

Meeting of the Board of Directors of South Bank University Enterprises Ltd

3.00pm on Wednesday, 26 March 2014
held in DCG12&13, Clarence Centre for Enterprise and Innovation, London
South Bank University

Agenda

	<i>Paper No.</i>	<i>Presenter</i>
1. Welcome and Apologies		Chair
2. Declarations of Interest		Chair
3. Minutes of the meeting of 5 November 2013 (to approve)		Sec
4. Matters Arising		Chair
4.1 Approval of creation of new posts (to note)	UE.01(14)	CEO
Business Matters		
5. Management accounts to 28 February 2014 (to note)	UE.02(14)	CEO
6. Aged debtors (to note)	UE.03(14)	Acct
7. CEO's business update (to note)	Verbal update	CEO
8. Key performance indicators (to note)	UE.04(14)	CEO
9. Investment Escalator (to approve)	UE.05(14)	CEO
10. International top ups (to note)	UE.06(14)	CEO
11. Intellectual property and spin out company matters (to discuss and note)	UE.07(14)	CEO
Governance		
12. Risk register (to review)	UE.08(14)	CEO
13. Any Other Business		Chair
14. Date of Next Meeting – Tuesday 17 June 2014 at 3.00pm		Chair

Members: James Smith (Chair), Richard Flatman, Tim Gebbels (CEO) and Beverley Jullien.

Apologies: Julian Beer

In attendance: Accountant and Governance Officer.

Minutes of a Meeting of the Board of Directors
of South Bank University Enterprises Ltd
Held at 3pm on Wednesday 5 November 2013
in Room 1B16, Technopark, London SE1

Present

James Smith Chairman
Julian Beer (*via Conference call*)
Richard Flatman
Tim Gebbels CEO
Beverley Jullien

In attendance

Michael Broadway Governance Officer
Rebecca Warren Accountant for South Bank University Enterprises Ltd.

Welcome and apologies

1. No apologies had been received.

Declarations of interest

2. No interests were declared in any item on the agenda.

Minutes of the meeting of 25 September 2013

3. The Board approved the minutes of the meeting of 25 September 2013 subject to deleting “and signed” from minute 5.

Matters arising

4. The Board noted that the directors’ report was part of the accounts which would be considered at the meeting. It was noted that the key performance indicators had not changed since the last meeting and that the proposed targets would be discussed later in the meeting.

Management accounts

5. The Board considered the management accounts to 30 September 2013 (paper **UE.31(13)**). The forecasts had not yet been revised as the accounts only covered the first two months of the year. The Board requested the timings of its

meetings to be reviewed to ensure the management accounts were still current for the meeting.

CEO business update

6. The Board noted a verbal update from the CEO on business activities since the last meeting (paper **UE.32(13)**). Post completion works in the Clarence Centre had been completed, the business lounge in the centre was now open and the recruitment of tenants was ahead of plan. The knowledge transfer collaboration (KTC) programme had been re-launched and recruitment to the September ACCA programme had been very successful. The CEO was developing a case to create a new Head of Special Projects within his team.

SBUEL bonus settlement, 2012/13

7. The Board considered the proposed individual performance bonuses for qualifying employees (paper **UE.33(13)**). The performance ratings had been given by each employee's line manager during the appraisal process and were subject to review by the CEO. The Board requested that in future years the performance ratings given by the CEO to his direct reports be reviewed by the Pro Vice Chancellor (External).
8. The Board approved the proposed individual performance bonuses as set out in the paper.

Intellectual property and spin out company matters

9. The Board noted the update on intellectual property and spin out company matters (paper **UE.34(13)**).

Audit findings

10. The Board considered the group audit findings which had been prepared by Grant Thornton, the external auditors (paper **UE.35(13)**). The audit findings had been considered in detail by the University's audit committee. It was noted that much of the report covered LSBU and the Board discussed the areas relevant to SBUEL. It was noted that credit control was now under control and that journals' procedures were being tightened up.
11. The Board requested a regular debtors report to be brought to the Board.

Statutory accounts for the year ended 31 July 2013

12. The Board considered the statutory accounts for the year ended 31 July 2013 (paper **UE.36(13)**). After due consideration the Board approved the Gift Aid payment as set out in the accounts to the University.
13. The Board approved the accounts and authorised any director to sign on its behalf at the University Board meeting of 21 November 2013.
14. The Board thanked the finance team for the good work done in preparing the accounts.

Letter of representation

15. The Board considered the letter of representation to the auditors (paper **UE.37(13)**). The Board noted that the letter contained standard representations only and that no items had been inserted specific to the company. The Board were satisfied that they had enough collective knowledge of the accounting process to sign the letter. The Board approved the letter of representation and authorised any director to sign on its behalf at the same time as the accounts were signed.

Schedule of matters reserved

16. The Board considered the revised schedule of matters reserved (paper **UE.38(13)**). The Board requested that reference is made to the matters delegated formally to the CEO through his letter of delegation which should be attached to the schedule. The Board requested the correction of the approval level for commercial sales for the CEO to read £50k rather than £500k. Subject to these amendments the Board approved the revised schedule of matters reserved.

Annual declarations of interest

17. The Board noted the declared interests of its directors in the register of directors' interests (paper **UE.39(13)**). The Board authorised the newly declared interests as set out in the paper.
18. The Chairman declared an additional interest as a member of the Advisory Board of Imperial College Energy Futures Lab. The Board authorised this additional interest.

Key performance indicators

19. The Board discussed the proposed revised key performance indicators as tabled by the CEO. The CEO would seek the views of the directors outside the meeting.

Non-executive director recruitment

20. The Board noted that the CEO was drawing up a shortlist of potential non-executive director candidates to fill the current vacancy.

Date of next meeting

21. The date of the next meeting was noted as Wednesday 26 March 2013 at 3pm.

There being no further business, the Chairman closed the meeting.

Approved as a true record:

.....
Chairman

	PAPER NO: UE.01(14)
Board:	Board of Directors
Date:	26 March 2014
Paper title:	Approval of creation of new posts
Author:	Michael Broadway, Governance Officer
Recommendation:	That the Board formally note its approval of the creation of new posts (approval was obtained via email in December 2013)
Communications – who should be made aware of the decision?	

Executive summary

In December 2013 the Board approved via email the creation of three new posts in SBUEL within a new team to focus full time on strategic projects. These posts are Head of Strategic Projects, Partnerships and Bids Manager and Programme Support Officer. The Programme Support Officer has been recruited and will begin in early April. The recruitment of the Head of Strategic Projects and Partnerships and Bids Manager is underway with interviews scheduled for the week commencing 24 March.

The Board is requested to note its approval of the three posts and to formally minute the decision.

	PAPER NO: UE.02(14)
Board:	Board of Directors
Date:	26 March 2014
Paper title:	Management account to 28 February 2014
Author:	Tim Gebbels, Chief Executive, SBUEL
Recommendation:	That the Board notes the management accounts and the summary of key variances as presented
Communications – who should be made aware of the decision?	

1. Management Accounts

Annex 1 presents the management accounts to end February 2014. It presents views for SBUEL, University Enterprise and for All Enterprise in the format previously agreed with the Board.

2. Key Income Variances

Management account show a number of variances in University Enterprise income, some of which are real and some of which arise from the change in accounting treatment expected at the time of budgeting and current practice. In total, these amount to £527k. In practice, half of this arises from changes in treatment of income since the budget was created – the true income variance is £240k.

Reduced income:

- Rental and lettings income: £107,000 variance. This arises out of loss of lettable space in Technopark, given up for other internal LSBU purposes. Uncertainty remains of planned usage and extent of University's requirements. Should be resolved shortly.
- ACCA income: £133,000 variance. Recruitment below forecast (September, failure to recruit BAAF graduates onto scheme; February, poor recruitment externally) while a proposed summer intake was cancelled in June 2013.

Income recognised elsewhere than budgeted:

- **KTP income:** £87k versus budget of £150k. This forecast was for new KTP income arising from projects started this year (existing KTPs appear in Faculty accounts). Change in accounting approach means all new KTPs are now also taken in Faculty accounts. Forecast income is on track to reach £151,000 by year end (three new KTPs up and running), but less than 35% of this will appear in University Enterprise cost centres.
- **Miscellaneous Income:** Current income £0 versus full year budget of £200k. This line is a budget holder for income generated through commercial projects by University Enterprise. This income was expected to be taken through University Enterprise but, in practice, has gone into Faculty income. These projects have delivered £54k (ytd) from research and consultancy with Faiveley, Fina, Eunomia, PBA Energy Solutions, NFRC, RICS. A further £60k is already contracted or invoiced from Bonds, Overview, Faiveley and for film location work. There is a strong pipeline of projects in development (prospective total value >£200k for ESBE related projects alone) to deliver the balance. However, none of this income will appear in University Enterprise cost centres.

3. Key Expenditure Variances

Variances in expenditure have arisen through three main causes: Staffing, Projects and Clarence Centre. Each is described in the following paragraphs.

- **Staffing** – We continue to hold a number of vacancies following two retirements and two staff choosing not to return to work following redundancy. In all cases, appointments have been made to these posts, but two of the four positions remain vacant as we wait for notice periods to expire. Further, one of the appointments was an internal promotion, so a consequent vacancy has been created. All these posts should be filled by mid April. In addition (as reported elsewhere on this agenda), three new posts have been created and we hope to have staff appointed into these posts by summer. The underspend on the salary budget will to some extent (depending again on notice periods) be absorbed by these new posts in the final months of the year.
- **Projects** – Where projects like the ACCA have underperformed in terms of income, the associated delivery costs have also been reduced. Poor recruitment to some of the offered papers resulted in cancellation of one or more papers each semester, and so the costs of delivery were avoided. In addition, where project income has been

recognised elsewhere, the costs of project delivery are also recognised elsewhere. Our budget carried costs commensurate with forecast income, and these are largely shown in the “other” expenditure line.

- Clarence Centre – The budget for the Clarence Centre included substantial sums for rates, estates charges and other costs recorded under Utilities. To date, nothing has been recorded against these lines.

4. Recommendations

The Board are asked to:

- Note the accounts and the summary of key variances as presented.

Enterprise Report index

Enterprise Matrix C: Tab name

Sheet name

All	<i>All Enterprises - quadrant</i>	All Enterprises: Quadrant
All	<i>All Enterprises</i>	All Enterprise: Management Accounts
4A+4B+3A+3B	<i>SBUEL</i>	SBUEL: Management Accounts
1A+1B+3A+3B	<i>University Enterprise</i>	University Enterprise: Management Accounts

ENTERPRISE MATRIX

	Faculty/Other		University Enterprise	
	Projects	Support	Projects	Support
LSBU	2A	2B	1A	1B
SBUEL	4A	4B	3A	3B

"University Enterprise" is Tim's University Enterprise cost centres only, i.e 748(0), 750(0), 751(0), 753(0)

"Faculty / Other" is all the other cost centres, which get reported in the Faculties, Estates, Events, Finance etc.

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of February 2014									
All Enterprise - YTD Actuals									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-228,955	-4,253,359	-472,932	-411,252	-5,366,498	-701,887	-4,664,611		
B Enterprise Support Income	-319,742	0	-313,011	0	-632,752	-632,752	0		
Total Income	-548,697	-4,253,359	-785,943	-411,252	-5,999,251	-1,334,640	-4,664,611		
A Enterprise Project Costs	116,537	1,908,262	268,663	148,260	2,441,721	385,199	2,056,522		
B Enterprise Support Costs	67,547	7,230	417,789	19,540	512,106	485,336	26,770		
Total Costs	184,083	1,915,492	686,452	167,800	2,953,827	870,535	2,083,292		
A Grand Total Enterprise Project	-112,419	-2,345,097	-204,270	-262,992	-2,924,777	-316,688	-2,608,089		
B Grand Total Enterprise Support	-252,195	7,230	104,779	19,540	-120,646	-147,416	26,770		
Grand Total	-364,614	-2,337,867	-99,491	-243,452	-3,045,424	-464,105	-2,581,319		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of February 2014									
All Enterprise - Annual Forecast									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-445,008	-5,085,411	-1,031,103	-432,884	-6,994,406	-1,476,111	-5,518,295		
B Enterprise Support Income	-510,322	0	-536,590	0	-1,046,912	-1,046,912	0		
Total Income	-955,330	-5,085,411	-1,567,693	-432,884	-8,041,318	-2,523,023	-5,518,295		
A Enterprise Project Costs	308,760	2,837,825	836,753	230,596	4,213,934	1,145,513	3,068,421		
B Enterprise Support Costs	586,636	0	706,908	0	1,293,544	1,293,544	0		
Total Costs	895,396	2,837,825	1,543,661	230,596	5,507,478	2,439,057	3,068,421		
A Grand Total Enterprise Project	-136,248	-2,247,586	-194,350	-202,288	-2,780,472	-330,598	-2,449,874		
B Grand Total Enterprise Support	76,314	0	170,318	0	246,632	246,632	0		
Grand Total	-59,934	-2,247,586	-24,032	-202,288	-2,533,840	-83,966	-2,449,874		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of February 2014									
All Enterprise - Annual Budget									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-520,008	-4,823,767	-1,197,262	-390,620	-6,931,657	-1,717,270	-5,214,387		
B Enterprise Support Income	-510,322	0	-536,590	0	-1,046,912	-1,046,912	0		
Total Income	-1,030,330	-4,823,767	-1,733,852	-390,620	-7,978,569	-2,764,182	-5,214,387		
A Enterprise Project Costs	383,760	2,603,732	836,753	183,959	4,008,204	1,220,513	2,787,691		
B Enterprise Support Costs	586,636	0	706,908	0	1,293,544	1,293,544	0		
Total Costs	970,396	2,603,732	1,543,661	183,959	5,301,748	2,514,057	2,787,691		
A Grand Total Enterprise Project	-136,248	-2,220,035	-360,509	-206,661	-2,923,453	-496,757	-2,426,696		
B Grand Total Enterprise Support	76,314	0	170,318	0	246,632	246,632	0		
Grand Total	-59,934	-2,220,035	-190,191	-206,661	-2,676,821	-250,125	-2,426,696		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of February 2014									
All Enterprise - Variance Forecast vs Budget									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	(75,000)	261,644	(166,159)	42,264	62,749	(241,159)	303,908		
B Enterprise Support Income	0	0	0	0	0	0	0		
Total Income	(75,000)	261,644	(166,159)	42,264	62,749	(241,159)	303,908		
A Enterprise Project Costs	75,000	(234,093)	0	(46,637)	(205,730)	75,000	(280,730)		
B Enterprise Support Costs	0	0	0	0	0	0	0		
Total Costs	75,000	(234,093)	0	(46,637)	(205,730)	75,000	(280,730)		
A Grand Total Enterprise Project	0	27,551	(166,159)	(4,373)	(142,981)	(166,159)	23,178		
B Grand Total Enterprise Support	0	0	0	0	0	0	0		
Grand Total	0	27,551	(166,159)	(4,373)	(142,981)	(166,159)	23,178		

