnership working

have been identified by colleagues across both organisations.

The Board NOTED the contents of the report.

9. NESC

9.1 Update Report including demolition and fee costs

9.1.1 Peter Marsh was in attendance for this agenda item and made available an update by way of presentation.

9.1.2 The Board was informed that the College does not have access to funds to progress the project to the next stage. The project will be transferred to LSBU/SBC and the intention is to seek LSBU approval for the costs. As the Lambeth College Corporation cannot approve the costs, the Board can only note the progress to date and confirm that responsibility for funding the project will be transferred to LSBU/SBC at the point of the dissolution and transfer.

9.1.3 To be assured of the LEAP grant award of £22m, the capital project must proceed within the project timeline, including the submission for planning approval.

9.1.4 Although not a requirement for an FE building of this type to have sprinklers installed, it was confirmed that sprinklers will be installed on each floor of the STEAM centre building. The proposed cladding has been subject to thorough review and will meet all required fire and health and safety regulations. An additional lift has been added to the plans and assurances were given that the lifts to be installed will be robust and appropriate for the amount of use they will get.

9.1.5 Although the proposed height of the building is well within planning guidelines, Governors were informed that they could be subject to lobbying from the local community as there could be some opposition to the proposed height.

Following review, it was RESOLVED to recommend that the LSBU Board consider and approve the funding for the capital project.

9.1.6 Ian Mehrtens advised the Board that it would be helpful to have had the Transfer Agreement signed, sealed and exchanged by the time the LSBU meets on 01 November to consider funding the capital project.

9.2 Collateral Warranty (NESC)

9.2.1 The Collateral Warranty is a contract under which a construction professional, contractor or sub-contractor promises to a third party (the "beneficiary") that it has complied with the requirements of its professional appointment. The parties to the collateral warranty are Architecture PLB (the SPS provider), Lambeth College and Bloom Procurement Services Ltd.

Following review, it was RESOLVED that the Chair of Governors plus any other member of the Governing Body (the "Authorised Members") are authorised to execute the SPS Provider's Collateral Warranty and that the SPS Providers' Collateral warranty is executed by the College by affixing its seal thereto and authenticated by the Authorised Members.

(Peter Marsh left the meeting at the conclusion of this agenda item)

10. REPORT FROM THE CHAIR OF THE AUDIT COMMITTEE

10.1 The Chair of the Audit Committee presented the report summarising the main items discussed at the meeting of the Audit Committee held on 8 October 2018. The Committee had considered the following:

- (i) **Annual Internal Audit Report** and the opinion from the internal auditors that Lambeth College had an adequate and effective framework for risk management, governance, and internal control. This is a significant improvement on the 'no assurance' opinion issued for the previous year. This significant improvement was **NOTED** and **WELCOMED** by the Board.
- (ii) **Annual Internal Audit Plan** was approved by the Committee for 2018-19.
- (iii) **Legal Due Diligence Report** received from Mills & Reeves that concluded there was no barrier to merger.
- (iv) **Risk Register** that was subject to review. The review recommended that 'failure to merge' be identified as a risk and added to the Risk Register.

It was RESOLVED to NOTE the report from the Chair of the Audit Committee

The Board thanked the Audit Committee for its work on monitoring the progress of implementation of internal audit recommendations.

11. FINANCE

11.1. Bank Mandate: report on Chair's action

11.1.1 The Interim Clerk reported that the Chair had signed a bank mandate form on 28 August 2018 to add the signatories of the two Assistant Principals to the College's bank account.

The Board NOTED and AGREED the Chair's action.

11.2 REPORT FROM CHAIR OF FINANCE COMMITTEE

11.2.1 The Chair of the Finance Committee presented the report summarising the main items discussed at the meeting of the Finance Committee held on 09 October 2018. In addition, the Board received the August Management Accounts, the Subcontractor proposals, and the College's Supply Chain Fees and Charges Policy for 2018-19 that were all subject to review by the Finance Committee.

11.2.2 Lambeth College remains dependent on the goodwill of the Secretary of State for its continuing operations. Therefore at its meeting of 9 October 2018, the Committee concluded that the financial health of the College remained "inadequate".

11.2.3 Work on producing the financial statements for 2017/18 was proceeding smoothly and that apart from the usual issues regarding going concern, there should be no barrier to achieving a clean audit certificate for those financial statements.

11.2.4 Management Accounts for the first month of operation for the current year were available when the Finance Committee met. One month's figures should only be used with caution in forming a view of the year as a whole – however the figures raised concerns about the achievability of the staffing budget and of in-house

education and training delivery. The Committee had received assurances from the senior management team that it was taking robust action to contain staffing costs.

11.2.5 In order to safeguard against a shortfall in the College's direct delivery of adult education the Executive has drawn up a list of twelve partners who are willing to contract to deliver £3.5m worth of adult education in the current financial year. This represents a considerable reduction from the twenty-one sub-contractors used last financial year. The Committee considered the merits of this proposal and supported the management team's approach. Each sub-contractor to be used during the current year was approved, subject to Board approval, as was the Lambeth College Supply Chain Fees and Charges Policy for this year. Both approvals are agenda items.

11.2.6 A cash flow forecast was considered as part of the management accounts for the first month of operation. A combination of the government's decision sector-wide to advance claw back for under-performance for the previous year from January to December and the deferral of the College's dissolution to January, following the request made by LSBU, it is no longer the expectation that there will be need for only one further claim for restructuring fund grant this year. Apart from the claim to eliminate the revolving credit facility in November, the Committee now anticipates that there will be a need to make a further claim for December and possibly for January as well. In the latest review on cash flow forecasts undertaken by the Interim Director of Finance on 4 October, the review identified the need to apply to draw down £2 million of conditional restructuring fund grant in November for payment in December in order for the College to continue to legally trade.

11.2.7 The Committee reviewed the Financial Due Diligence Report on LSBU from Deloitte. There was nothing in the Deloitte report that led to the Finance Committee to conclude that the dissolution and transfer should be delayed.

Following review, it was RESOLVED to:

- (i) **NOTE the report from the Chair of the Finance Committee**
- (ii) **NOTE the August Management Accounts**
- (iii) **APPROVE the 12 sub-contractors shown in the table on page 2 of appendix 1 with a sum of money in the final column as being eligible partners to deliver provision during the current academic year; and**
- (iv) **APPROVE the Supply Chain Fees and Charges Policy**

12. ANY OTHER BUSINESS

12.1 There was no other business

13. REVIEW OF CONFIDENTIAL ITEMS

13.1 It was **AGREED** that all parts of the agenda item 'Dissolution & Transfer' be confidential.


14. NEXT MEETING

14.1 Thursday 13 December 2018 at 17.30.

The meeting ended at 21:45

Signature of Chair.....

Date



18/12/18