

Meeting of the Board of Governors

10.00 am - 4.00 pm on Wednesday, 26 April 2017
in Oxford Circus Room, H10

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	External policy environment <ul style="list-style-type: none">• opportunities and threats• discussion	3 - 12	DP
2.	The student experience in Higher Education <ul style="list-style-type: none">• discussion	13 - 22	SW
3.	Apprenticeships <ul style="list-style-type: none">• the experience of part time and work-based students• discussion	23 - 36	MS
4.	Financial overview <ul style="list-style-type: none">• questions/discussion	37 - 48	RF
5.	Creating a family of educational institutions <ul style="list-style-type: none">• shape and governance arrangements• discussion	49 - 56	DP

Date of next meeting
4.00 pm on Thursday, 18 May 2017

Members: Jerry Cope (Chair), Andrew Owen (Vice-Chair), David Phoenix, Temi Ahmadu, Steve Balmont, Shachi Blakemore, Michael Cutbill, Douglas Denham St Pinnock, Neil Gorman, Hilary McCallion, Mee Ling Ng, Jenny Owen, Tony Roberts and Calvin Usuanlele

Apologies: Carol Hui, Kevin McGrath and Pat Bailey

In attendance: Michael Broadway, Joe Kelly and Mike Simmons

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Strategy Day April 2017

External Policy Environment

Opportunities and Threats

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Agenda Item 1

Higher Education Research Bill

Opportunities

- TEF may raise perceived value of teaching and enhance LSBU reputation
- Opportunity to enhance fee income

Threats

- Impact of working under new regulatory regime (OfS)
- Increased competition from “Challenger Institutions”
- Broader definitions of “university” may reduce international reputation of UK HE
- TEF could negatively impact on LSBU
- Increasing fees deter our demographic

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Regulatory Environment

- Office for Students - greater central oversight
- New employability survey (DHLE)
- Longitudinal Employment Survey (LEO)
- General Data Protection Regulation
- Competition and Markets Authority
- CC20 – updated regulation around fundraising
- Additional QA responsibilities (Ofsted)
- Institute for Apprenticeships (and Technical Education) – established by Further and Technical Education Bill
- Apprenticeships Levy
- Possible changes to international student visa regime
- Prevent

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Brexit

Opportunities

- Possible chance to increase fees to European students
- Exchange rate makes UK study more attractive

Threats

- Student recruitment
- Staff recruitment
- Lost access to Horizon 2020
- Lost access to European Social Funds
- Uncertainty

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Industrial Strategy

Opportunities

- Emphasises importance of investment in skills – with opportunities around Family of Institutions, Apprenticeships and Institutes of Technology
- Highlights importance of additional investment in research
- Acknowledges importance of translational research
- Devolution may put LSBU closer to decision makers

Threats

- Little or no reference to connections with education policy
- No guarantee that most additional research funding will go to universities
- No guarantee that references to translational research will result in funding
- Devolution agenda may shift funding from London

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International

Opportunities

- Currently student numbers are uncapped
- Fee levels are unregulated
- Our compliance indicators are strong
- International multi-touch partnerships to deliver income and research outcomes
- Extension of current regime for EU students presents opportunity to further establish LSBU brand in Europe
- Exchange rate positive at moment

Threats

- Government focus remains on recruiting ‘the brightest and the best’ leading to bias around key countries and some institutions.
- Process is an issue as well as policy
- Move to focus on overstaying
- Our TNE is under developed
- Our understanding of internationalisation remains basic
- Possibility of limits to LSBU international recruitment based on “quality” measures

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Research

Opportunities

- Postdoctoral loans
- Additional £4.7bn in R&D by 2021
- Possibility that funding more will be focused on translational research
- New multi disciplinary R&E institutes
- New research centres
- Overseas partnerships

Threats

- UKRI – HERB will create “super research council” which could further concentrate UK research funds
- REF 2021 – changes to staff submission could disrupt and negatively effect LSBU submission

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Recruitment

- Increased competition from Alternative Providers (especially for students on low cost courses)
- Increased competition from more selective institutions (as demographic changes hit HE)
- Increased competition for international students including from universities in Europe offering courses taught in English
- Increased impact on mature students of fees and other LSBU groups
- Cost of living in London constrains expansion as reputation improves
- Changes to NHS bursaries and approach to teacher education