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)	
					2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %		Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %		Note
(936,923)	(594,464)	Funding Grants			(1,010,912)	(1,010,912)		%		(609,234)	(570,532)	38,702	7%	(401,678)
		Health Contract								(8,071)		8,071		8,071
9,199	7,387	Home & EU Fees - PG			(239,924)	(341,716)	(101,792)	(30%)		(5,895)	(341,716)	(335,821)	(98%)	(234,029)
(3,776,631)	(2,961,658)	Other Fees			(3,678,706)	(3,487,991)	190,715	5%		(2,948,989)	(2,659,620)	289,369	11%	(729,718)
(228,491)	(228,491)	Overseas Fees - UG			(174,143)	(220,000)	(45,857)	(21%)		(58,020)	(220,000)	(161,980)	(74%)	(116,123)
4,199	3,599	Overseas Fees - PG			(29,590)		29,590			(27,500)		27,500		(2,090)
(1,077,881)	(674,367)	Research Grants & Contracts			(527,071)	(520,580)	6,491	1%		(437,158)	(312,005)	125,153	40%	(89,913)
(846)		Other Income - student related			(8,000)	(8,000)		%		(4,803)	(8,000)	(3,197)	(40%)	(3,197)
(2,450,812)	(1,057,591)	Other Operating Income			(2,372,972)	(2,389,370)	(16,398)	(1%)		(1,896,670)	(1,325,912)	570,758	43%	(476,302)
(8,732)	(5,490)	Endowment Income & Interest Receivable								(2,911)		2,911		2,911
(8,466,917)	(5,511,076)	Total Income			(8,041,318)	(7,978,569)	62,749	1%		(5,999,251)	(5,437,785)	561,466	10%	(2,042,067)
1,018,522	636,492	Academic - Permanent staff			709,631	653,342	(56,289)	(9%)		414,307	401,669	(12,638)	(3%)	295,324
305,340	150,391	Academic - Temporary staff			393,058	354,808	(38,250)	(11%)		159,418	178,340	18,922	11%	233,640
614	614	Technicians staff												
1,190,339	683,504	Support - Permanent staff			1,666,077	1,672,995	6,918	%		847,188	968,887	121,699	13%	818,889
2,022	507	Support - Temporary staff			4,000		(4,000)			21,299		(21,299)		(17,299)
97,827	36,209	Third party staff			29,252	32,400	3,148	10%		35,157	18,900	(16,257)	(86%)	(5,905)
2,614,664	1,507,717	Total Staff Costs			2,802,018	2,713,545	(88,473)	(3%)		1,477,370	1,567,796	90,426	6%	1,324,648
686	686	Depreciation			18,384	18,384		%		10,722	10,724	2	%	7,662
686	686	Total Depreciation			18,384	18,384		%		10,722	10,724	2	%	7,662
216,185	101,690	Staff Related			181,527	157,641	(23,886)	(15%)		84,816	92,041	7,225	8%	96,711
128,495	75,455	Marketing and PR			117,720	116,320	(1,400)	(1%)		44,590	67,020	22,430	33%	73,130
98,009	49,863	Bursaries and Scholarships			247,996	247,996		%		98,483	149,331	50,848	34%	149,513
776,260	360,981	Student Related			650,013	658,000	7,987	1%		316,509	369,052	52,543	14%	333,504
67,346	16,143	Equipment			62,065	2,000	(60,065)	#####		27,254	1,165	(26,089)	#####	34,811
20,877	14,807	Computing			129,696	126,396	(3,300)	(3%)		11,065	73,731	62,666	85%	118,631
4,558	2,214	Utilities			173,939	173,939		%		294	107,383	107,089	100%	173,645
4,195	517	Maintenance & Other Estate								15,020		(15,020)		(15,020)
1,967	117	Cleaning & Security								(240)		240		240
492,206	(11,627)	Financial			(15,002)	(15,002)		%		(13,429)	(11,550)	1,879	16%	(1,573)
5,780	3,038	Communications			13,224	13,224		%		11,326	7,714	(3,612)	(47%)	1,898
298,085	108,682	Legal & Professional			339,720	235,060	(104,660)	(45%)		118,259	143,785	25,526	18%	221,461
12,510	7,786	Subscriptions and Membership Fees			9,872	14,816	4,944	33%		24,657	10,476	(14,181)	(135%)	(14,785)
16,759	8,590	Photocopying and Stationery			27,300	28,760	1,460	5%		12,629	16,260	3,631	22%	14,671
557,930	238,295	Other			612,906	674,793	61,887	9%		614,047	330,758	(283,289)	(86%)	(1,141)
41,850	17,774	Internal recharges			5,720	5,496	(224)	(4%)		24,401	3,206	(21,195)	(661%)	(18,681)
2,743,014	994,324	Total Other Operating Expenses			2,556,696	2,439,439	(117,257)	(5%)		1,389,681	1,360,372	(29,309)	(2%)	1,167,015
511,563	273,329	Internal Allocations			130,380	130,380		%		76,055	76,055		%	54,325
511,563	273,329	Total Internal Allocations			130,380	130,380		%		76,055	76,055		%	54,325
(2,596,990)	(2,735,021)	Contribution			(2,533,840)	(2,676,821)	(142,981)	(5%)		(3,045,424)	(2,422,838)	622,586	26%	511,583
		Staff costs as % of income			34.8%	34.0%				24.6%	28.8%			
		Contribution %			31.5%	33.6%				50.8%	44.6%			

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %		Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(536,590)	(313,011)	Funding Grants	(536,590)	(536,590)		%		(313,011)	(313,011)		%		(223,579)
(409,724)	(224,508)	Research Grants & Contracts	(223,680)	(260,616)	(36,936)	(14%)		(264,882)	(152,026)	112,856	74%		41,202
(846)		Other income - student related	(8,000)	(8,000)		%		(4,053)	(8,000)	(3,947)	(49%)		(3,947)
(1,138,421)	(474,034)	Other Operating Income	(1,232,307)	(1,319,266)	(86,959)	(7%)		(612,338)	(751,245)	(138,907)	(18%)		(619,970)
(8,732)	(5,490)	Endowment Income & Interest Receivable						(2,911)		2,911			2,911
(2,094,313)	(1,017,043)	Total Income	(2,000,577)	(2,124,472)	(123,895)	(6%)		(1,197,195)	(1,224,282)	(27,087)	(2%)		(803,382)
263,137	169,482	Academic - Permanent staff	180,186	146,651	(33,535)	(23%)		115,549	97,050	(18,499)	(19%)		64,637
6,744	1,880	Academic - Temporary staff	71,300	72,804	1,504	2%		9,242	42,469	33,228	78%		62,059
456,641	228,332	Support - Permanent staff	603,564	603,564		%		370,300	352,079	(18,221)	(5%)		233,264
14,252		Third party staff						2,173		(2,173)			(2,173)
740,774	399,694	Total Staff Costs	855,050	823,019	(32,031)	(4%)		497,264	491,598	(5,666)	(1%)		357,786
5,021	2,585	Staff related	3,306	1,500	(1,806)	(120%)		5,611	875	(4,736)	(541%)		(2,305)
15,106	2,289	Marketing and PR	10,000	10,000		%		3,702	5,000	1,298	26%		6,298
4,411	908	Student Related	100		(100)			15		(15)			85
18,272	4,327	Equipment	7,380		(7,380)			10,720		(10,720)			(3,340)
(183)	(183)	Computing	110,400	110,400		%		2,924	64,400	61,476	95%		107,476
247,756	2,214	Utilities	498,479	498,479		%		264,223	296,698	32,475	11%		234,256
		Maintenance & Other Estate						1,156		(1,156)			(1,156)
492,206	(11,627)	Financial	(15,002)	(15,002)		%		(13,429)	(11,550)	1,879	16%		(1,573)
		Communications						8,238		(8,238)			(8,238)
148,662	32,347	Legal & Professional	221,220	216,220	(5,000)	(2%)		46,501	132,795	86,294	65%		174,719
245	245	Subscriptions and Membership Fees						620		(620)			(620)
102	102	Photocopying and Stationery	100		(100)			2,187		(2,187)			(2,087)
6,327	477	Other	83,004	83,004		%		24,519	48,419	23,900	49%		58,485
		Internal recharges	220		(220)								220
937,925	33,683	Total Other Operating Expenses	919,207	904,601	(14,606)	(2%)		356,988	536,637	179,649	33%		562,219
301,004	150,501	Internal Allocations											
301,004	150,501	Total Internal Allocations											
(114,610)	(433,164)	Contribution	(226,320)	(396,852)	(170,532)	(43%)		(342,943)	(196,047)	146,896	75%		116,623
		Staff costs as % of income	42.7%	38.7%				41.5%	40.2%				
		Contribution %	11.3%	18.7%				28.6%	16.0%				

University Enterprise - Total (column) from August 2013 To The End Of February 2014

SMT Area: ENTR

Cost Centre: %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)	
					2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %		Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %		Note
(894,894)	(569,839)	Funding Grants			(1,010,912)	(1,010,912)		%		(609,234)	(570,532)	38,702	7%	(401,678)
(105,189)	(56,189)	Other Fees			(275,004)	(350,004)	(75,000)	(21%)		(193,292)	(204,169)	(10,877)	(5%)	(81,712)
(39,116)	(6,456)	Research Grants & Contracts			(150,000)	(150,000)		%		(35,663)	(87,500)	(51,837)	(59%)	(114,337)
(40,533)	(2,800)	Other Operating Income			(1,087,107)	(1,253,266)	(166,159)	(13%)		(493,539)	(712,745)	(219,206)	(31%)	(593,568)
(8,732)	(4,823)	Endowment Income & Interest Receivable								(2,911)		2,911		2,911
(1,088,464)	(640,107)	Total Income			(2,523,023)	(2,764,182)	(241,159)	(9%)		(1,334,640)	(1,574,946)	(240,306)	(15%)	(1,188,383)
4,283		Academic - Permanent staff			45,000	45,000		%		18,113	26,250	8,137	31%	26,887
		Academic - Temporary staff			191,004	191,004		%		689	111,419	110,730	99%	190,315
750,246	414,997	Support - Permanent staff			969,908	969,908		%		456,245	565,477	109,232	19%	513,663
137		Support - Temporary staff								7,477	(7,477)			(7,477)
49,449	17,920	Third party staff								(1,833)		1,833		1,833
804,116	432,917	Total Staff Costs			1,205,912	1,205,912		%		480,692	703,146	222,454	32%	725,220
38,135	6,099	Staff Related			45,924	45,924		%		12,677	26,789	14,112	53%	33,247
106,254	71,549	Marketing and PR			116,320	116,320		%		44,348	67,020	22,672	34%	71,972
83,479	38,033	Bursaries and Scholarships			177,996	177,996		%		95,198	79,331	(15,867)	(20%)	82,798
11,693	8,432	Student Related								2,714	(2,714)			(2,714)
7,815	4,543	Equipment								1,635	(1,635)			(1,635)
6,025	3,615	Computing			126,396	126,396		%		2,922	73,731	70,809	96%	123,474
105		Utilities			173,939	173,939		%		294	107,383	107,089	100%	173,645
2,812	517	Maintenance & Other Estate								1,156	(1,156)			(1,156)
1,237	117	Cleaning & Security												
7	7	Financial			(15,002)	(15,002)		%		(13,544)	(11,550)	1,994	17%	(1,458)
3,440	2,197	Communications			13,224	13,224		%		10,223	7,714	(2,509)	(33%)	3,001
168,844	38,872	Legal & Professional			228,220	228,220		%		65,957	139,795	73,838	53%	162,263
10,517	6,920	Subscriptions and Membership Fees			14,816	14,816		%		9,486	10,476	990	9%	5,330
6,843	3,089	Photocopying and Stationery			24,900	24,900		%		4,282	14,525	10,243	71%	20,618
3,744	1,611	Other			205,212	280,212	75,000	27%		29,130	163,457	134,327	82%	176,082
46,151	3,181	Internal recharges								52,664	(52,664)			(52,664)
497,102	188,783	Total Other Operating Expenses			1,111,945	1,186,945	75,000	6%		319,143	678,671	359,528	53%	792,802
118,588	69,176	Internal Allocations			121,200	121,200		%		70,700	70,700		%	50,500
118,588	69,176	Total Internal Allocations			121,200	121,200		%		70,700	70,700		%	50,500
331,342	50,770	Contribution			(83,966)	(250,125)	(166,159)	(66%)		(464,105)	(122,429)	341,676	279%	380,138
		Staff costs as % of income			47.8%	43.6%				36.0%	44.6%			
		Contribution %			3.3%	9.0%				34.8%	7.8%			
		Total Income			(2,523,023)	(2,764,182)	(241,159)			(1,334,640)	(1,574,946)	(240,306)		
		Total Staff Costs			1,205,912	1,205,912			480,692	703,146	222,454			
		Total Other Operating Expenses			1,111,945	1,186,945	75,000		319,143	678,671	359,528			
		Total Internal Allocations			121,200	121,200			70,700	70,700				
		Contribution			(83,966)	(250,125)	(166,159)		(464,105)	(122,429)	341,676			

This summary comes from the following sheets:

Tab name
 UE Projects SU
 UE Support SU
 UE Projects SBUEL
 UE Support SBUEL

Sheet name
 1A) LSBU: University Enterprise - Projects
 1B) LSBU: University Enterprise - Support
 4A) SBUEL: University Enterprise - Projects
 4B) SBUEL: University Enterprise - Support

	PAPER NO: UE.03(14)
Board:	South Bank University Enterprises Ltd
Date:	26 March 2014
Paper title:	Aged debtors report
Author:	Rebecca Warren
Recommendation:	The Board is requested to note the aged debtors.

The first section of the attached report shows the aged debtors on the sales ledger. Particular points to note:

The Current debtors consist largely of tenants in the Technopark and the Clarence Centre.

Several of the older debtors have special arrangements. Life Centre Bible Church (the only debtor on the list which goes back to the previous financial year) is paying instalments of £200 per month. The Income team have just determined that the invoices for NHS Property Services have been going to the wrong address and will need to be reissued. One debt, for £70 plus VAT, has been written off at the advice of the University's debt collectors.

The second section shows arrears from the previous year for several Technopark tenants. Self Energy, Protimos and Seyhan Tezel (Rockwells Café) have paid part of their arrears since the year-end (the amount shown is the amount still outstanding), but there have been no receipts from LKIC.

The Board is requested to note this report.

SALES LEDGER AGED DEBTOR REPORT

CustID	CustID (T)	current	1-30 days	31-60 days	61-90 days	90+	Rest amount
1633	RUACH MINISTRIES	1,046	-	-	-	523	1,570
1634	NHS LONDON - SOUTH EAST	-	-	272	272	1,065	1,610
1733	CHARTERED MANAGEMENT INSTITUTE	306	-	-	-	-	306
1862	ALLWAG PROMOTIONS LTD	1,106	-	-	-	-	1,106
1914	ASHBURY TRAINING	126	-	-	-	-	126
1927	SOLION LTD	6,084	-	-	-	-	6,084
1949	THE ENERGY INSTITUTE	-	1,440	-	-	-	1,440
2017	CIPD	234	-	-	-	-	234
2062	MAJOR ENERGY USERS COUNCIL	1,035	-	-	-	-	1,035
2081	GREAT ORMOND STREET HOSPITAL	10,122	-	-	-	-	10,122
2094	LIFE CENTRE BIBLE CHURCH	-	-	-	-	1,014	1,014
2105	KINGSTON UNIVERSITY	1,591	-	-	-	-	1,591
2146	Guys and St Thomas NHS Foundation Trust	1,114	-	-	-	-	1,114
2153	NATIONAL UNION OF STUDENTS	5,728	-	-	-	-	5,728
2157	NHS PROPERTY SERVICES	-	660	-	290	1,474	2,424
2185	INTERACTIVE	766	48	-	-	-	814
2198	UK POWER NETWORK SERVICES	1,873	-	348	133	-	2,353
2207	EMPOWERED WOMAN LTD	-	-	-	-	420	420
2208	HEALTH EDUCATION SOUTH LONDON NHS	-	-	-	-	392	392
2218	Naked Creativity	6,174	-	-	-	-	6,174
2220	ALL ICELAND	-	-	-	70	-	70
2226	COGITARE	32	-	-	-	-	32
2228	DISABILITY SPORT COACH LTD	1,370	-	-	-	-	1,370
2229	FIRST THOUGHT IP	60	-	-	31	-	91
2230	HEAD4HIRE	-	-	-	-	779	779
2232	INTERACTIVE	3,579	-	-	48	264	3,891
2233	LONDON YOUTH GAMES	4,680	-	-	-	-	4,680
2235	MILLION+	7,541	-	-	-	-	7,541
2239	PROTIMOS FOUNDATION	1,789	792	-	960	792	4,333
2241	SHARPCLOUD	1,560	-	-	-	-	1,560
2242	Jevon Davies T/a Silicon Thoughts	-	-	-	-	710	710
2245	TOCA TRAINING	110	-	-	21	-	131
2247	VANGUARDIA	163	-	-	-	-	163
2248	WINE FUSION	87	-	-	-	-	87
2250	DIGITAL DETOX	4,742	-	-	-	-	4,742
2251	IMAGES & CO	7,636	-	-	-	-	7,636
2252	FAIVELEY TRANSPORT TAMWORTH LTD	14,800	-	-	-	-	14,800
2254	VOLUNTEER ECO STUDENTS ABROAD	-	-	-	-	348	348
2259	Central & Northwest London NHS Foundation Trust	-	-	-	2,016	-	2,016
2268	DISABILITY SPORTS COACH	-	-	-	202	-	202
2270	SKANSKA CIVIL ENGINEERING	-	-	606	-	-	606
2271	READY CACHE TECHNOLOGIES	1,864	-	-	-	-	1,864
2273	Valiant Business Media Ltd	1,404	-	-	-	-	1,404
2274	FOREAGSEKONOMISKA INSTITUET	1,404	-	-	-	-	1,404
2276	CAFOD	401	-	-	-	-	401
2279	EUNOMIA RESEARCH & CONSULTING LTD	-	29,990	-	-	-	29,990
2281	Royal Institution of Chartered Surveyors	2,160	-	-	-	-	2,160
2282	CAGE PRISONERS	411	-	-	-	-	411
2283	BREATHE ART HEALTH RESEARCH	184	-	-	-	-	184
2284	ANGLIA RUSKIN UNIVERSITY	1,920	-	-	-	-	1,920
2285	STORY SMITHS	1,596	-	-	-	-	1,596
2290	2EQIPP LTD	1,861	-	-	-	-	1,861
2293	DASSH-UK	960	-	-	-	-	960
		99,619	32,931	1,226	4,042	7,782	145,600

Arrears from 2012-13

LKIC	240,518
Self Energy	3,861
Protimos	5,486
Seyhan Tezel	5,060

TOTAL 254,925

	PAPER NO: UE.04(14)
Board:	Board of Directors
Date:	26 March 2014
Paper title:	Key performance indicators
Author:	Tim Gebbels, Chief Executive
Recommendation:	That the Board note the KPI report
Communications – who should be made aware of the decision?	

Executive Summary

Please see notes in the attachment.

The Board is requested to note the report.

Area of business	Key Performance Indicator	Rationale	2012/13 Actual	2013/14		Target	Data Source	Footnote
				Forecast	YTD			
University Wide	Total Enterprise Income	Overall headline for the University as a whole, including faculty-led enterprise activity	£8.4m	£8.0m	£6.0m	£8.5m	Management accounts	
	Contribution from all Enterprise activity	Overall headline for the University as a whole, including faculty-led enterprise activity	£3.1m	£2.5m	£3.0m	£2.8m	Management accounts	
Commercial Enterprise	University Enterprise Project Income	Headline financial result for University Enterprise team	£810k	£645k	£387k	£829k	From management accounts (inc KTP/KTC)	1
	Total Contracted Project Value (current year)	Primary leading indicator of commercial success	N/A	TBC		£1m	From CRM	2
	Number of Contracted Projects (current year)	Primary leading indicator of commercial success	N/A	TBC		30	From CRM	2
	New opportunities generated (current year)	To illustrate successful pipeline development	N/A	TBC		300	From CRM	2
	Client satisfaction	Key indicator of the quality of our client delivery	N/A	TBC		60%	Positive response. Q: Would you recommend LSBU (Client satisfaction survey, tbd)	3
Student Enterprise	Total number of students engaged	Breadth of our Student Enterprise offer	2037	3000	2200	2000	Student Enterprise records (Across all events, talks, etc)	
	Number engaged on specific programmes	Strength of our programme offer	71	170	154	70	Student Enterprise records(EAS, EAS extension, EELS, Make a Difference, Entrepreneurship in Action)	
	Number of businesses established	Key outcome indicator for enterprise success	34	35	15	30	Student Enterprise records	
Lettings	Occupancy Rate	Headline measure of utilisation across both Clarence Centre and Technopark	85%	80%	77%	75%	Tenancy records (based on net lettable space)	4
	Average rent realisation (Clarence Centre)	Measure of achieving income target	N/A	£43 / sqft	£41.33	£43 / sqft	Tenancy records (based on actual let space)	5
	Average rent realisation (Technopark)	Measure of achieving income target	£37.50 / sqft	£41 / sqft	£37.45	£41 / sqft	Tenancy records (based on actual let space)	6
	Usage of event space	Measure of business engagement (Heart of SE1)	N/A	N/A	35%	40%	Room booking system (based on Mon-Fri availability)	7
Team	Staff satisfaction	Headline measure aligned with University staff survey	44%	80%	53%	80%	Positive response. Q: Considering everything, I'm satisfied with LSBU/SBUEL at the moment (Staff survey and periodic snapshot)	8
	Staff turnover	Hygiene measure of staff satisfaction	37%	10%	5%	15%	HR records. Based on year end total establishment headcount.	9
Cross-University	Number of enterprise-active lead academics	Measures extent of enterprise engagement in academic community	N/A	TBC		???	Census of Enterprise active academics?	10
	Lead academic satisfaction with Enterprise support	Measures operational satisfaction with the support provided by the Enterprise team	N/A	TBC		80%	Positive responses to post completion PI survey (tbd)	11
	Contribution to wider University goals	Measure of broader contribution of team to the University		TBC			TBC	12

Footnotes:

- Enterprise income is increasingly channelled through faculty cost centres rather than University Enterprise. Consequently, forecast income is transferring there too. This is set out in the Board paper covering the management accounts
- CRM System not yet fully implemented. Although data capture is largely complete, reporting has not yet been implemented
- Customer satisfaction survey not yet designed.
- 2013/14 occupancy level is for Technopark alone. Long term target is to achieve this level of occupancy within 30 months of opening. The current level of 75% is above expectation for meeting this target.
- The target rent realisation in the Clarence Centre represents a 15% uplift on the rents achieves in the Technopark. Some tenants transferred from Technopark, and we chose not to impose this rent rise all at once.
- Historically, several tenants in Technopark, particularly those direct tenants of the University rather than LKIC, were on very favourable terms. We are gradually migrating these rents up to more regular market rents.
- The Events team has only been able to collect data on event space usage since the end of December 2013. Measurement methodology is still being finalised.
- 2012 result is based on staff survey. 2013/14 YTD result is average of two "mini barometers" of staff morale. These are now repeated monthly. Current trend is downwards.
- One retirement in 2013/14 YTD. Last year, two maternity non-returners, one retirement, two managed exits and two resignations.
- Census yet to be defined. There is no existing system that captures this information.
- Survey of enterprise active academics yet to be defined.
- The aspiration is to capture a broad measure of the impact of University Enterprise across the University, but no suitable quantitative measure has yet been identified.

PAPER NO: UE.05(14)	
Board:	Board of Directors
Date:	26 March 2014
Paper title:	Investment Escalator ERDF project
Author:	Tim Gebbels, Chief Executive, SBU EL
Recommendation:	<p>That the Board:</p> <ul style="list-style-type: none"> • Approves the project as set out, including the budgeted expenditure, match funding and grant income; • Approves the proposed approach to delivery across the University; • Approves the partnership arrangements proposed in the project (subject to the implementation of appropriate SLAs between the parties) but notes the withdrawal of London Metropolitan University as project partner; and • Notes the early appointment of a project manager in advance of formal project approval by the Greater London Authority <p>The project aims to support small businesses in accessing finance for growth and is supported with 50% match funding from the European Regional Development Fund.</p>
Communications – who should be made aware of the decision?	

Paper Background (brief summary and key points)

The University has developed a bid for European funding for a project called the Investment Escalator. The project aims to support SME businesses by helping them access finance for growth. It provides a demand-led programme of workshops, boot camps, peer support events and specialist coaching to help businesses to make their case to attract new investment.

LSBU is the lead partner in the project. SBUEL (formally a separate partner) and Crowd Cube (a crowd funding organisation, 2% of project budget) are the other delivery partners.

The total cost of the project is £845k and it will attract a 50% ERDF grant worth £423k. Crowd Cube will contribute £9k in match funding. The breakdown of costs, match funding and grant distribution is summarised in the following table:

Partner	Total Costs	ERDF Grant	Partner Match
Crowd Cube	£ 17,871	£ 8,935	£ 8,935
LSBU External Direct Costs	£ 379,656	£ 379,656	£ 0
LSBU/SBUEL In Kind Costs	£ 447,544	£ 33,944	£ 413,600
Total	£ 945,070	£ 422,535	£ 422,535

We aim to finalise the bid for submission to the approval panel at the GLA within one month. Approval itself can take up to six weeks. The University does not enter any legal commitment until it accepts a formal offer letter from EPMU which will only be issued once our full bid is approved.

The start date of the project was November 1st 2013. Claims against project activity can be backdated to the project start date if the project is approved. Likelihood of approval is considered to be very high and we are working with full support from EPMU to finalise the full bid.

Key Benefits

The project is an enabling project that is closely aligned with the University's objectives. Specifically, the key direct benefits of this project to the University include:

- Grant income of £480k to subsidise and enable activity the University wishes to do anyway to support its business engagement strategy and the Heart of SE1 programme
- Development of financially sustainable business support programmes to underpin our business engagement strategy through the Clarence Centre

- Approximately 250 student placements into London SMEs to address real business issues and enhance the employability of our students
- Development of lasting relationships with 400+ SMEs for cross-selling commercial projects, knowledge transfer, student internships, graduate jobs, etc.

Substantial elements of project delivery will involve our students and academics. Students will work with businesses on specific issues related to a defined set of interventions. The student role will be tightly framed and supervised by University academics to ensure a positive outcome for both business and student. Approximately 250 student placements will be offered directly through this project.

The project also provides additional benefits, which will accrue beyond the life of the programme. These range from improved DLHE and NSS results to a strengthened marketing offer to support recruitment. In addition, by establishing a track record in delivery of a project supported by EU structural funds, it substantially improves our position to secure funding in the next funding round (~€750m in London in 2014-20).

This paper seeks approval for the project in anticipation of project approval by the GLA.

1. Project Summary

The “Investment Escalator” project aims to support growth in London SMEs by improving their access to finance.

Generally, investment decisions are based on risk and reward, so business owners need to be able successfully to understand and articulate the risk, opportunity and potential rewards of their investment propositions. This is a complex process that represents a significant barrier to growth for the average SME.

The ‘Investment Escalator’ will work with almost 400 businesses to overcome this barrier through the provision of a menu of support and interventions that will equip businesses to secure investment finance. Following a business diagnostic and development of a bespoke action plan, each business will identify the support they want from a broad range of basic and advanced workshops, boot-camps, master-classes, consultancy offers, peer-to-peer reviews, collective and one-to-one coaching and other support. The customer journey is illustrated schematically in Figure 1.

A sophisticated tracking system will manage, monitor and support the progress of each business through the programme, and will collect business measures of results (e.g. finance secured, business growth achieved).

Specific targets (for ERDF purposes), include at least 250 businesses receiving 12+ hours of support to address their action plan, 50+ new jobs created, 30+ businesses increasing sales through access to new markets and 25+ businesses securing >£1.2m (total) in new financing.

Different elements of the programme will be delivered by academics, supervised students and procured service providers and consultants.

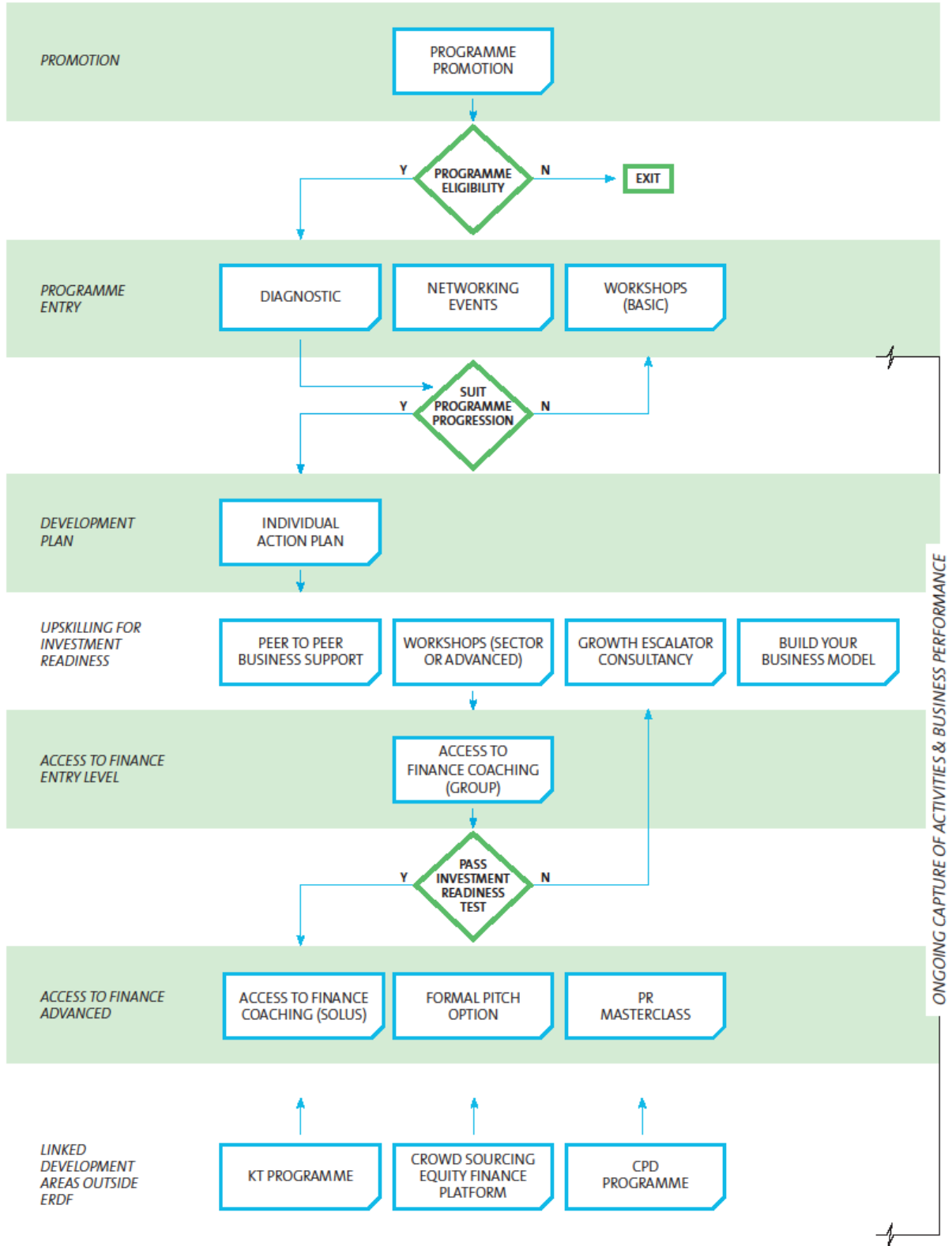
The profile of target businesses is closely aligned with the target profile for the KTP/KTC and other University enterprise programmes, and with the business community that is the target of engagement through the Clarence Centre. This creates a considerable opportunity for the University to establish valuable links between this project and the businesses involved in it and our other lines of business.

The project formally started on 1st November 2013 and work to set up the delivery is already underway. In parallel, we are finalising the full bid in preparation for submission to the approving panel. Project activity must end (for the purposes of making ERDF claims) by 30th September 2015, with a further three months allowed for administrative and financial closure.

It is hoped that, over the project's lifetime, many of its components can become sustainable elements of the University's business engagement strategy so that they can continue even after ERDF funding comes to an end.

Figure 1 – Schematic Customer Journey

INVESTMENT ESCALATOR: CUSTOMER JOURNEY



2. Project Delivery

LSBU is the named project lead and accountable body for the project but delivery is distributed across a number of delivery partners. Key partners in delivery are SBUEL (formally a separate entity in the bid), overall project management and co-ordination, and Crowd Cube, an operator of a crowd funding platform for businesses seeking growth funding. In addition, significant elements of the project are delivered through procured services.

In summary, the project will provide:

- An online business diagnostic for 400+ SME businesses in London to assess their readiness for accessing finances for business growth and sustainability, with resulting action plans for on-going review.
- Focused business support interventions, at basic and advanced levels, including workshops, networking events, business Boot Camps, peer to peer support events, and pitching for finance events.
- Access for qualifying participant SMEs to appropriate investment finance, including access to Crowd Cube's crowd funding platform and access through London Metropolitan University to other equity and loan finance organisations, such as Angel's Den.

Full details of the activity proposed within this project are provided in Appendix 1 and summarised in Figure 1, which illustrates the proposed customer journey.

The key elements of project delivery shown in Figure 1 are mapped among the main delivery partners in the following table:

Delivery Element	Delivered by		
	LSBU	Crowd Cube	Procured
Project management and co-ordination	✓		
Diagnostic			✓
Networking events	✓		
Basic workshops			✓
Action plan			✓
Peer to peer support	✓		
Advanced workshops			✓

Growth escalator consultancy	✓		
Business model development			✓
Access to finance (entry)		✓	✓
Access to finance (advanced)		✓	✓
Formal pitch option ¹			✓
PR master-class			✓

SBUEL is a separately named delivery partner in the bid (as a separate legal entity, it must be) and will provide the overall project management for the project. Two members of staff (project manager and project support officer) have been recruited to SBUEL on fixed term contracts to provide dedicated management and administrative support to the project.

Within LSBU itself, delivery is distributed across many teams. Professional departments will provide support to this project as they do to other Enterprise activity: Marketing will support the recruitment of businesses to the programme; the events team will support the many events and workshops; and the finance team will provide support to meet the burdensome requirements for financial management, record keeping and making claims.

The three key elements of delivery to be undertaken by LSBU are the networking events, peer to peer support and the Growth Escalator consultancy. More detail on how these will be delivered is given in the following sections.

Networking Events

We will hold a series of focused networking events each quarter, including breakfast sessions, early evening sessions and lunchtime sessions for all participating businesses. These events will be focused on accessing investment finance, (including opportunities to contribute to and benefit from the crowd funding element) and will include presentations and case studies from small businesses that have successfully accessed finance and transformed their businesses.

Operationally, these events will be promoted organised and run with the University's events team with external speakers procured by the programme management team. University academics, predominantly but not exclusively

¹ The formal pitch option will be procured but any business taking this option will be required to pay the full cost to do so.

from the Faculty of Business, will provide the LSBU content to these sessions and lead the discussions.

Peer to Peer Support

The peer to peer support programme delivers peer-to-peer learning and development in facilitated SME groups giving access to the expertise of the University in conjunction with input from fellow practitioners. The methods include structured learning, coaching, informal networking, communication and knowledge-sharing dialogue with peers and experts. The approach is an extended Action Learning Set with owners, directors and senior managers working together to identify solutions to real business problems and helping each other to seek new opportunities.

Delivery will be led by academics from the Faculty of Business and will consist of a series of three hour sessions involving groups of 12-15 SME director/owners. The first half of each meeting will focus on a business pitching its overall business plan or new strategic development, with group feedback supported by a University facilitator. In the second half of the meeting, an expert presenter will run a seminar/discussion on a hot topic previously identified by the group.

Growth Escalator Consultancy

Growth Escalator Consultancy is about immediate and practical just-in-time, high-end expertise to a business to deliver an immediate impact in its processes and results. The focus is on business intelligence related to new markets, customers and effective communication tools. It identifies opportunities businesses may not be aware of and points them to new tools and information that they can apply immediately. It gives smaller organisations access to the level of resources, skills and research in key standardised areas that are normally only available to large firms.

Intervention in any business is fast and practical, typically only a few weeks in duration. Companies will typically be in the 10-100 employees size band. The first step in the process will be an interview with the CEO to identify specific barriers to growth. This interview process is important because often a company's real barrier to growth may be masked or not clearly understood by the company. The research team will then work with and on behalf of the company to gather and deliver action-oriented information. It leaves the entrepreneur in charge of their company, giving them a better view of the big picture, and better tools and information.

Growth Escalator Consultancy will be delivered by students from LSBU, typically (but not necessarily) from the Faculty of Business. Faculty academics will create a series of expert generic tools and reporting templates in the key standardised areas of focus for the programme which provide the

quality-assured framework through which the students can then deliver specific projects. All student work will be supervised and approved by faculty academics.

Using students to deliver the growth escalator consultancy not only keeps costs of delivery reasonable (students will be paid London Living Wage), but it also, importantly gives students the opportunity to work on live projects, engaging with real businesses and supporting their transferable skills development and employability. We will work with the Student Services and Employability team to recruit up to 150 or more students to take part in this programme.

3. Project Benefits

The project will deliver a wide range of benefits, to businesses, to the ERDF programme and to the University itself. Some of these will be tangible and some intangible. These benefits are summarised briefly in the following sections.