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Response

Highlight contribution of LSBU to a diverse HE sector:

- Establish LSBU as a leader in professional and technical education (strategy says we will become the leading London modern)
 - Deliver research with demonstrable impact in key areas
 - Deliver high quality teaching and employability
- Establish LSBU as a renowned “anchor institution” which supports a broad educational and enterprise offer

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Developing our digital environment

7 principles to improve the student experience

LSBU Board 26th April 2017

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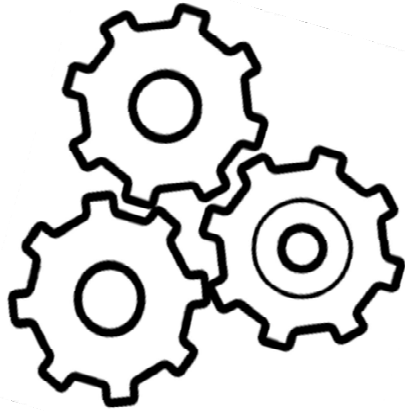
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1. Adaptable

7 Principles for Developing the LSBU Digital Environment

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- Add or remove different technologies as requirements evolve
- Make our physical environment adaptable too so space, furniture and digital tools and applications can be re-organised
- **For example, implement and pilot lecture capture as a core service to improve access and increase inclusivity.**

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2. Seamless

7 Principles for Developing the LSBU Digital Environment

- Seamless and integrated experience via “single sign on” across applications, data integration and the exchange of content between tools and administrative systems
- **For example, submitting an essay directly from a word processor for marking and feedback in the VLE.**



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3. Experimental

7 Principles for Developing the LSBU Digital Environment



- Provide digital and physical spaces where practitioners and researchers explore emerging technologies and provide an evidence base to enable digitally enhanced learning, teaching and assessment
- **For example, create a virtual forensic house / lab that facilitates a more authentic learning experience**

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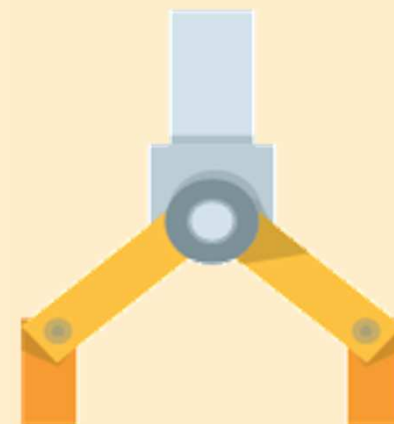
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4. Automated

7 Principles for Developing the LSBU Digital Environment

- Ask users to do only what is necessary by focussing on automating tasks whenever possible.
- Automation can reduce workloads, improve consistency, lower training barriers and allow users to focus on what is most important.
- **E.g automatic creation of digital spaces, linking of key course documents and the automated setup of assignment submission points.**



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5. Collaborative and Social



- Creates digital and physical spaces to enable working across boundaries for the co-creation of knowledge
- Groups of users (learners, teachers, employers etc.) form networks and provide the ability to work together to solve problems, complete tasks, or create products.

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6. Device agnostic

7 Principles for Developing the LSBU Digital Environment



- **Our environment should be Wi-Fi enabled, mobile friendly and “device agnostic”; users access learning on and off campus utilising a mix of university owned and user owned devices**

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7. Industry Standard

7 Principles for Developing the LSBU Digital Environment



- utilise and integrate industry standard tools for learning and teaching to build familiarity with technologies that are an integral part of working environments.
- **E.g. Office365 has potential to change the way we teach, provide access to content, share information, collaborate and communicate**

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Vision:

a seamless and integrative learning ecosystem
combining the virtual and physical environment

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Discussion

Does the vision fit what students require?

What are the risks of progressing vs not progressing?