Direct

- ~£479k ERDF funding towards project costs to LSBU of £957k (including partial overhead recovery), subsidising, enabling and expanding on, work we would largely wish to do anyway.
- Development of financially sustainable business support programmes such as the Growth Escalator Consultancy and Peer to Peer Coaching.
- Source of 150 student projects involving up to 250 students in a supported process whereby real business engagement leads to improved employability outcomes.
- Cross-selling of other University products (KTP, consultancy, CPD, etc.) to a “captive” audience – up to 4 incremental KTP sales, based on anticipated KTP pipeline ratios, worth over £600k in gross revenue on their own. Other cross-sales, including Business Development Partnerships (worth £39k each) would be in addition to this.
- Up to 100 placements or internships per year (Student Services estimate) arising as a result of relationships established through this project.
- Up to 10 permanent jobs for our graduates (Student Services estimate) arising as a result of relationships established through this project.
- Up to 100 direct interactions with SME leaders (mentorship, shadowing, guest lectures, etc.) arising as a result of relationships established through this project (Student Services estimate).

- Research project looking at the impact of business support interventions and community and project engagement in SME performance, offering professional and research papers.

Indirect

- Pathway for increased academic engagement with business as a means to maintain currency and relevance of academic skills and to add to portfolio of case studies used in the classroom. Primarily (but not exclusively) in Informatics and Management departments in BUS through the peer networks and the growth escalator consultancy.
- Improved DLHE and NSS (employment outcomes) results as a result of student opportunities provided by the project, generated by both overall student up-skilling and direct employment opportunities. These are most likely to be seen in 2015 in relation to the Business Faculty (Informatics and Management).
- Opportunity to build lasting relationships with 400+ SMEs for commercial sales, internships and placements, student sponsorship, etc.
- Establishes reputation as accountable body for European structural funds and other (non-academic/research) funding streams – improving chances of success accessing ERDF/ESF funds in the next European programme, recently announced LEP funding and other potential sources.
- Establishes a platform of business support activity that can lever in further funding to support the University's aims. For example, we are currently developing a £400k fully funded bid to Southwark Council to deliver a project with substantial overlap with this project. The Southwark bid can readily be expanded to other adjacent boroughs.
- Creates a set of clearly demonstrable proof points for the proposition "London's Enterprising University" to support our recruitment and other marketing.

Benefits to the Businesses

- Improved company performance, including access to finance to fund growth (£1.2m+ new investment finance in total through the programme).
- Development of a clear action plan to unlock business growth.
- Access to structured and free/subsidised programme of support to address barriers to growth.
- Support programme that is flexible, demand-led and customised to business need rather than a pre-defined fixed programme of support.

- Peer review of business plans and solutions.
- Access to business intelligence from peer network on successful interventions and their business impact.
- Guided and supported access to funding channels, including LSBU's crowd funding platform.
- Start of a long-term relationship with the University, and access to academic and student resources.

4. Project Financing

Bid Costing

The overall cost of the project, as estimated in the full bid, is £845k, of which £422k can be claimed from the ERDF (European Regional Development Fund) programme on the basis of 50% match funding from the four delivery partners.

The split of project costs is summarised in the following table:

Description	Cost
Delivery Activities	
Networking events	£ 7,875
Individual action plan	£ 37,500
Workshops basic	£ 9,125
Workshops advanced	£ 10,220
Workshops advanced - procured	£ 5,400
Peer to Peer	£ 33,935
Growth Escalator	£ 154,530
Bootcamp	£ 6,460
Business Modelling - Service Sector	£ 13,500
Access to finance coaching (group) procured	£ 6,000
Access to finance coaching (group) crowdcube	£ 16,169
Access to finance coaching (solus) procured	£ 4,688
Access to finance coaching (solus) crowdcube	£ 1,702
PR masterclass	£ 7,000
Sub Total	£ 314,104
Additional expenditure	
SME diagnostic	£ 34,410
SME black box	£ 19,948
Marketing budget	£ 41,695
Sub Total	£ 96,053
Project management/active delivery support	
Director of Enterprise	£ 29,018
Head of Business Development	£ 15,718
Head of Programme Mgt	£ 36,273
Programme Manager	£ 96,728
Support Officer	£ 56,828
Marketing Manager B2B	£ 21,228
Evaluation - (external with interim)	£ 13,000
Evaluation - internal SME research	£ 5,000
Web team	£ 4,000
Enterprise Finance Manager/team average	£ 30,000
Procurement (Supervision)	£ 500
Events and conferences team	£ 45,121
Sub total	£ 353,414
LSBU overheads	£ 81,500
TOTAL	£ 845,070

Of these costs, £9k are borne by and Crowd Cube and the balance (£834k) are LSBU/SBUEL costs.

ERDF rules are very prescriptive about what is eligible expenditure within claimed overheads. In the bid, we have included costs of £81.5k in LSBU overheads. When overhead costs are estimated on a Full Economic Cost (FEC) basis, they are significantly higher, as set out below.

Full Economic Costs

The University's standard method for estimating Full Economic Cost has a significantly different approach to calculating both estates costs (not included in the bid at all) and University overheads compared with the ERDF approach. Using exactly the same direct costs as set out above, the University FEC is calculated as:

Description	Value
Direct Costs	
LSBU Staff Costs	£ 468,876
Crowd Cube Costs	£ 17,871
Other External Costs	£ 276,823
Sub Total	£ 763,570
Overhead Costs	
Estates Costs	£ 52,306
Indirect Costs	£ 396,930
Sub Total	£ 449,236
Full Economic Costs	£ 1,212,806
Project Income	
ERDF Grant	£ 422,534
Crowd Cube match funding	£ 8,936
Sub Total	£ 431,479
Profit on activity	-£ 781,327
Proportion of FEC recovered	36%
Contribution	-£ 332,091
Contribution rate	-77%

The maximum intervention rate permissible under ERDF rules is 50%, with projects expected to deliver match funding for the difference. The best possible FEC recovery rate is therefore only 50%. However, because ERDF rules are so restrictive on the calculation of eligible overheads, there are elements of overhead that the University recognises that cannot be recovered through the project. In this project, FEC estimated overheads and

estate costs amount to almost £450k but only £81k of these are eligible costs in the project. This substantial difference explains why only 36% FEC recovery is achieved in this project.

Match Funding

The project will be able to claim 50% of project costs set out in the bid and, based on the current projections (and dependent on the terms of the eventual offer letter), this amounts to approximately £423k and offsets the project costs set out above. This grant income needs to be distributed among the delivery partners who are participating in the project on the basis that they recoup their share of the 50% grant contribution. Therefore, the split of project costs among delivery partners, partner match funding, and the allocation of the ERDF grant against costs, is as set out in the following table:

Partner	Total Costs	ERDF Grant	Partner Match
Crowd Cube	£ 17,871	£ 8,935	£ 8,935
LSBU External Direct Costs	£ 379,656	£ 379,656	£ 0
LSBU/SBUEL In Kind Costs	£ 447,544	£ 33,944	£ 413,600
Total	£ 945,070	£ 422,535	£ 422,535

Marginal Costing

This project is not an IGA with the primary purpose of income generation. Rather, it is an enabling project that attracts funding for activity that directly supports the University's key objectives. In particular, as set out above, the project supports the University's ambition to strengthen its business engagement through the Clarence Centre, to improve its employability offer and employment outcomes for students (with subsequent improvements in DLHE and NSS survey results) and to strengthen its position at the heart of SE1. Based on the benefits the project will bring, the University would undertake much of the work to be delivered through this project even without ERDF funding. European funding may accelerate the pace and extend the reach of the proposed work, but it is essentially work the University would undertake anyway.

For this reason, it would seem inappropriate to base a decision on whether or not to proceed with this project on the basis of an analysis of FEC. Instead, a more appropriate basis for decision making is to assess the marginal costs of undertaking the project against the benefits the project will bring. This analysis would neglect the elements of the University's fixed costs and only consider the incremental cash costs.

LSBU in-kind costs are staff costs incurred by LSBU/SBUEL in the management and delivery of the project as well as over £80k of University

overheads that we would incur whether or not we undertook the project. All of these costs are part of the University's fixed cost base, so do not represent incremental expenditure by the University. They would fund activity similar to what is proposed in the project even without ERDF support.

The external direct costs, on the other hand, do represent incremental cash costs to the University. Based on the expenditure profile in the full bid for the project, we expect that over 95% of these incremental costs will be recovered by the University from the ERDF grant. The balance, just under £17k, represents the University's financial commitment to the project in terms of new cash expenditure.

All figures presented above represent the lifetime costs and grant income for the project. This spans the three financial years of the University, from 1st November 2013 to 30th September 2015. The unfunded budget impact of the project in the current year will therefore be very small (neglecting cash flow issues related to making claims in arrears), amounting to only that portion of the £17k net new expenditure that falls in this year, and will lie entirely in a University Enterprise cost centre.

5. Partnership Arrangements

The project bid is based on a three way partnership between LSBU, SBUEL, and Crowd Cube.

LSBU is the project lead and will be the accountable body for the whole project. Contractually under the ERDF programme, LSBU must accept accountability for satisfactory delivery of the whole project, even where delivery is through partners named in the bid. All communication from EPMU related to any aspect of the project will be with LSBU regardless of which partner or outsourced provider is delivering it.

From the outset, a fourth partner was included in the project –London Metropolitan University (LMU). Their role was twofold. Firstly, they have products that are readily adaptable to delivery of some key strands of this programme (e.g. Bootcamp, basic workshops). Secondly, they brought experience in running ERDF programmes of this nature, and so would have assisted in getting the programme up and running quickly. However, in December 2013, LMU decided that they could no longer commit to this project and felt compelled to withdraw.

Following the withdrawal of LMU from the project, we have restructured the deliverables so that they can be delivered either by LSBU or (for the majority of deliverables) through procured service providers. The greater impact of the LMU withdrawal has been on our ability to ensure a rapid start-up, and this has created some additional risk to the project. Advice from EPMU, however, is that partnership projects carry significant intrinsic risks and that, on

balance, their assessment was that the risks to the project have actually been reduced by LMU's withdrawal. The University's Executive agreed with this assessment in December when they approved the project.

LSBU is required under the terms of the programme to establish formal SLAs with each of the delivery partners setting out the terms of the partnership. EPMU provides a template for such an SLA. We will use the SLA appropriately to mitigate any project risks and to pass on risks and obligations arising within the project to partners wherever appropriate.

We are working with the University's legal team to develop the partner SLAs for agreement with both EPMU and the partners.

6. Project staffing

LSBU's contribution to delivery will largely be made by existing staff within their existing job functions together with substantial student resource, as set out above. However, the project proposal also includes two new staff – a project manager and a project support officer.

The Investment Escalator is a comparatively complex project with many strands of activity that need to be co-ordinated. Several delivery partners and, within LSBU, several departments, need to be effectively managed and co-ordinated if the project is to run successfully. Furthermore, even with the business black box, the effort required to co-ordinate of the 400 or more participating businesses will be substantial.

Beyond the management of the project, the ERDF programme itself imposes a very considerable administrative overhead. Financial and other records need to be meticulously kept, procurement needs to adhere to stringent rules and full records kept, staff timesheets need to be maintained and approved and, in general, the administrative overhead is heavy. Failure to comply fully can result in delay, often considerable, in the acceptance and payment of claims and even in the rejection of claims altogether.

For these reasons, it is considered both essential and prudent for the project to have a full time project manager supported by a full time administrative support officer. Both of these will need to be recruited within the project on fixed term contracts related to the duration of the project.

Recruitment of the project manager is already completed and a person is in post. The project support officer role has been filled since December by a University Intern but the internship is now ending and so the position is also being filled with a fixed term appointment. On balance, the greater risk to the project is that activity is too slow to start up rather than that the project is not, ultimately, approved. It is on this basis that the University has decided to make early appointments ahead of formal project approvals.

7. Recommendations

It is recommended that the Board:

- Approves the project as set out, including the budgeted expenditure, match funding and grant income.
- Approves the proposed approach to delivery across the University
- Approves the partnership arrangements proposed in the project (subject to the implementation of appropriate SLAs between the parties)
- Notes the early appointment of a project manager in advance of formal project approval by the GLA

Appendix 1

The following sections provide a description of the main activities to be provided in each of the four levels of the programme, from Programme Entry to Advanced Access to Finance set out in the Customer Journey. In addition, it describes the two other key elements of the programme, the business black box and the business diagnostic.

1. Programme Entry

Business Networks

A series of focused networking events will be held, per quarter, including breakfast sessions, early evening sessions and lunchtime sessions. These events will facilitate the transfer of key internal expertise from both London South Bank University and London Metropolitan University and external expertise as required to meet the needs identified in the business diagnostics. The events will be focused on accessing investment finance, (including opportunities to contribute to and benefit from the crowd funding element), with presentations / case studies from small businesses that have successfully accessed finance and transformed their businesses.

Basic Workshops

These entry level workshops relate to the skills barriers SMES are facing in accessing finance, including their lack of readiness and knowledge of the opportunities available and their inability to articulate their core proposition and provide a clear business case for investment.

The entry level of workshops will be short interventions delivered by an expert facilitator that cover a range of topical business development subjects, focusing on key themes that are affecting business' ability to win finance.

Example topics will include:

- Making better informed business decisions
- Practical marketing planning
- Understanding your customer value proposition
- Funding your business
- Improving project management performance

2. Up-skilling for investment readiness

Through the diagnostic process and associated action plans, participating businesses will be assessed for their suitability to progress to investment readiness and the following activities

Advanced Level Workshops

Example topics will include:

- Developing online content from scratch
- Improving web and social media content
- Video Marketing
- Driving web site traffic
- Pitching under pressure
- Leveraging the cloud
- Assessing and improving workforce skills
- Innovation management

Our demand led approach to the programme means that the workshops are likely to be delivered at different frequencies. We may also develop new topics informed by the business diagnostics and feedback from participating businesses, allowing for co-created support between the **Investment Escalator** and participant businesses.

Peer to Peer Business Support

The **Investment Escalator** will support, co-ordinate and facilitate peer-to-peer learning and development which will be facilitated in SME groups allowing participating businesses access to expertise from across the group, from the wider programme and from the partner Universities.

The peer-to-peer support programme will feature monthly meetings and an online community. It will involve structured learning, coaching, communication and knowledge-sharing and dialogue with peers and experts. This will create an extended Action Learning Set allowing small to medium businesses facing barriers to accessing finance, to work together to identify solutions to access investment finance and sustain and grow their businesses.

The first half of each meeting will focus on one or several member(s) pitching a business plan or new strategic development idea for which they require investment, with group input supported by a University facilitator. In the second half of each meeting a workshop on business growth/investment topic of their choosing will be provided. This may be delivered either by an expert from the Universities or by an expert from the investment finance sector, an investor or a case study business.

Peer-to-peer networks are a growing part of the commercial landscape and the peer to peer groups will be carefully selected and managed to ensure that businesses are comfortable with the level of commercial confidentiality and willingness to engage with their peers.

The benefits for participating SMEs include:

- External input to their business plan or key strategic and funding issues
- Development of innovative and creative business solutions
- Specific knowledge and skills acquisition on topics chosen for their importance to current major business issues and achieving growth in a small business

- Development of their personal coaching and team management skills
- Establishment of a local support business network

Growth Escalator Consultancy

Growth Escalator, consultancy will utilise the business support expertise and student resources at LSBU to help businesses understand and overcome barriers to their growth and secure investment.

The **Growth Escalator** will be based on the concept of **Economic Gardening** which is a model which drives economic growth locally by supporting existing second stage companies in the community. It provides immediate and practical just in time, high end expertise, it is **not** counselling, coaching or mentoring. The provision of information and actionable tools is the key aim. The focus is on business intelligence based on new markets, and customers and on effective communication tools. It gives smaller businesses access to the level of resources and research normally only available to large companies.

LSBU practitioner-academics will design an operational framework, audits and reporting so that consultancy can be delivered by appropriately selected students working under supervision. The specific focus of the support will be on the acquisition of the management capabilities required to develop and implement commercial strategies in a rapidly changing business environment.

Information is the key driver for business growth and accessing business finance, supported by a clear commercial understanding and business intelligence about new market opportunities, customers and effective communication tools. **Growth Escalator** consultancy will gather and deliver action-oriented information for participating businesses. It will identify new opportunities for them and direct them to new tools and information that they can apply immediately.

It will provide immediate and practical just-in-time transfer of expertise. It is a pragmatic approach that establishes a short sharp, practical and profitable standardised intervention in contrast to lengthy mentoring programmes.

Growth Escalator consultancy will include topics such as:

- Customer insight; identifying patterns using statistical techniques
- Web usability evaluation
- Training Needs Analysis
- Measuring project management effectiveness
- Evaluation of IT effectiveness
- Green Audit

Build Your Business Model Boot Camp

Based on the successful Business Boot Camp model delivered previously by Accelerator, a special funding-focused Boot Camp will be developed for the project. The focus will be on what a business needs to do from a business strategy standpoint in order to secure funding.

This two day intensive programme is designed for small businesses operating in fast changing marketplaces that need to ‘stress test’ their business and go to market strategies in a group learning and supportive environment.

Day 1 – Focus on the value you are creating in the market and your ability to be able to articulate this in a clear and conscious way.

Day 2 – Who you are creating this value for and strategies to target them.

The Boot Camp model focuses on utilising the Business Model Canvas and Minimum Viable Product/Lean Methodology.