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Apprenticeships at LSBU - challenges and opportunities

26th April 2017

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Apprenticeships 1

- Recently reformed – now a protected term; Levels 2 to 8
- National target of 3m starts (2015-2020)
- Open to all ages 16+ (many apprentices are older and in work)
- Employer led and devised - around 500 new “apprenticeship standards” in development by over 1200 employers in consortia
- Comprise a paid job with formal workplace training plus off site learning (at least 20% of time, generally one day release a week)
- New apprenticeship standards feature an End Point Assessment
- Involve a contractual relationship between employer, employee (apprentice/student) and training provider (LSBU)
- Funded by new “Apprenticeship Levy” paid by all employers with a pay bill of £3m+ at a rate of 0.5% of pay bill
- Non-levy payers have 90% of training costs paid by government

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Apprenticeships 2

- Overseen primarily by the new Institute for Apprenticeships (and Technical Education),
- Funding managed through Education and Skills Funding Agency
- Apprenticeship incorporating a degree or “prescribed HE” qualifications (eg HNC/D) quality assured by QAA (HEFCE)
- Other levels and qualifications overseen by Ofsted
- LSBU is already an HE leader in apprenticeships - dedicated team of 6 experts and one of only 18 institutions to receive funding from the HEFCE Degree Apprenticeship Development Fund.

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Higher and Degree Apprenticeships

- Degree apprenticeships either include or are themselves a Level 6 qualification
- 57 Higher and Degree Standards approved to date
- 33 in the process of gaining government approval, more in the pipeline
- LSBU planning to offer 22 in 2017-8, with more to come
- LSBU has 150 apprentices currently enrolled (Quantity Surveying at Level 6 and Nursing at Level 5)
- LSBU is targeting 400 apprenticeships for 2017-18 at a range of levels

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Opportunities for LSBU

- £2.5bn+ of Apprenticeship Levy funding available (in context of otherwise stagnant HE market)
- Apprenticeships are naturally part of LSBU's professional and technical educational provision (eg construction, engineering, health etc)
- LSBU history of successful employer sponsored degree provision
- Opportunity for LSBU Family to offer employers integrated provision across different levels
- Degree level apprenticeships can attract high tariff applicants with good progression
- Higher and Degree level apprenticeships are attracting new interest in LSBU from local schools
- Partnership with employers offers new recruitment opportunities based on employer brand & job offer

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Opportunities for LSBU

- Valuable income stream
- Reputational opportunities around tariff, progression, graduate employment
- Enhanced profile by positioning LSBU at heart of key government agenda
- Provide diversified offer attractive to “non-traditional” students
- New opportunities eg Southwark Council funding for Passmore Centre and HEFCE funding for expanded labs and workshops
- LSBU’s use of levy provides opportunities to demonstrate benefits
- Stronger employer relationships around apprenticeships should lead to wider opportunities with those employers eg placements, CPD provision, employer-informed curricula, joint research

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Employers

The LSBU Apprenticeships Team is engaging with nearly 6000 employers with further employers making contact on a regular basis.



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Apprentice Recruitment

- National Apprenticeship Service portal provides powerful central recruitment resource
- LSBU recently posted one Surveying Degree Apprenticeship vacancy with local QS firm Equals Consulting
- Received 130 applications of which 65 met the entry requirements (BBB) 26 shortlisted and 11 interviewed by the Equals Consulting
- Most employers are concerned about finding sufficient numbers of suitable apprentices
- Opportunity for LSBU to submit the remaining 64 eligible candidates to other employers seeking candidates
- By supporting employers' recruitment efforts LSBU stands to strengthen employer links and secure additional apprentices

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The Challenges 1

- Managing new funding stream and compliance processes with ESFA eg attendance monitoring
- Responding to new external quality assurance demands (Ofsted)
- Adapting or introducing systems and processes to manage apprenticeships (eg recruitment, attendance)
- Providing learner progress feedback to which employers – they regard this as a key part of the training / educational provision
- Provision of additional maths and English support
- Demand from employers for national offer e.g. blended learning
- Links with schools to be strengthened to maximise the numbers of Southwark earners we recruit (Passmore grant agreement).

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Challenges 2

- Managing new contractual and more complex relationships between the university, student and employer (funder)
- Responding to issues associated with broader part time provision eg provision of services outside “normal” hours eg catering
- Requires stronger account management infrastructure to support key employer relationships
- Needs “seamless” provision across the Family to service employers’ full apprenticeship requirements
- New and more complex approach to recruitment with and through employers ie business development
- Responding to higher service level expectations from apprentices/ students and their employers

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WHY APPRENTICESHIPS ?