Outcomes include:

- Anticipating external change and improving business resilience
- Building and developing the business model
- Focus and milestones moving forward
- Building a business model in the service sector with the “intelligent linking” framework
- A supportive community post camp to support on-going development

Intelligent Linking delivers a new approach to building a robust business model and proposition especially for those organisations in the service sector. The workshop will include an overview of the approach to business modelling followed by individual 1-2-1 sessions to develop their individual model. The sessions work with participants to develop their unique narrative using a board game based around 4 axes with a selection of discrete characteristics.

3. Access to Finance Entry Level

Access to Finance group coaching is undertaken in small groups and covers all aspects of the routes by which funding may be obtained and the business own prerequisites.

- Idea development and validation
- Market Research
- Legal Structures
- Intellectual Property
- Requirement for growth
- Forms of Funding (Advantages and Disadvantages)
 - Grants
 - Loans
 - Equity
- London Funding Landscape
- What is required to get funding
- Pitching

Then focusing on the sources of Equity Funding in detail and the advantages/disadvantages of each.

- Family & Friends
- Crowd Funding
- Business Angels
- Venture Capital

Crowd funding group coaching similarly has a one day small group session which explains how to get your pitch onto a crowd funding site, what it needs to cover, and pointers for reaching full funding.

Content:

- An information session covering what equity crowd funding is, and why it can be beneficial for businesses to raise money through it. (3.5 hours)
- A one day session (7 hours) on how to get your pitch onto Crowd Cube, what it needs to cover and pointers for successfully reaching full funding.
- One to one mentoring (for the most successful pitches) about how to put together an action marketing plan to keep up pitch momentum. (one day per cycle)

4. Access to Finance Advanced Level

At this level businesses need to demonstrate readiness to present a clear case for business investment. This level will involve advanced coaching, and preparation of a formal pitch before making the relevant connections to access investment finance and will include:

Access to Finance coaching (solus)

Solus coaching working with an individual business on how it may obtain Angel/loan finance is then available to those businesses judged suitable after the group coaching. There will be a specific requirement to set out a business growth and funding outline to be eligible for solus coaching support.

Crowdfunding 1-2-1 coaching

Those businesses with the most successful pitches will go on to receive 1-2-1 mentoring helping them put together an action plan to keep up pitch momentum

Formal pitch option

This will be self-funded by the businesses (nominal cost) and gives them the opportunity to make a formal pitch and presentation and receive feedback from an Angel.

PR Masterclass

Presenting their public face correctly is essential for businesses seeking finance. The two day programme works with small groups of 5 participants to support them to generate their individual full press pack and public profile.

5. The Business Black Box

A robust management system – a business Black Box will be used in the project to manage activities and plans and to measure progress and the achievement of target outputs and results, and to track intended and any unintended impacts. Using this system we will be able to direct the learning journey effectively to maximise investment readiness for businesses based on each individual SME's experience.

To create the Black Box, each SME business will set up their demographic base data online. Baseline data will include all ERDF requirements and additional information for measurement of impact including improved sectoral classification of services where standard SIC codes are less useful and qualitative behavioural and attitudinal inputs.

On completion of their demographic data each eligible SME will be sent a password to enable them to undertake the business diagnostic. This will allow each business to identify their key priority areas across the key performance and investment drivers.

Each SME will receive an online feedback report that highlights both areas of strength and (potential) 20 areas for development. The feedback report will prioritise the 20 (5 main categories all with 4 sub-sections) based on the answers provided, their commercial significance, the potential for impact and the overall potential benefit to the business.

Each SME will then have a face to face session with an advisor to evaluate their development needs and understand how they can be supported by **Investment Escalator** interventions. The output of this meeting will be captured in an initial Action Plan which is developed and owned by the SME. The Action Plan and milestones and activities are recorded in the Black Box by the individual SME. Each SME will be supported through the project to deliver against their Action Plan and milestones. They will receive automated reminders of their planned activities and milestones. They will also be prompted to update their plan and to log the reasons why they decided to make any changes to their original Action Plan. If they have any problems and need advice they can log a query through the system. They can also see the full events and activities calendar.

Every quarter they will be prompted to update their baseline demographics and business performance data, including financial information. In return they will receive access to anonymised summary reports/analyses on the other businesses participating in the Investment Escalator project. If they have queries/reports not provided as standard, these will be run for them, subject to "reasonable use" and protection of the commercial interests of other participants.

At the end of the programme each SME will repeat the initial diagnostic and it will be possible to review changes in performance across the life of the programme.

Programme management through the Black Box is streamlined and cost effective as registration and communication between the University and participants is undertaken within the system. It also eliminates the need to maintain a separate company database. Each company has a clear list of things they need to achieve and can track their progress via a dashboard. Programme Managers can get a snapshot across all businesses and identify underperformance and areas of weakness – addressing these much earlier than would be possible without such a system.

The Black Box provides intermediate control that global and individual outputs and results (metrics) are on target through standard and exception reporting. These will include

- ERDF Outputs and Results
- Investment readiness metrics
- Programme activity and engagement metrics

We will identify missed milestones, lack of Action Plan updates and poor engagement with the programme through the Black Box. This will initially be dealt with by system generated automated alerts/reminders to SMEs before moving to face to face intervention.

There will be on-going measurement and optimising of participant engagement. SMEs will receive feedback on their engagement in the project versus the peer to encourage participation. It will also allow for virtual conversations to continue beyond programme networking events.

Through the use of the Black Box, measurement of impact will be substantially enhanced beyond the specified Outputs and Results and we will seek wider outcomes:

- The demographics will be broader than those required ERDF reporting and will be tracked on a quarterly basis.
- The Black Box offers the opportunity for creation of a control group without the difficulties of a post-project survey. SMEs enrolled onto the project who have not engaged with project interventions will be encouraged to continue to input their demographic data, via the incentive of access to shared performance reports.
- The learning development journey can be tracked in a sophisticated way, linked to activities and wider engagement. For example, through the start and finish evaluation baselines through the repeat business diagnostic; and through the changes made to Action Plans and the development reasons recorded by SMEs.

The information generated for each business through the Black Box can be shared anonymously with other participating businesses on the project, including information about access to finance and growth issues that peer businesses are facing. This will allow participants to identify common barriers to accessing finance by sector, to assess how successful interventions on the **Investment Escalator** have been for other businesses and to obtain a range of relevant information to help their decision making processes.

The Black Box will also inform development of the **Investment Escalator** interventions to ensure that they meet the needs of participating businesses.

6. Business Diagnostic

Many businesses struggle to know where to start when trying to improve. We will use a comprehensive Business Diagnostic Tool to help them to quickly and easily identify their top priority areas for action and to develop an action plan for engagement in the programme of support on offer through the project.

The diagnostic tool will allow business owners to get a powerful and incisive snapshot of their business against a range of benchmarked business-critical performance drivers that are the cornerstone for any thriving organisation. These will include:

- Strategy: the future plans and direction of the business;
- Financial: the profitability of the business;

- Partnerships: how the business interacts with external stakeholders and customers;
- Processes: the efficiency of the internal systems and procedures;
- People: the effective management and performance of staff.

Based on the information supplied, the business diagnostic tool will provide feedback highlighting the areas for development within the business. This feedback report will then be used jointly by the business and a business advisor from the programme to develop a bespoke action plan for the business.

PAPER NO: UE.06(14)	
Board:	Board of Directors
Date:	26 March 2014
Paper title:	International top-ups
Author:	Tim Gebbels, Chief Executive, SBUEL
Purpose of the Paper:	To present the proposed approach to developing a major programme of international top-ups through bilateral Supported Learning Agreements will colleges in international markets.
Recommendation:	<p>That the Board notes:</p> <ul style="list-style-type: none"> • the proposal as presented • the lead role played by SBUEL in developing the project • that full project approval is required from the University Executive before the project can proceed
Communications – who should be made aware of the decision?	

1. Introduction

For some time, the University has sought to establish a partnership with Pearson Edexcel, the largest provider of HNDs through international colleges, to become the university of choice for colleges wishing to offer top-ups to first degree level. Early attempts at establishing such a partnership were not successful, however, and so the University changed its approach. Rather than trying to establish a global partnership with Edexcel, we decided to focus instead on establishing a series of independent, bilateral partnerships with the colleges themselves.

The new strategy is to target selected colleges offering the Edexcel HND qualification and to offer them in-market blended learning top-ups. The proposed teaching model is a Supported Learning Agreement which relies on innovative use of technology to provide quality support to both colleges and their students using a standardised model that is lower in cost both to the University and to the college than the more conventional franchise model. Moreover, because it is standardised, it will be possible, if it is successful, to roll out the same model across many colleges very cost effectively.

2. Detailed project proposal

Annex 1 sets out in detail the proposed approach to the International Top-ups project. This paper was considered in detail by the University Executive at its January meeting and was given approval in principle subject to a number of important caveats for which the Executive sought further clarification. Specifically, these were:

- Need to clarify the rigour of the college selection process and QA support
- Provide more information on the appropriateness of the choice of India, Sri Lanka and Bangladesh as the initial target markets
- Assess the risk that Pearson becomes a level 6 provider in its own right and therefore becomes *de-facto* incumbent supplier in the target sector.
- Review the costing model to ensure it adequately recognises incremental costs of ICT, licences, content provision, QA, etc.

Each of these points is being followed up by the team and all are on track to be resolved prior to final approval at (or before) the April meeting of the University Executive.

3. Approval process

Development of the proposed model has been led and co-ordinated across several University Departments by SBUEL business development staff. However, delivery will be through the International office and the appropriate Schools. Income from the programme will be recognised as Enterprise income but not through University Enterprise, and SBUEL will not be involved in programme delivery. For these reasons, SBUEL Board approval is not required for this project. However, because of the considerable resource demands during project development, which are expected to continue at least into the summer 2014, this paper has been brought to inform the Board on the project.

Formal approval of the project lies with the University Executive who have given approval in principle, subject to the points of clarification summarised above.

4. Recommendations

The Board are asked to:

- Note to proposal as presented.
- Note lead role played by SBUEL in developing the project
- Note that full project approval is required from the University Executive before the project can proceed.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Summary

- LSBU wishes to expand international activity, with a target of £6million incremental income over the next 5 years. In addition to growing international recruitment to LSBU, we also wish to increase our presence in local markets, both as a self-standing strand of business but also as a recruiting sergeant for international students to UK, supporting international brand recognition and identity.
- The proposal presented here is for LSBU to develop a standardised programme of blended learning top-ups to EdExcel HND (EdExcel is the most widespread international HND variant). The target colleges are assessed to be a ready market as the availability of top-up to BA first degree level will increase their ability to recruit.
- **This programme is forecast to generate £4.1m pa in incremental income for the University by 2018/19 at a contribution level of 69%.** In 2017/18 (i.e. in the timeframe of the 16-20 targets), the programme will generate income of £2.6m at a contribution level of 66%
- A summary of the programme income and expenditure to Year 2018/19 as set out below.

Financial Summary for the period ending 2018-19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Colleges	0	0	6	10	14	20
Cohorts	0	0	12	32	58	90
Students	0	0	180	600	1,180	1,930
Income			£450,000	£1,384,500	£2,598,000	£4,143,000
Delivery Costs			(£197,025)	(£464,650)	(£874,515)	(£1,293,225)
Operating Surplus			£252,975 56%	£919,850 66%	£1,723,485 66%	£2,849,775 69%
Set-up Costs	(£102,421)	(£460,484)	(£193,932)	(£178,048)	(£12,230)	(£12,000)
Net Surplus	(£102,421)	(£460,484)	£59,043	£741,801	£1,711,255	£2,837,775
Cumulative Surplus (nominal)	(£102,421)	(£562,905)	(£503,862)	£237,939	£1,949,195	£4,786,969

- First year income in 2015/16 is projected to be £450k with an operating margin (contribution to overheads) of 56%
- At project maturity in 2018-19 (and subsequent years), the projected income is £4.1m p.a. and the operating margin is high at 69%. There is clearly the potential

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

to drive significant profitability for the University beyond the evaluated time horizon.

- Operational profitability is achieved from the first intake in Engineering in September 2015, with breakeven achieved across all subject areas during 2016/17, the second year of delivery.
- The proposed portfolio of courses (engineering, business and tourism) has been selected by reviewing the existing offer of other HEIs in the target markets as well as through discussions with Pearson regional offices.
- We have reviewed our proposed prices to colleges and to the in-market prices colleges can charge their students. Based on this, it is clear that our proposition can be priced competitively against other top-up offers and still offer colleges' improved margins.
- We propose to launch the project with an Engineering top-up offered through 6 colleges in South Asia. Our initial recruitment of the 6 colleges, who will work with us on the development of the programme, is being supported by the EdExcel regional office with whom we have a growing relationship.
- Assuming success of the initial programme, we propose progressively to expand our offer to include business and tourism while also growing the number of colleges (subject to further approval). At maturity in 2018/19, the programme will be run at 20 colleges with a total of 45 cohorts per semester.
- By focusing on colleges offering EdExcel HNDs, we can build a very consistent model to roll out at scale. This cookie-cutter model trades higher initial investment for reduced on-going cost and risk. Our approach to development ensures we can profitably work with smaller cohorts than are required for other delivery models, and are projecting an average of 50 students p.a. per college. This approach generates income more efficiently than is possible with ad-hoc bilateral partnerships.
- Our initial approach through colleges does not preclude a subsequent, wider agreement with the Pearson Group as a whole, once the relationships with colleges have been established, but enables us to start up quickly, building on existing discussions with colleges and regions. Successful implementation of this strategy would differentiate us as the natural partner of preference for Pearson.
- Delivery will be via in-market blended learning. We will use a Supported Learning Agreement model where we design the curriculum and deliver content and resources via our VLE and provide a fully supportive tutorial framework. This approach opens

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

up the market of less mature colleges who would be unable to support successfully a Franchise Agreement. The Engineering Faculty has expertise in international college franchise relationships and top-ups and is keen to support this new route to market.

- The creation of a market-leading visual environment and content that drives the initial sell and supports student learning and success is fundamental to this project. We have budgeted to resource this and to support academic engagement in the development of new resources. We anticipate that this approach to programme design and development will enhance the University's overall e-learning capability, supporting the digital shift, and that the new resources and practice will inform our standard teaching.
- The request is for the Executive to approve an initial investment of £563k, made up as follows:
 - £217k programme development costs, including framework visualisation and marketing development costs
 - £346k for engineering course development including Faculty staff time from the Course Director and Module Leaders and the costs of course specific content development.
- In terms of investment phasing, £103k is requested for budget year 2013-14 and £460k for 2014-15.
- Investment for the development of additional planned courses in Business and Tourism would require confirmation by the Executive and Business Case signoff. To achieve the projected launch for a business course of September 2016 we would require approval to proceed at the latest by September 2015; at this point we would understand our college and student recruitment success for the Engineering courses, but would not have implemented delivery.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Contents

Introduction	4
1 Academic structure and approach.....	6
1.1 College management and the role of the college.....	7
1.1.1 Set up	7
1.1.2 On-going.....	8
1.2 Pedagogy.....	8
2 Sales and marketing.....	9
2.1 Target market.....	9
2.2 Sales approach	10
2.3 Marketing.....	11
2.3.1 Promotion and collateral	11
3 Product design and development.....	12
3.1 Platform	12
3.2 Visual environment.....	13
3.3 Content development.....	13
3.4 Video production	15
4 Project Management	15
5 Financial overview	16
5.2 Pricing.....	17
5.3 Risk	17
Appendix 1 – PlayBook specification	20
Appendix 2 Product visualisation concept.....	22
Appendix 3 - Market research identifying partner institutions.....	24
Appendix 4 Project management timeline	25
Appendix 5 Risk.....	27
Appendix 6 Financials.....	31
6.1 College and student profiles	31
6.2 Engineering course.....	31
6.3 Financial summary	32

Introduction

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

The University has for some time held an aspiration to deliver top ups to first degree level of EdExcel HNDs in international markets. However, attempts to engage Pearson/EdExcel in partnership discussions led nowhere over several years. This project represents a change in approach, moving away from a strategic partnership with EdExcel and focusing instead on creating a series of standard and easily repeatable bilateral partnerships with colleges in target markets.

The new approach is based on developing a blended learning solution in partnership with local colleges. LSBU provides the content and the assessment and accreditation. The local college recruits the students and provides the teaching and local infrastructure. Though we are familiar with top-ups both in the UK and internationally, a key component of this approach, and the factor that differentiates it from a more conventional blended learning solution, is the degree of support that is provided both to the student and, critically, to the local teachers.

The level of student and teacher support we propose has been designed to be suitable for the largely undeveloped target market of less mature international colleges and their students. The approach incorporates characteristics that ensure initial saleability, deliver effective student learning outcomes, and support local academic delivery.

The extent and quality of the support provided both college and students makes the offer attractive to colleges. The costs of setting a programme up are low and the level of support reduces the risk for them considerably. Moreover, the extent to which LSBU support is systemised in the online provision means that it will be easy for us to roll out any particular course, cookie-cutter like, across many colleges. Pearson's regional office in South East Asia is already committed to support our acquisition of the pilot colleges.

In terms of market position then, this is a leading-edge, distinctive and compelling product with significant advantage over products operating in the same space with similar pricing. In contrast, in academic terms it is relatively conservative and de-risked, with:

- Standard due diligence/ADQO visits built in to the college acquisition model
- LSBU responsible for assessment
- Online supervision of teaching and student performance from Module Leaders and the Course Director, allowing any issues to be highlighted before assessment
- Additional bi-annual visits allowed for college relationship building, plus annual report

The financial model is one of high initial investment, low variable cost and overheads and high contribution (56%). Fast scalability with the potential to roll out with low impact on staff capacity makes this a highly attractive model. In creating the financial model, we recognised that we are unlikely to have a full understanding across a new and complex project of all the elements involved in transitioning to new approaches across teaching design, content type and presentation, and user interface. The project is challenging for the University in respect of capabilities (human and facilities), development of the online resources, facilities and

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

learning approaches/ pedagogy to enable this to succeed. A key capability is our ability to develop a new pedagogical narrative and create the digital shift. As such we have included in our costing additional levels of support and allowances for academic staff and conservative design costs to ensure that we can deliver the inspirational courses to make this programme a success. However, there is also a dependency on the University's introduction of the new IT infrastructure.