Strategic Fit :

- Supports three core outcomes:
 - Student success
 - Real world impact
 - Access to opportunity

Recruitment:

- New income from Apprenticeship Levy
- Retaining income from sponsored students

Reputation:

- Positions LSBU as a leader in professional and technical education

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CORE ELEMENTS OF APPRENTICESHIPS

DETAILED COMPLIANCE:

- SFA REGISTRATION
- FUNDING AGREEMENTS
- SATISFACTORY/QUALITY ASSURANCE AND AUDIT

ROBUST SYSTEMS FOR:

- FUNDING
- LEARNER MANAGEMENT E.G. APPLICATION & ENROLMENT
- LEARNER FEEDBACK
- 'OUT OF HOURS' PROVISION
- ENGLISH AND MATHS SUPPORT
- END POINT ASSESSMENT/DEGREE AWARDING

OPPORTUNITIES:

- ADDITIONAL INCOME
- HIGH TARIFF STUDENTS
- STRONG PROGRESSION
- INCREASED RECRUITMENT
- NEW EMPLOYER RELATIONSHIPS
- "FAMILY" OFFER
- ENHANCED REPUTATION AND PROFILE

STRONG EMPLOYER RELATIONSHIPS:

- APRENTICESHIP JOBS

HIGH QUALITY SERVICE:

- HIGH QUALITY EMPLOYER ACCOUNT MANAGEMENT
- HIGH QUALITY CUSTOMER SERVICE (LEARNERS)
- STRONG RECRUITMENT OFFER TO EMPLOYERS

NEW EDUCATIONAL COMMITMENTS:

- APPROVED APPRENTICESHIP STANDARDS AND ALIGNED UNIVERSITY COURSES THAT MEET EMPLOYER NEEDS

STRONG EDUCATIONAL INVOLVEMENT:

- COURSE DEVELOPMENT
- NEW EDUCATIONAL SYSTEMS E.G. BLENDED LEARNING

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INSTITUTE FOR PROFESSIONAL & TECHNICAL EDUCATION

Managing Contracts:

- Funder
- Employer
- Learner

Marketing the Opportunity: • “One Stop Shop” for employers and learners

- High quality account management
- Creating apprenticeship courses and pathways within the Family and with other institutions

Supporting the Learner:

- Careers advice
- Recruitment
- Learning support

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5 Year Forecast Update

April 2017

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Agenda Item 4

HEFCE 5 Year Forecast – July 2016

Year	2015/16	2016/17	2017/18	2018/19	2019/20
Income	£137.8M	£144.7M	£152.7M	£163.1M	£174.2M
Staff Costs	£75.8M	£80.9M	£87.2M	£93.5M	£101.4M
Staff Cost %	55.0%	56.3%	57.4%	57.6%	58.5%
Restructuring	-£0.5M	£1.5M	£1.5M	£1.5M	£1.5M
Depreciation	£10.3M	£11.1M	£12.0M	£12.1M	£11.0M
OPEX	£46.6M	£45.4M	£46.2M	£47.5M	£49.9M
Interest + Fin	£4.6M	£4.8M	£4.5M	£4.4M	£4.4M
Contribution	£1.0M	£1.0M	£1.3M	£4.1M	£6.0M
Contribution %	0.7%	0.7%	0.9%	2.5%	3.4%

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2016 - 5 Year Forecast Assumptions

Home / EU Fees	£5M Shortfall due to 15/16 under recruitment
FT UG Growth	Recovery to 2,750 in 16/17 and stable thereafter
Progression	Graduation increased from 58% to 65% by 19/20
PG Fees	Increased to £6.7M p.a as per 15/16 levels
Enterprise	£21M target includes £6M TNE growth by 19/20
Research	£6M target reduced to £5M by 19/20
Apprenticeships	£3.4M of new income by 19/20
Overseas	£20M target reduced to £14M by 19/20
Opex Freeze	Professional Functions' Opex frozen
Estate Strategy	Assumed to be Self funding



2017 - Revised Assumptions

FT UG Growth	2,750 target reduced to 2,500 and held steady thereafter
Fee Inflation	UG Fees increased to £9,250 in 2017 but static thereafter as HE Bill not passed (no assumptions about TEF outcome or additional fee inflation linked to TEF)
NHS Income	Target Reduced by £3M in in 17/18 and steady at £25.7M
Pay Award	Increased from 1% to 1.5%
PG Fees	Increased to £9.5M pa as per 16/17 levels
	All other assumptions remain the same