1 Academic structure and approach

A Course Director and Module Leaders will be appointed for each individual Course. Projected allowances are higher in the initial course development period when resources are developed. They are then reduced but are increased as the numbers of cohorts and colleges grow.

The Course Director will be responsible for:

- Co-ordination of the curriculum
- Supervision and development of content, heading a Design Steering Group
- Leading overall resource development for students, with personal responsibility for generic resources such as writing skills
- Leading resource development for college staff including the PlayBook
- Establishment and evaluation of on-going service standards required from Module Leaders to support colleges
- Management of timetabling, assessment setting, marking
- Supporting the development of the sale and due diligence process with partner colleges, and assisting in marketing and promotional development for the course for LSBU and colleges
- On-going relationship building, monitoring, profile raising and support for student recruitment with the colleges, including an annual visit
- Management of academic issues. These will include the daily queries that inevitably come from colleges and issues escalated by Module Leaders such as analytics indicate issues with teacher performance or student engagement at a college
- Annual report of activities for course and by college

Module Leaders will be those academics already leading on the standard modules selected for the course. They will be responsible for:

- Development and maintenance of resource set for students, working with designers and intern. This includes initial full video/voiceovers to create a full online lecture set.
- Development of resource set for college staff including the PlayBook

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

- Monitoring teacher performance and student engagement on module. Supporting IBM community development where necessary, and reviewing use and impact of formative assessments. Early highlighting of performance issues to the Course Director.
- Setting of exams/coursework (which are unique to this course), moderation, exam board, supervisory check at college, supervision of marking

1.1 College management and the role of the college

This is blended rather than online and is locally taught. Though the target colleges are less mature staff have experience of teaching UK qualifications, and we are confident they will achieve the required learning and teaching standard.

The responsibilities of the college include:

- Recruitment and in-market fee setting. Though we anticipate the majority of students will be the colleges' own previous attendees we anticipate they are likely to undertake some additional marketing within their local catchment. We will support this by provision of standard marketing materials.
- Enrolment across their own and LSBU systems
- Fee capture
- Delivery and management of teaching
- Creation of a supportive learning environment for students both in terms of the social environment and the peer-to-peer support across the cohort that ensures engagement and progression

We will also work with the 6 colleges identified for the initial launch as we develop and test our new content and resources, creating the dialogue to support co-creation of value. The quality of our new materials must be judged ultimately by the quality of learning and teaching achieved in practice.

1.1.1 Set up

The delivery of most learning materials and all summative assessments and marking is undertaken by LSBU. This means that the Quality Assurance requirements are more limited than for a franchise or validation. This type of delivery is the existing LSBU Distributed Delivery model in terms of its major characteristics.

Initial set up will involve a day's visit by to the potential partner by the Course Director to determine if a partnership is viable. This should involve collecting due diligence material. We will consolidate college visits to ensure cost-effectiveness.

This will be followed by an approval visit day consisting of two people, an independent chair and a representative of AQDO. The agenda for the approval is about institutional

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

commitment, teaching materials and resources, and management of the partnership. These procedures are outlined in Section 4 of the LSBU Quality Code.

Once the partnership is approved then a standard Memorandum of Co-operation needs to be agreed and signed.

1.1.2 On-going

Visits to the partner will be associated with monitoring activities at the partner for tutorial support and quality of resources and to maintain a relationship with the students, and a graduation ceremony if timing/numbers permit. We have assumed two days a year to support the relationship with the college. As assessments are under the control of LSBU staff there will not be exam boards at the partner. There will need to be an annual report of the activities. We have allowed for two visits per year per college from the Course Director.

There will be an institutional review on a five yearly basis.

1.2 Pedagogy

We recognise that a different approach is required to teaching our own students where we have an understanding of their level of achievement when they enter the course. The students/cohorts will come from many colleges and countries, and though ostensibly will hold the same qualification they are likely to have been taught to inconsistent standards and will enter at different levels. Our base entry requirement for the top up is IELTS 6.0 and a merit profile HND. We recognise that as a sequentially learned subject we are at particular risk on student achievement in Engineering and have set this as 180 credits to be taught over a full calendar year or 18 months/3 semesters. Business is offered at 120 credits which is the de facto market standard.

Though we are not delivering the teaching we are ensuring quality and consistency by LSBU de facto retaining control of the learning and teaching process. This is achieved through:

- A structured and comprehensive set of teaching resources, a “PlayBook”, for college staff that provides detailed course materials, direction and guidance on all aspects of tutorial delivery, laboratory work and other teaching support. This also supports the personal development of college staff.
- All lectures are pre-recorded by LSBU staff, with college staff responsible for tutorials covering reiteration of key messages, problem resolution, discussions and group exercises. The Flipped Classroom approach that this represents can be monitored to ensure that students are undertaking the required pre reading.
- Module Leaders supervising teacher performance and student achievement and engagement through communities and learning analytics.

We recognise that these students are unlikely to be mature and well-developed in understanding how to learn. The courses aim to support personalised learning pathways for students to ensure the most effective learning experience with the best outcomes. Students

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

are not simply left to find their way through an online resources library but are directed via annotated lectures and through formative assessments which automatically link them to the resources to remedy their highlighted knowledge weaknesses. The online content itself will be designed for “sticky” learning. A personal dashboard gives on-going performance feedback to incentivise learning progress for both the individual and the cohort.

When students begin the course early elements will be designed to check the expected entry learning levels and direct students to remedial work if necessary.

We will also offer support for their more generalised learning skills. We will use the University’s own resources for academic writing skills, but for broader technical and management competencies will use the Lynda.com resources. Academic staff will construct Playlists relevant to specific skills using the Lynda resources, and these will have the diagnostic/testing of skills included. For example excel spread sheets with data management and pivot tables.

2 Sales and marketing

Though the focus in this section is on the specific sales and marketing activities required for the project we recognise the importance of the broader context and developing the senior relationships with colleges and Pearson that will support future development.

2.1 Target market

EdExcel colleges based in overseas territories have a long record of successful partnership with UK universities. Top-ups are currently offered by a range of universities, across diverse subject areas and involve larger colleges with experience of delivering franchise offerings.

LSBU will target the second tier of colleges; those who do not currently have the capability to offer fully franchised degree level courses, but have the desire to open up new markets through the ability to offer top-ups to degrees. This will allow LSBU access to an under-developed segment of the market, in which competition is significantly reduced. Our estimate of an average annual cohort of 50 students will give a large number of potential colleges.

The long term ambition for the project is to deliver to multiple colleges across multiple countries. We plan to develop markets progressively in geographical segments as the best model to achieve both initial sales and service standards for colleges. The rollout of the Business programme which is identified as the second programme focuses on those colleges already running Engineering courses, and our profile does not anticipate colleges running only business until the third year of the course.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

The initial region on which we are focusing for selection of Year 1 and 2 colleges is South Asia. Our relationship with the EdExcel Regional Head of Development will allow us to identify appropriate colleges effectively. This will also allow staff to work closely with partners during the initial set up period without time zone differences creating barriers to collaboration.

Desk research indicated the potential market was larger than previously assessed given that there were many more colleges than those listed on the Pearson web site, and that a college's omission from the web site did not appear to be a quality indicator. The research has not been able to determine a full market size potential. However, our five year target number of 20 colleges is tiny in the overall context of 5400 colleges worldwide with over 1 million BTec qualifications awarded each year, operating in 92 countries.

In the longer term we would expect to be able to adapt the current course offer to widen the target market to include other HND qualifications in addition to EdExcel, for example in Nigeria. We have not included this in any forward financial estimates.

2.2 Sales approach

Development of initial contacts will be undertaken by the International Partnerships Manager. We have assumed that 30% of their time is allocated to this project. This is a new role within the International team and we are assuming a start date of March.

The pool of colleges is large so there will be two processes for identification of potential college partners in the first instance:

1. Working with regional heads of development for EdExcel to short list institutions
2. Approaching institutions directly via e mail with follow up by formal letter of introduction

Our primary approach will be to work with our EdExcel contact who is appointed as Head of Academic Development and Qualifications for South Asia who has agreed to support the acquisition of colleges. Pearson have identified South Asia as a major growth area for new qualification sales; there is potential for Pearson to use the upgrade to a degree with LSBU to enhance their own additional sales to colleges. Initial sales work will primarily be done at a distance via Skype meetings though we have costed for two full weeks visits per year to ensure in the field support where necessary.

Initial colleges for the pilot will be involved in the process of programme development and testing, supporting co-creation of value. As we roll out we will move to a formalised sales approach.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Due diligence will be initially online via web assessment and direct queries, followed by academic assessment of viability on a formal visit.

2.3 Marketing

Our approach to international top ups defines a programme, distinct from our standard international collaborations and differentiated in the marketplace. This drives the requirement for a name/descriptor for the programme as a whole. This clearly needs to be linked to or incorporate the University brand which intrinsically offers value to students and colleges. Our preference is for a short name that can be used in marketing the overall programme rather than a lengthy description. It is likely to be incorporated into the course/programme product design. Our initial concept work (see Appendix 2 Product Visualisation Concept) used London+ as a device. Our current thinking is that the choice of name may depend on how the University logo is used in both the marketing collateral and the product design and are looking at options including LSBU+. Current standard Moodle design does not appear to link strongly to University branding and presentation but we would wish to do so for this programme.

The marketing support will be project based and we have budgeted to use external consultancy for this. Internal marketing staff, both International and Enterprise, are heavily loaded with routine work. The marketing tasks for this project include development of core messages; copy articulation; web site briefing; sales collateral for LSBU and partner colleges including brochures and standardised e mail/letter responses; promotional product video; support for product development including overall look and feel and style guides, templates, module copy.

2.3.1 Promotion and collateral

We will develop initially the following Programme and Course promotional support:

- Set of standard letters and emails to colleges
- Web site pages as part of our standard web site, but over and above the standard course search facility
- Product demonstration
- Brochure from April 2014 outlining the Programme and Course offer to potential partners, and the merits of partnering with LSBU, with ongoing updates as the programme is detailed.
- The partner college will take responsibility for the recruitment of students through their standard HND channels, however LSBU will offer course marketing material templates for college co-branding to support this recruitment

General LSBU marketing materials would also be used.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

As the programme grows we will develop a set of case studies across colleges, and individual academics and students.

3 Product design and development

We selected Engineering as the lead Course because of the continuity of support and interest from the Faculty. This is needed to support the initial Course implementation which is inevitably more complex than subsequent Courses. The length of the top up required varies by course discipline and whether or not the learning is sequential. We have modelled engineering on 180 credits (12 x 15 credit modules) and business on 120 credits (7 modules, 5 x 20 credits and 2 x 10 credits).

In our business model we are moving cost away from standard face to face student teaching and into the development of resources. These include the new concept of the PlayBook, the set of resources that supports the teaching and personal development of college staff (See Appendix 1)

Both the initial visual appeal and usability of this programme for colleges and students, and LSBU ability to describe its pedagogical benefits are key. We need to be able to articulate our role as Curator, and how our selection and creation of resources and our generation of learning pathways relate to intended learning outcomes. This is not a MOOC with its widespread dissemination of information. The personalised guidance required by less able and developed UG is integral to the design of this programme, and is provided through smart design of resources and formative assessments with automated redirection to areas of weakness, face-to-face college tutoring, and tutor supported Peer-to-Peer discussions.

3.1 Platform

The new portal/Moodle platform and IBM Connections have the technical capability to support the student experience and teacher performance required from October 2015 and we will liaise with IT to ensure the features we require are available/prioritised. The benefits of using the University's new standard platform are high.

It delivers key features required by this Programme including:

- Learning analytics that allow:
 - college and LSBU academics to review student engagement
 - LSBU academics to review college teaching performance
 - students to understand their own study/learn performance versus expectation for the Programme. This enables LSBU to establish a monitor-assess-mitigate approach rather than wait to discover problems at assessment
- Any device access, with effective screen resizing
- 24 hour HelpDesk

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

- Community interaction

The license numbers that we have cater for a 20% increase in current student numbers. Unless we breach that barrier there will be no incremental cost.

We have assumed no requirement for local hosting i.e. The solution will be Cloud hosted and accessible via the Internet, and this will provide adequate service levels.

3.2 Visual environment

Creation of a visual environment designed uniquely for this programme rather than the vanilla Moodle underpins the success of this project. There will be a number of scenarios or ways in which students, college teachers and our own academics interact with the programme. Good design ensures that within each scenario it is intuitively clear what the user is supposed to be doing. It also matches the relevant user device and works across PC/laptop, tablet and mobile. We have some initial design concepts shown in Appendix 2.

The design approach will take into account our brand presentation and will look for consistency. However conformance to current brand style which has been developed to maximise marketing impact will not be prioritised over the need for a) product usability by students and staff of the colleges b) developing a design with high appeal to the target audiences of international colleges and students.

We will user test the visual environment and a sample of content with relevant students. The test group will be made up of a sample of our own students and international students completing their HND.

External design resource will be required for development of the visual environment and to support content and will be formally procured. The cost drivers are the initial base design plus the number of additional scenarios, and the required deviation from vanilla.

3.3 Content development

We will both repurpose existing content and create new content. Content includes resources for both the international student and the college staff. In order to be successful we understand the need to provide support for our academics to do this.

LSBU academic staff are at varying levels of VLE use, competence and interest, and the quality and amount of resources, and the creation of the learning pathways needed for this programme to succeed are atypical within LSBU. The Module leaders for this programme

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

will be the same as for the standard module so will not be specifically selected for online resource development skills.

To ensure that we can achieve the required high standard of online content across all modules, in addition to ensuring they all attend the standard Moodle training we are:

- Making the Course Director responsible for the supervision and development of online content, heading a Design Steering Group
- Giving Module Leaders a significant development allowance
- Providing additional hands on support with an Intern for 6 months (target recruitment is Mechanical engineer with digital skills)
- Guidelines for approach to developing content that supports “sticky learning”
- Using film students to assist video production of lectures
- E developer to produce:
 - easy to use templates for content that are consistent with the overall visual environment (e.g., for text, PPT, fronting video lectures etc.)
 - numerically populable resources for formative assessments.
 - generic online learning tools that can be readily repopulated e.g. drag and drop and match the right answer text to a question.
 - Embed Quizslides in Moodle or recreate functionality (Quizslides uses PPT to let the user create graphic quizzes with inbuilt marking options and feedback; it can easily be adapted to move beyond marking to look at the topics not understood and use messages to direct to resources that should be reviewed).
 - One-off designs

This is an initial view of how the content development will be resourced. When the project is underway we will increase our understanding of what constitutes appropriate resources for a programme which is still blended but has many of the characteristics of an online programme. This will include input from the LSBU TEL team, from reviewing FHSC work including the MOOCs as the most developed within LSBU generally, and viewing external Technical/Engineering MOOCs.

The content will be iteratively improved with feedback. Learning analytics will allow us to review resources that are poorly accessed and any specific points where we tend to lose student engagement. We have built in to the cost a significant reworking of content at the end of the first cohorts and then an on-going allowance.

We will develop an overall structure that ensures a consistent look and feel across all modules. For example, each weekly session would be framed to include a standard set of items e.g. introductory lecture, 4 narrated presentations or slide shows, downloadable additional reading, links to advanced materials, discussion forum etc. Research in to the US

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

MOOCs suggests that the benefits of these standard structures outweigh the loss of flexibility and variety.

3.4 Video production

Content development will include the production of all lectures as video. This is a significant task delivering around 200 hours of lectures for the Engineering course.

Recording live lectures will not achieve a professional result and we will undertake special production. We can do this at low cost through use of the internal University studio, with editing and post production undertaken by film making students. There will also be purchase of low cost software such as diary illustration and cartoon development.

Production is not simply a question of repeating a standard lecture and we will look to a range of formats and sizes. Module Leaders will receive an introductory workshop to allow them to understand how to move on from the traditional format of their individual lecture to determine their Treatment. The Treatment would involve reviewing the key stage messages, structural options, and the additional visuals to support them (by removing the lecturer image via the green screen and replacing with inserted images, text, graphics etc.). The film making student and the Intern will both assist in the conceptual development process. We recognise that classroom lecturing and presentation of e-materials are not identical skills and will substitute individual MLs on presentation if necessary.

4 Project Management

A project steering group will be established and will meet fortnightly initially. This will be led by the Director of Internationalisation, with suggested membership: International Partnerships Manager, Pro-Dean Engineering, Engineering Course Director, Head of Business Development Enterprise (with transition to Head of Strategic Projects to be reviewed), Business Support Manager Finance, Faculty TEL lead, Projects Support Officer Enterprise.

In addition there will be a working group, primarily academic staff, focused on the creation of new content, the pedagogic narrative, and the module and PlayBook structures.

We will also ensure we share our practice and development more widely including the Teaching Quality and Enhancement team and Health and Social Care as the most developed Faculty in online work.

Support for the project is required from Academic and Business Support for IT and from procurement.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

An outline timing plan to initial course launch is included in Appendix 4.

A key timing decision versus the original proposal is to slip the launch from January 2015 to September 2015. This is based on our ability to use the University's new IBM/Moodle from the start of the programme. The advanced learning analytics and communities are of particular value, and the complexity of introducing significant change while part way through a pilot was rejected. However should there be a failure to confirm this IT project/date then we will go ahead on the Moodle platform alone rather than incur further delays. This will not drive any further time slippage on the project.

5 Financial overview

The full financial model which was built by Finance Manager Keith Would can be found and accompanying sensitivities will be submitted as part of the business case. Appendix 6 has the core detail from the financial model.

The initial investment required of £563k, is made up of £217k programme development costs and £346k to cover the engineering course development. The programme development cost includes framework visualisation and marketing development costs, course development costs cover Faculty staff time from the Course Director and Module Leaders, and the costs of course specific content development. In terms of investment phasing, £103k is requested for budget year 2013-14 and £460k for 2014-15. Investment for the development of the additional planned courses in Business and Tourism would require additional confirmation by the Executive and Business Case signoff.

The projected returns from the investment are attractive with total returns to Year 2018-19 as set out below. The projected annual income in 2018-19 is £4.1m. The annual surplus ratios (contribution to overheads) are high at 69% and clearly have the potential to drive significant profitability for the University beyond the evaluated time horizon. Operational profitability is achieved from the first intake in Engineering is September 2015, with breakeven achieved for the Engineering course as a standalone by the September 2016 cohorts. Programme breakeven is achieved in 2016/17.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Financial Summary for the period ending 2018-19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Colleges	0	0	6	10	14	20
Cohorts	0	0	12	32	58	90
Students	0	0	180	600	1,180	1,930
Income			£450,000	£1,384,500	£2,598,000	£4,143,000
Delivery Costs			(£197,025)	(£464,650)	(£874,515)	(£1,293,225)
Operating Surplus			£252,975 56%	£919,850 66%	£1,723,485 66%	£2,849,775 69%
Set-up Costs	(£102,421)	(£460,484)	(£193,932)	(£178,048)	(£12,230)	(£12,000)
Net Surplus	(£102,421)	(£460,484)	£59,043	£741,801	£1,711,255	£2,837,775
Cumulative Surplus (nominal)	(£102,421)	(£562,905)	(£503,862)	£237,939	£1,949,195	£4,786,969

5.2 Pricing

Our price benchmarking on the 120 credit courses originates from research undertaken at the point of conception for international top-ups. This showed that the average price for delivery of an on-line programme settled at about £2,000, with the University of London International Programmes being used as a benchmark. ULIP are one of the largest providers worldwide of distance and on-line study. The market break point for pricing was also taken into account to ensure that the product would be attractive to partners delivering the support in country. Although there was some small variation per country it meant that partners were able to obtain between £1500 and £2500 per student.

We believe our delivery model will be particularly attractive to even larger potential colleges as the market price can be obtained for reduced delivery effort.

Our pricing additionally reflects a recent devaluation of many major currencies – one example would be the Indian Rupee which devalued by 20% in the past year, with significant turbulence in the last few weeks. This would mean that the cost has effectively increased for partners without us having pushed up the price. So in order to be conservative in our financial assumptions we have modelled on sterling prices of £1950 for 120credits and £2500 for 180credits. The price can be changed once in place and for future adopters. We will be careful to ensure that a price in the financial model is not automatically the offered price. This is an annual negotiation which takes place as a standard part of the contract.

5.3 Risk

This matrix highlights the key risks on the project. We have used the University's standard project template for risk assessment. Individual risks have been analysed in detail and

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

mitigated in Appendix 5, and we will use the set of risk control templates for on-going management.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Impact	Critical	Quality of local teaching staff High student fail rate	Unforeseen impact of University change programme	
	High	Business School programme timing	Long term college numbers	Moodle/IBM delay Blended-online development standard and timing
	Medium	Average cohort numbers	Benchmark pricing not achieved	Delay in recruiting key staff posts
	Low			Initial college/student recruitment Lack of Pearson support Unanticipated development costs
		Low	Medium	High
		Likelihood		

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 1 – PlayBook specification

This sets out the structure of the PlayBook which is the new teaching guide we need to develop to ensure consistency of approach and the achievement of the appropriate level of academic delivery by college staff.

PlayBook Section	Element	Information source	Location where documents to be held
Styling	Overall guide/rationale	New	PlayBook
	Template set (handouts, PPT)	New	PlayBook
	Giving feedback format	New	PlayBook
Module overview	Description/delivery/aims/learning outcomes/assessment	Existing	Student resource in Moodle
	Reading list	Existing	Student resource in Moodle
LSBU	Who's who – Teaching/support staff for queries	New	PlayBook
	Student qualifications		PlayBook
	Assessment management and QAA	New	PlayBook
	Course committee		PlayBook
Teaching	Inclusivity guidance/support for disability	New based on current resources – or do we rely on college own	TBC - depends if current resources are tailored or used as is and referenced
	How to teach and evaluate student progress using London+	New (needs to be developed by IT and academic staff jointly. Could be online training?)	PlayBook
	How to support student community and online teaching. Includes target service levels for response	New	PlayBook
	Individual session guides “anchor notes” covering	New	PlayBook

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

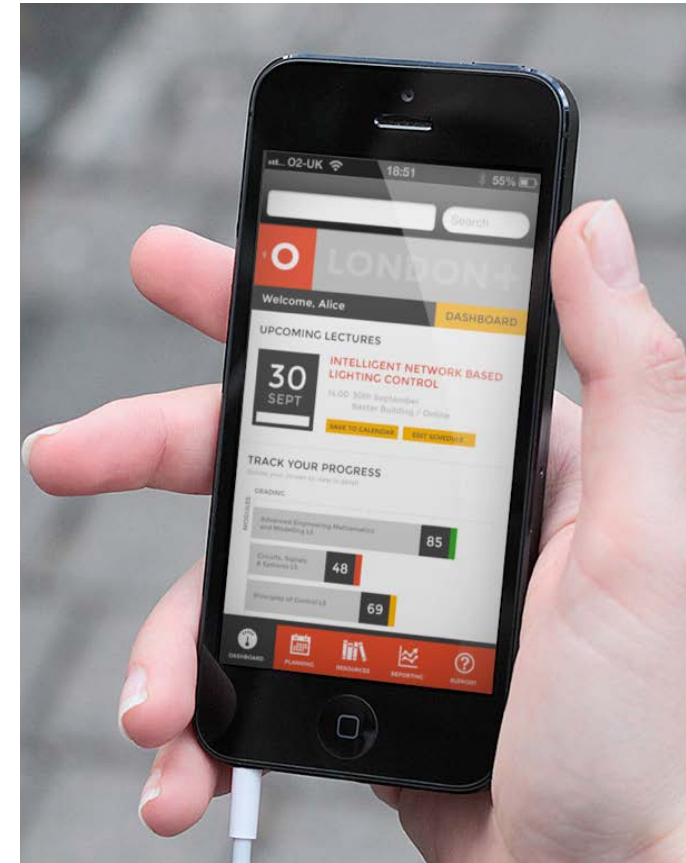
	detail to cover in each tutorial, FAQ and key topics with reference texts/chapters/articles to support staff development. Will include additional handouts, notes to slides, exercises, lab practicals and assignments. Equipment and software required for practicals and assignments will be noted.		
	Giving feedback. Overall approach and standards; model answers for assignments	New	PlayBook
	Problem solving/FAQ	New	PlayBook
	Employability – finding employers for speakers, projects, placements and suggestions for locating other local resources	New	PlayBook
	Plagiarism management	Guidance only required for initial pilot as examination based. May need to be reviewed for other programmes depending on assessment methodology.	TBC - depends if current resources are tailored or used as is and referenced
College dashboard	Student and teacher metrics	New	PlayBook

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 2 Product visualisation concept



Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014



Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 3 - Market research identifying partner institutions

Research Phase 1

Initial desk research was undertaken in June 2013 to identify potential interest in three key markets for top-up delivery from HND within Pearson/EdExcel colleges. The research covered China, Nigeria and India. The findings were limited and need further analysis to ascertain the true potential.

Market	Pool	Relevant programme not offered or numbers known to be inadequate	Potential
Nigeria	19	6	7
India	32	14	18
China	59	15	44

Further research was undertaken with colleges identified on the Pearson International webpages; however, following the difficulty of finding information on China, the concentration was on Nigeria and India. Contact data and institutions proved inconsistent and data did not cover all colleges, representing a fraction of the potential market for the LSBU top-up proposition. Colleges were also reluctant in some cases to respond to what was essentially a cold calling campaign.

Research Stage 2

Direct contact with the colleges without a proven track record was proving challenging, so the decision was taken to develop the relationship with the key contact for Pearson/EdExcel in market. The regional managers are responsible for the recruitment of colleges to meet targets for Pearson/EdExcel and hold personal relationships with each of the Directors/Principals, managing the operational aspects of delivery.

Taking a more regional approach meant a change in target markets for the first roll out phase:

- India
- Sri Lanka
- Bangladesh

The approach to Pearson detailed how this project would help them to demonstrate a 'value-added' option to their colleges. It would help the college to increase recruitment to their HND programmes and in turn increase engagement with Pearson/EdExcel.

By working through the key contacts in market it will minimise the risk for LSBU through Pearson identifying the best partners for the University to work with.

Smita Chaudhary, Head of Vocational Qualifications for South Asia has agreed that she wants to take this forward for 2014, and will lead her Regional Development Managers in identifying partners.

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 4 Project management timeline

INTERNATIONAL TOP-UPS - EDEXCEL OUTLINE PROJECT PLAN THROUGH TO FIRST COHORT LAUNCH SEP 15 (DRAFT 1)																				
Milestones by section	ACTIVITY	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	
When we have... a visual framework that supports initial sale and subsequent student course engagement and learning	Visualisation / framework																			
	Identify pedagogical requirements of design																			
	Identify listing of scenarios/interactions																			
	Concept visuals																			
	Student review																			
	Completion of scenarios listing																			
	Concepts																			
	Implementation by scenario																			
	Usability testing																			
	Amendments																			
	an inspiring set of resources that support real learning for the target cohorts	Content/resource development																		
		Template design (PPT, handouts, videos etc) 1																		
Template design link to visualisation 2																				
Playbook framework and resource sources agreed																				
Playbook populated																				
Review Playbook approach with colleges																				
Complete Playbook module data																				
Assessment of current student resources																				
Review benchmarks e.g. OU, MOOCs																				
ML briefing workshop 1																				
ML video briefing workshop 2																				
Agree anticipated resource structure per module																				
Sticky learning guidelines																				
Pedagogical design approach/module structure																				
Initial resource briefs for E developers																				
Construct first module resource set																				
Team review of first resource set																				
Student/college review of first resource set																				
Agree amends																				
Complete module population																				
identified the key marketing messages and implemented the supporting marcomms programme for LSBU and colleges	Marketing support																			
	Basic web presence																			
	Routine for servicing inbound enquiries																			
	Full web presence (serial updates)																			
	LSBU brochure/PDF (serial updates)																			
	Cur down demonstration																			
	Full demonstration (framework visualisation + full module)																			
	Confirm name																			
	Agree core messages and articulation																			
	Establish standard letter set and e mail responses																			
Concept and complete recruitment material for colleges																				

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

recruited the 3 pilot colleges and they have completed their student recruitment	Colleges recruited																			
	Agree target list with Edexcel region																			
	Initial Skype calls for discussion																			
	Academic visit																			
	Contractual template																			
	Signed MoC 6 colleges																			
	Approval visit																			
	Student recruitment																			
put in place the framework to ensure this project is effectively managed	Project management																			
	Detailed project plan /responsibilities																			
	Agreed steering group and management																			
	Agreed communication and storage																			
	Agreed stakeholders																			
	Agree stakeholder communication /methods																			
	Escalation procedure																			
	Project costing codes																			
	Set up curriculum working group																			
the people in place to support the project	People/resource appointments																			
	External partnerships manager																			
	Marketing consultant																			
	Visualisation design team																			
	Course Director Engineering																			
	Module Leaders allowances confirmed																			
	Sticky learning source tbc																			
	E developer (s)																			
	Agree TEL nominee																			
	Film maker																			
	Intern																			

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 5 Risk

These are the individual risk records with the supporting detail behind the matrix in section 5.3.

Risk ID: **Unforeseen impact of University change programme**
Risk description: The move from Faculties to Schools and matching of supporting resource may affect key personnel and supporting structures involved with the project. There are likely to be conflicting distractions and tensions across the University.
Risk owner: Bev Jullien
Impact: Critical
Likelihood: Medium
Risk Priority: Critical
Controls/Actions: Need for clear initial and maintained support from the Executive.
Transparent highlighting of slippage to plan and resourcing issues.

Risk ID: **Long term college numbers**
Risk description: We are unable to recruit the projected numbers of colleges. The business model is reliant on high one-off investment being recovered by achieving scale i.e. repeat sales of same product
Risk owner: Jennifer Parsons
Impact: High
Likelihood: Medium
Risk Priority: High
Controls/Actions: Projected ramp up of college numbers year on year is reasonably conservative and without a hockey stick profile to ensure it can be managed within the Partnership manager's workload.
Pipeline management/assessment will be important in anticipating any issues.
There is also a potential upside as well as downside.

Risk ID: **Quality of local teaching staff**
Risk description: Local staff have difficulty achieving teaching standard. The colleges do not have the quality of University level teaching staff that we have previously worked with in franchise models
Risk owner: Philip Lockett
Impact: Critical
Likelihood: Low
Risk Priority: High
Controls/Actions: The project has been derisked by all teaching being videos from LSBU with local staff delivering tutorials and lab work under structured PlayBook guidance
Working jointly with colleges in the course of the development process to test local understanding and use of the PlayBook that supports teaching activity

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Module Leaders to monitor online teaching performance and highlight issues immediately
Quality of initial due diligence and ADQO review
College teaching staff are used to teaching to UK qualifications

Risk ID: **Moodle/IBM delay**
Risk description: Problems with rollout of new system or adaptation to programme needs
Risk owner: David Swayne
Impact: High
Likelihood: High
Risk Priority: High
Controls/Actions: Not under direct team control or influence and launch is timed with first full availability to high risk. Mitigation is plan B that we will use standard Moodle platform and move later.

Risk ID: **Blended-online development standard and timing**
Risk description: University has to develop new capabilities in digital learning, teaching and presentation to ensure that this programme meets our aspirations for an inspiring learning resource
Risk owner: Team
Impact: High
Likelihood: Medium
Risk Priority: Low
Controls/Actions: Maintain links and sharing of best practice with TEL strategy group
Open tendering for designs
Support for individual academics to develop and post resources from internship
Appointment of Business School replacement Partnerships Manager to ensure learning from Engineering implementation

Risk ID: **High student fail rate**
Risk description: Students are overall likely to be less well developed than our own year 2 students, and coming from different colleges we cannot ensure a consistency of initial standard within the given qualification
Risk owner: Philip Lockett
Impact: Critical
Likelihood: Low
Risk Priority: High
Controls/Actions: We have mitigated this by delivering 180 credits to achieve the full engineering degree
Initial curriculum work will be designed as diagnostic and catch up to ensure that all students can start from a similar point
Module leaders will monitor online individual student engagement and performance in support of the local teachers

Risk ID: **Business School programme timing**
Risk description: The projected timing is that we are able to launch a business programme one year behind engineering. Slippage has a high impact as the ramp up of business is projected to be fast – sales all go initially

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

to the same colleges as those that take engineering. Based on initial college discussions the demand is high

Risk owner: Dean of Business School
Impact: High
Likelihood: Low
Risk Priority: Medium
Controls/Actions: Early appointment of Business School project champion to ensure transfer of learning from Engineering team
Commitment from Dean

Risk ID: **Benchmark pricing not achieved**
Risk description: We are unable to achieve the average target price per student
Risk owner: Jennifer Parsons
Impact: High
Likelihood: Medium
Risk Priority: High
Controls/Actions: A significant proportion of risk derives from exchange rates altering the real market price to the college and is uncontrollable
Assumptions built in to the model are conservative. The target price is based on an original benchmarking exercise, and the model pricing is slightly below this to take into account recent currency changes.
We believe we are offering a highly competitive and differentiated product at this price point.
We need to ensure that we operate flexible pricing and are careful to assess if we can achieve over forecast in some markets

Risk ID: **Delay in recruiting key staff posts**
Risk description: Key roles are new appointments International Partnerships Manager, Course Director Engineering, and recruitment to support division of Head of Business Development role which releases the time to give adequate support for this project.
Risk owner: Yvonne Mavin as Project Manager
Impact: Medium
Likelihood: Medium
Risk Priority: Medium
Controls/Actions: Escalation of slippage

Risk ID: **Average cohort numbers**
Risk description: Student numbers per college per year fall below the 50 predicted
Risk owner: Jennifer Parsons
Impact: Medium
Likelihood: Low
Risk Priority: Low
Controls/Actions: Clear prioritisation of larger college opportunities
The financial modelling includes a Year 1 reduction of 40% for each college to only 30 students.
The cohort average is pitched conservatively low given that the

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

franchise model works from 120 students + per year, in order to give us a large target market

Few costs (fixed or variable) are related to the number of colleges. The model is sensitive to the total number of students rather than colleges.