Minor changes to key Income Targets

	2016/17	2017/18	2018/19	2019/20	2020/21
Enterprise	£9.5M	£11.0M	£12.0M	£15.0M	£17.0M
TNE	£1.5M	£3.1M	£4.1M	£5.0M	£6.0M
Research	£1.9M	£2.2M	£3.0M	£5.0M	£7.0M
Overseas	£9.5M	£11.0M	£12.0M	£14.0M	£16.0M
Post Graduate	£9.0M	£9.4M	£9.5M	£9.6M	£9.8M
Apprenticeships	£0.5M	£1.0M	£2.0M	£3.0M	£4.0M

NHS Income and FT UG recruitment has been reduced. Partially offset by PG growth, and fee increases. Assumed staff cost increases have been reduced to mitigate but staff cost % still planned to increase

Draft 5 Year Forecast – July 2017

Year	2016/17	2017/18	2018/19	2019/20	2020/21
Income	£144.6M	£150.5M	£156.1M	£167.6M	£176.8M
Staff Costs	£80.4M	£85.6M	£88.9M	£96.5M	£101.1M
Staff Cost %	55.6%	56.9%	57.0%	57.6%	57.2%
Restructuring	£1.5M	£1.5M	£1.5M	£1.5M	£1.5M
Depreciation	£11.1M	£11.1M	£11.3M	£11.7M	£12.2M
OPEX	£45.2M	£46.5M	£47.5M	£49.5M	£51.4M
Interest + Fin	£4.7M	£4.4M	£4.4M	£4.4M	£4.4M
Contribution	£1.5M	£1.3M	£2.5M	£4.0M	£6.1M
Contribution %	1.0%	0.9%	1.6%	2.4%	3.5%

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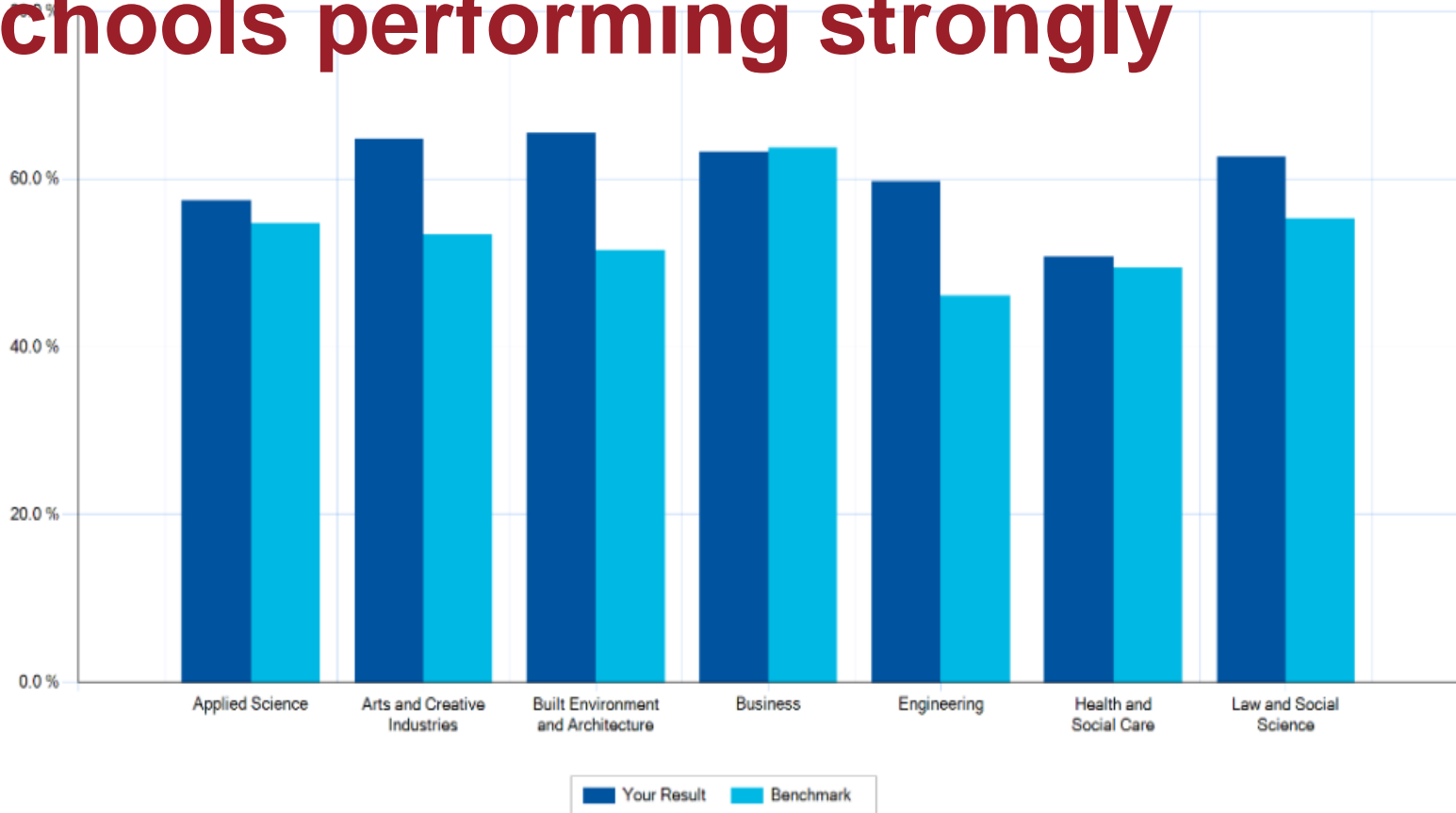
Revised 17/18 Position

Year	Old 2017/18	New 2017/18	Comment
Income	£152.7M	£150.5M	Reduced FT UG Target & NHS Income
Staff Costs	£87.2M	£85.6M	Reduced to match income shortfall
Staff Cost %	57.4%	56.9%	Still above 56% aspiration
Restructuring	£1.5M	£1.5M	Unchanged
Depreciation	£12.0M	£11.1M	Due to lower Capital spend
OPEX	£46.2M	£46.5M	London Living wage adjustment
Interest + Fin	£4.5M	£4.4M	Lower interest payable
Contribution	£1.3M	£1.3M	Unchanged
Contribution %	0.9%	0.9%	

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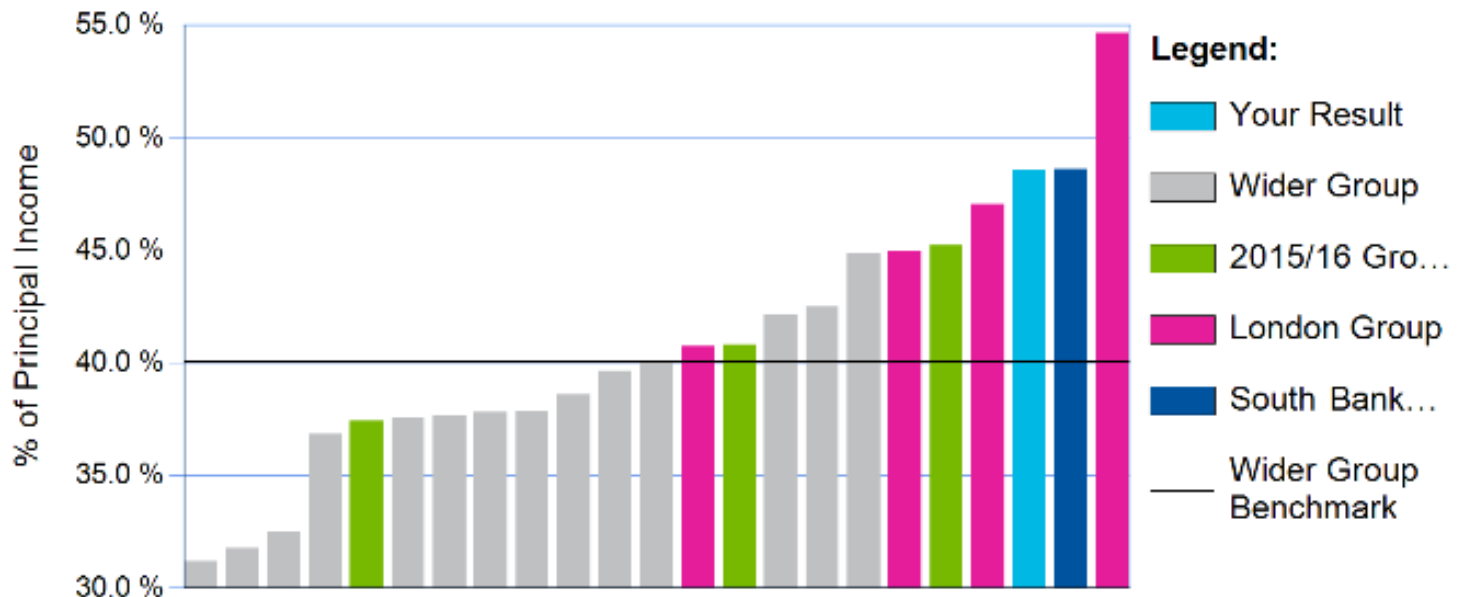
2015/16 contribution Schools performing strongly

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2015/16 – Central costs remain high

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LSBU Family Strategy

Lambeth College

- Will require significant cash & staff resources
- Forecast position not currently factored into these projections
- DD well advanced
- FBC in process of development
- Short term I&E impact could be significant
- Consolidation will be a key issue

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Estate Strategy

Development plans – Unlikely to be cost neutral

- Extra Depreciation cost / Reduced Interest income and interest payable on new loans not yet factored into forecast
- Will have to restrict staff cost growth to fund it or reduce OPEX
- PQQ to test market for funding



Summary

- External environment remains challenging
- On track 16/17
- Future strategy / targets broadly unchanged although FT home/EU growth aspirations lowered and hence income growth and profitability slipped a year
- Will continue to proactively manage cost base and forecasts include mitigations particularly around staff cost management
- Key challenges are around LC and funding wider estates plans. Will need to update forecasts as plans in these areas develop

Creating a Family of like-minded organisations to fulfil individual learning ambitions


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Recent Developments

- 2014 Academy opens
- 2016 UTC opens
- 2017 Employment agency as part South Bank Enterprises
- 2017 Lambeth College?
 - 4th May – MPIC – due Diligence and I&A
 - 18th May strategic business case
 - End may transaction unit submission
 - End May Lambeth Board meet – approval to move to TENS
 - 13th June MPIC meets – approval business case and TENS
 - Autumn – outcome TU and designation
 - Xmas/Jan – transfer assets to London South Bank Colleges
- 2018 onwards
 - Additional schools?
 - Additional colleges?
 - CPD vehicles?
 - Overseas joint ventures?





Our Learning Pathway 2014

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	Academic	Vocational	 LONDON SOUTH BANK UNIVERSITY
Level 8	Doctorate PhD	(Professional Doctorate)	
Level 7	Master's Degree MS, MSc, MA		
Level 6	Bachelor's Degree BA, BSc		
Level 5	Foundation Degree FdA, FdSc	HND	
Level 4		HNC	

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Our Learning Pathway 2017

	Academic		Vocational	Apprenticeship	
Level 8	Doctorate PhD		Professional Doctorate	 London South Bank University EST 1892	
Level 7	Master's Degree MS, MSc, MA		Higher Apprenticeship		
Level 6	Bachelor's Degree BA, BSc			Higher Apprenticeship	 Institute for Professional & Technical Education
Level 5	Foundation Degree FdA, FdSc		HND		
Level 4			HNC		
Level 3	A-Level	A-2 A-1 (AS)	BTEC Diploma NVQs	Advanced Apprenticeship	 Lambeth College The Careers College
Level 2	GCSE Grades 1-9		BTEC Certificate NVQs	Intermediate Apprenticeship	
Level 1	GCSE Grades 1-9		Range professional courses (e.g. AAT)	Traineeships	 South Bank Engineering UTC

Commitment to local communities and enhancing learner outcomes

Resources: Leading specialist facilities and technical resources



Increased efficiency through integrated back office



Growth: Expansion of Advanced and Higher Apprenticeships



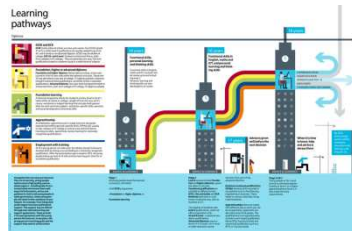
Greater effectiveness in learner support



Quality enhancement



Coordinated solutions for business and local stakeholders



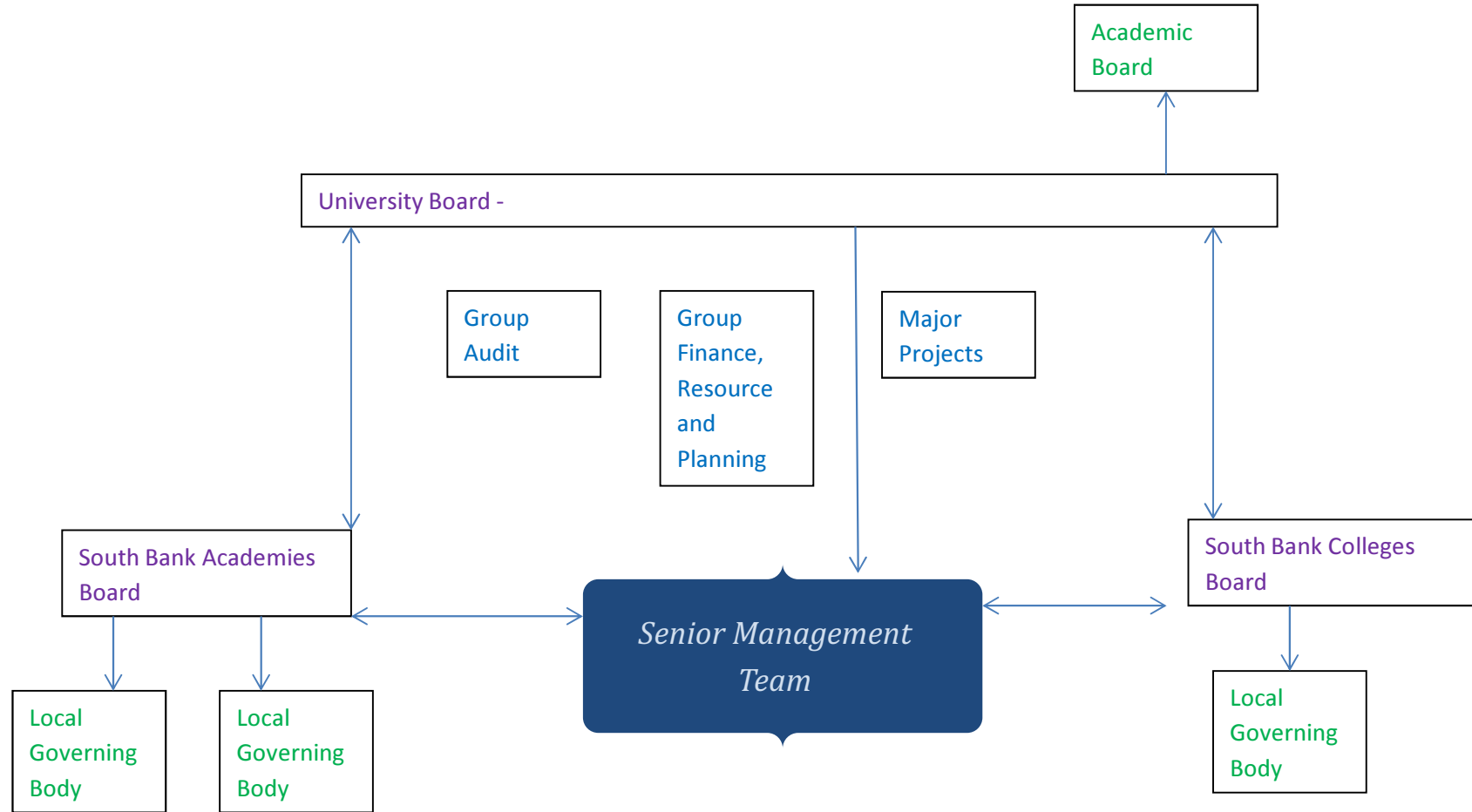
Increased progression and aspiration via progression pathways and signposting

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Group Governance?

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Discussion points

**What does this mean for the way we work? What are the governance implications?
What are the opportunities and risks?**

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