Risk ID:	Initial college/student recruitment
Risk description:	Low initial recruitment
Risk owner:	Jennifer Parsons
Impact:	Low
Likelihood:	High
Risk Priority:	Low
Controls/Actions:	Accept that combination of new sales process, new product type, new sales person is a higher risk situation. Initial projected volumes are low, and provided that we achieve proof of concept on time the impact on overall project profitability is small Testing during product development to confirm design appeal to both students and college staff Support from Pearson regional office with recruitment Processes for pipeline monitoring
Risk ID:	Lack of Pearson support
Risk description:	This refers to lack of regional office support rather than central support which is not envisaged at initial stages, though in the long term our aspiration is that we achieve head office endorsement and become their partner of choice.
Risk owner:	Jennifer Parsons
Impact:	Low
Likelihood:	High
Risk Priority:	Low
Controls/Actions:	Developing our contacts with regional office now who have already expressed an interest and are increasingly positive Engaging the office in the product development process
Risk ID:	Unanticipated development costs
Risk description:	That additional cost is incurred in product or project development, whether people's time or cash
Risk owner:	Yvonne Mavin
Impact:	Low
Likelihood:	High
Risk Priority:	Low
Controls/Actions:	We believe the initial estimates of development costs are conservative, but accept our inexperience in areas of online development. Additional costs may well be time which will represent an opportunity rather than a cash cost Tendering process for design support Collaborative and imaginative approach to design development, ensuring we get best value for money

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

Appendix 6 Financials

6.1 College and student profiles

		2013-2014		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
		0	0	1	2	3	4	5	6	7	8	9	10
		Sept 13	Jan 14	Sept 14	Jan 15	Sept 15	Jan 16	Sept 16	Jan 17	Sept 17	Jan 18	Sept 18	Jan 19
Colleges						6	6	10	10	14	14	20	20
Engineering	Cohorts					6	6	9	9	12	12	15	15
Business	Cohorts							6	8	14	14	20	20
Tourism	Cohorts									3	3	10	10
TOTAL	Cohorts					6	6	15	17	29	29	45	45
Engineering	Students					90	90	225	165	315	225	405	285
Business	Students							90	120	300	250	510	370
Tourism	Students									45	45	195	165
TOTAL	Students					90	90	315	285	660	520	1,110	820

6.2 Engineering course

Extract from main spread sheet showing standalone Engineering course financials, where this course carries the full programme costs

Engineering Overview	2013-2014		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019		TOTAL
	0	0	1	2	3	4	5	6	7	8	9	10	
	Sept 13	Jan 14	Sept 14	Jan 15	Sept 15	Jan 16	Sept 16	Jan 17	Sept 17	Jan 18	Sept 18	Jan 19	
Income					£225,000	£225,000	£562,500	£412,500	£787,500	£562,500	£1,012,500	£712,500	£4,500,000
Variable Costs					(£55,643)	(£99,383)	(£119,934)	(£185,544)	(£188,535)	(£261,435)	(£238,246)	(£325,726)	(£1,474,446)
Fixed Costs					(£22,000)	(£20,000)	(£22,000)		(£22,000)		(£22,000)		(£88,000)
Surplus					£147,358	£105,618	£420,566	£226,956	£576,965	£301,065	£752,254	£386,774	£2,937,554
					65%	47%	75%	55%	73%	54%	74%	54%	
Setup Costs	(£4,000)	(£98,421)	(£452,484)	(£8,000)	(£8,000)		(£12,000)	(£4,000)	(£16,000)		(£24,000)		(£64,000)
Net Surplus	(£4,000)	(£98,421)	(£452,484)	(£8,000)	£139,358	£105,618	£408,566	£222,956	£560,965	£301,065	£728,254	£386,774	£2,873,554
Cumulative net surplus	(£4,000)	(£102,421)	(£554,905)	(£562,905)	(£423,548)	(£317,930)	£90,636	£313,592	£874,557	£1,175,622	£1,903,876	£2,290,649	

Annex 1 – International Top-Ups Paper for LSBU Executive – January 2014

6.3 Financial summary

This is a summary extracted from the full financials

	2013-2014		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019		TOTAL
	0 Sept 13	0 Jan 14	1 Sept 14	2 Jan 15	3 Sept 15	4 Jan 16	5 Sept 16	6 Jan 17	7 Sept 17	8 Jan 18	9 Sept 18	10 Jan 19	
Colleges					6	6	10	10	14	14	20	20	
Cohorts					6	6	15	17	29	29	45	45	
Students					90	90	315	285	660	520	1,110	820	
INCOME					£225,000	£225,000	£738,000	£646,500	£1,460,250	£1,137,750	£2,387,250	£1,755,750	£8,575,500
Course delivery					£34,000	£34,000	£64,033	£68,000	£125,517	£125,517	£169,433	£169,433	£789,933
Marking						£43,740	£43,740	£143,370	£125,550	£283,500	£220,860	£463,320	£1,324,080
Course director					£17,643	£17,643	£41,636	£45,871	£76,216	£76,216	£110,089	£110,089	£495,401
Annual visits					£4,000	£4,000	£8,000	£8,000	£10,000	£10,000	£14,000	£14,000	£72,000
ANNUAL VARIABLE COSTS					£55,643	£99,383	£157,410	£265,241	£337,282	£495,232	£514,383	£756,843	£2,681,415
Updating materials						£20,000		£20,000		£20,000			£60,000
Other annual costs					£22,000		£22,000		£22,000		£22,000		£88,000
ANNUAL FIXED COSTS					£22,000	£20,000	£22,000	£20,000	£22,000	£20,000	£22,000		£148,000
ANNUAL SURPLUS					£147,358	£105,618	£558,590	£361,260	£1,100,968	£622,518	£1,850,867	£998,907	£5,746,085
Course development	£4,000	£98,421	£452,484	£8,000	£189,932		£4,230	£165,818	£4,230				£927,116
Due diligence visits					£4,000		£6,000	£2,000	£8,000		£12,000		£32,000
Approval visits					£4,000		£6,000	£2,000	£8,000		£12,000		£32,000
INITIAL SET UP COSTS	£4,000	£98,421	£452,484	£8,000	£193,932		£10,230	£167,818	£12,230		£12,000		£959,116
TOTAL CASH SURPLUS	(£4,000)	(£98,421)	(£452,484)	(£8,000)	(£46,575)	£105,618	£548,360	£193,441	£1,088,737	£622,518	£1,838,867	£998,907	£4,786,969

	PAPER NO: UE.07(14)
Board:	Board of Directors
Date:	26 March 2014
Paper title:	Intellectual property and spin out company matters
Author:	Syeda Rahimunnessa, IP Manager
Purpose of the paper:	To update the Board on the University's portfolio of Spin-out companies and IP assets
Recommendation:	That the Board notes the report
Communications – who should be made aware of the decision?	

1. Introduction

This paper provides the latest quarterly update in the status, progress and performance of SBUEL's spin-out and spin in companies. In addition, it provides an update on the portfolio of IP assets held by both the company and the University.

2. Companies

Companies are created by the University in a number of ways. They may be created as a vehicle through which to commercialise IP held by the University: They may be established by students or former students (e.g. Enterprise Associates) to take forward their own business ideas: Or they may be "spun-in" to the University where there is a clear mutual benefit to such an arrangement. In each case the University will typically take either an equity stake in the company or will hold a license/royalty interest in one or more of its products or services and sometimes it will do both.

Annex 1 contains the latest quarterly update for DriveDaddy, the only company where there is new material to report since the last update.

3. IP Monitor and Plan

Under its current IP policy, the University takes ownership of IP developed by its staff and will, where appropriate, seek actively to protect it and commercialise it. In addition, in some circumstances it will take and protect IP

for and on behalf of students involved in a number of the Student Enterprise schemes that it runs, notably the Enterprise Associate Scheme. The portfolio of IP assets that the University holds is overseen by the cross-faculty IP Steering Group, chaired by the Director of Enterprise, which seeks to optimise the balance between protecting University IP and cost effectiveness. The IP steering group meets quarterly.

Annex 2 contains the latest quarterly IP monitor and Plan.

4. Recommendations

The Board are asked to:

- Note the reports presented

South Bank University Enterprises Ltd

Spin-Out Company Report

Report Update:

19/03/2014

Company: *Drive Daddy Ltd (DDL)*

Nature of Business: Design and production of motorised luxury 'hop-on and ride' golf-trolleys

Origins: Former enterprise associate of London South Bank University

SBUEL Interest: 10% Equity Stake

SBUEL Director(s): N/A

SBUEL IP: SBUEL owns the IP that Drive Daddy produces (patent, design registration and trademark)

Summary of Developments since last Report:

Year end sales:	Not reported
Year end costs:	Not reported
Profit/Loss:	Not reported

The Publication Fee has been paid on the Community Design Registration due on 8th February 2014. At IPSPG meeting of 28/01/2014, it was agreed that the fee should be paid to retain the IP Right.

History and Previous Reports:

(Sept 2013) Arnold du Toit, the founder of Drive Daddy, has repeatedly refused to update the University on the business plan and sales. This made it impossible to plan patent protection and the decision was taken to discontinue with the patenting process which had reached the stage that required expenditure of £10k to £20k. In accordance with the terms of the Enterprise Associate agreement, the patent application was assigned to the inventor but the design registration and trademark remains with SBUEL and a draft licence agreement has been sent to Drive Daddy. There has been no response to this draft IPR licence agreement.

It has been recommended to maintain ownership of the IPR until Drive Daddy is in a position such that it needs to obtain a licence.

Heads of Terms agreed between DDL and Texel Technology – manufacturing, investment and supply chain management for 6% equity, rising to 10% on delivery.

Confidential

IP monitor and plan: Updated 19/03/2014

Ref No.	Type of IP IP Company	Inventor and Title	Filing Date/Priority Date	Financials 2013/14	Development Plan & Stage	Commercial Potential	Progress since October 2013	Next steps
Staff Projects								
1	Copyright (small amount of practical know-how)	Martin Bush Product is QuizSlides Company name changed from Proper Computing Ltd to Quiz Slides	First raised Aug 2010	Investment into project of: Repayable £15,000 from Student Enterprise PoC fund BDM time input of minimum 50 days Coaching of QS team	QuizSlides product developed and tested. <ul style="list-style-type: none"> Quiz Slides will receive support and £15000 funding from the Student Enterprise Proof of concept fund which will be re-payable to the fund. SBUEL will receive 15% equity unless the contract is terminated before completion of 18 months. 	Technology – 8/10 Market – positive response from limited survey – market research is being carried out by Enterprise Department. Likelihood of income 50%	Martin Bush reported on 14 th January 2014: 1) £250 annual license sale to an Italian customer; 2) £800 license sale to Kingston University 3) £2,260 Semester 2 license sale to LSBU Reported sales yet to be processed and invoiced.	Continued monitoring of the company's progress by the University Enterprise BDM team. 18 month contract period due to expire June 2014.
2	Copyright	Larissa Fradkin Sound Mathematics	First raised Jan 2010	Possible auditing costs	Assignment for no equity, 7.5% royalty until £50k has been paid.	Assigned out of SBUEL. Likelihood of income 20%	Following an email request, annual accounts for 2012 were provided. No royalties due.	Continued monitoring of the company. Request 2013 accounts.

Ref No.	Type of IP IP Company	Inventor and Title	Filing Date/Priority Date	Financials 2013/14	Development Plan & Stage	Commercial Potential	Progress since October 2013	Next steps
3	Patent UEL 007 (Lucas and Co)	Bob Imhof Measuring Vapour Flux	08/10/2002	Budget: £6000 Spent: Forecast:	Licensed to BIOX	Fully commercialised.	Annual accounts to year ending Oct 2012 provided. Net profit £7,790 compared to £80K in 2011. US patent renewed 27 th Feb 2014, approx. £3k.	Request 2013 accounts. Japan patent due for renewal June 2014.
4	Patent (First Thought IP)	Paul Jones Socket Lockit	15/07/2010 UK Patent	Budget: £2000 Spent: £0 Forecast:£0	Prototype made and tested. Matt Reed and Geddagrip interested	Technology 8/10 Market 7/10	Continued negotiations with Geddagrip. No response since Xmas when invited to come in for a meeting and finalise an agreement. Patent dropped Feb 2014. SBUEL still own the trade mark.	Looking to submit to an external IP database(s) to invite interest from other potential parties.
5	Patent (First Thought IP)	Simon Noyce Coursework submission system	25/01/2010	N/A	Requires evidence based Business Plan	Technology 7/10 Market 5/10 as limited to HEIs	No progress from inventors who wanted to spin-out a business	Write to Simon Noyce if there is likely to be any more progress.
6	Patent (Potter Clarkson) The IP is a continuous process for the epoxidation of an olefinic compound with an oxidant in the presence	Basu Saha Alkenes Process	31/07/2009 Filed in EU, USA, China and India At examination stage in EU which is causing problems	Budget: £12,000 Spent: £7,522	Commercial leads have gone cold with the companies initially interested so currently working on a cost-benefit analysis to reignite interest.	This was identified as having potential but chemical companies do not want to take the licensing step. Technology 7/10 Market 5/10 for licensing but may be opportunities for gaining research consultancy or KTP.	Response prepared for Office Action raised by US patent office Response being prepared to objections raised by Chinese Examiner Attempts at a cost/benefit analysis have resulted in conversations with 2 companies. One is based in	Maintaining and supporting the patent process. Contact ongoing with Slovakian company as they are interested in H2020 research project collaboration.

Ref No.	Type of IP IP Company	Inventor and Title	Filing Date/Priority Date	Financials 2013/14	Development Plan & Stage	Commercial Potential	Progress since October 2013	Next steps
	of a catalyst. <i>http://patentscope.wipo.int/search/en/WO2011012869</i>						Slovakia. Established that it is not possible to conduct a cost/benefit analysis as there are too many variables.	
Graduate Projects								
7	Copyright	Erlend Grefsrud Strongman Games computer code and design	Ka-Bloom	N/A	Licensed to Strongman Games Ltd		It has been established that the company has been closed and no longer operating. There was a sub-licence of Ka-Bloom to BBCWW but sales figures have been difficult to obtain although unlikely to have been significant.	To formally sever the licence agreement between Strongman and SBUEL.
8	Patent (First Thought IP) Trademark Design Copyright (in controller).	Arnold Du Toit Rolleygolf	25/11/2010 Patents were assigned to the inventor IP in development of controller SBUEL holds the Design registrations filed in EU, USA & South Africa Trade Mark for Rolleygolf	N/A	Partnership with Texcel.	Technology 8/10 Market 8/10	Due to lack of progress and reporting the IPSPG could not justify the £1300+ spend on National filings and lack of business plan prevented country selection therefore the patent was assigned back to the inventor. On-going situation with company not responding. Decision to take no further action.	Publication fee for the Community Design Registration was due by 8 th Feb. IPSPG Meeting 28/01/2014 - agreed to pay fee to retain the IP right.

Ref No.	Type of IP IP Company	Inventor and Title	Filing Date/Priority Date	Financials 2013/14	Development Plan & Stage	Commercial Potential	Progress since October 2013	Next steps
			and Drive Daddy					
EAS 2011								
9	Patent (First Thought IP)	Judith Lane Calm Tea Cup	20/06/2011 PCT Design registration	Budget: £2000 Spent: Forecast:	<ul style="list-style-type: none"> Prototype manufactured Graduate left and therefore unknown progress 	Technology 8/10 Market 8/10	Inventor contacted and agreeable to licence to Such & Such if they want to obtain it.	Examination requested. Such and Such considering if the product would be suitable for them to develop and include in their portfolio.
New Filings and IP								
10	Design Registration (First Thought IP)	Hayley Smith Wrap-around cup handle	Design registrations in Europe and USA	Budget: £2,000 Spent: 0 Forecast:	In production and market	Technology 7/10 Market 6/10	Licence Agreement signed Nov 2013. Agreed they can pay royalties back early without royalty holiday. This would enable them to earn equity back quickly.	Ensure compliance with licence agreement and reporting of annual sales figures.
11	Design Registration (First Thought IP)	Hayley Smith Hooks for hanging Crutch		As 13 above.	In production and Market	Technology 7/10 Market 6/10	As 13 above.	As 10 above.
Invention Disclosures								
12	Copyright	Josh Oliver Feature Documentary and Associated Film Media	August 2011	Budget: 0 Spent: 0 Forecast:0	On hold.		Progress delayed due to sick leave	No expenditure by the University and no progress. Offer assignment back to the inventor.

Ref No.	Type of IP IP Company	Inventor and Title	Filing Date/Priority Date	Financials 2013/14	Development Plan & Stage	Commercial Potential	Progress since October 2013	Next steps
13	Invention Disclosure	Hayley Smith Pad for Crutch handle	TBC	Budget: 1000 Spent: 0 Forecast:0	Prototype made		Development has been on hold as they focus on Wrap-around cup handle and Hooks for hanging crutch. No expenditure by the University and no progress.	Assignment offered back to the inventor. Awaiting response.
14	Invention Disclosure	Hayley Smith Suckipad	TBC	Budget: 1000 Spent: 0 Forecast:0	Prototype made		As 16 above.	As 13 above.
15	Invention Disclosure	Steve Dance Mega Sound Proofing	TBC		If Steve Dance needs to build a prototype before filing		Awaiting prototype	On Hold
16	Invention Disclosure	Dr. Chris Brock Sous Vide Cooker	June 2013	Budget: £9,500 (POC funding) Spent: £500	Concept Prototype		Results of market research presented to project team. Business plan completed Jan 2014.	Monthly monitoring of progress on the project until May 2014 approx.

	PAPER NO: UE.08(14)
Board:	Board of Directors
Date:	26 March 2014
Paper title:	University Enterprise – Risk Register
Author:	Tim Gebbels, Chief Executive
Purpose of the Paper:	To present the Risk Register and associated actions for University Enterprise
Outcome of Paper:	Information <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Decision <input type="checkbox"/> (Please check as appropriate)
Recommendation:	The Board is requested to note the University Enterprise Risk Register and comments on the completeness of the risks recognised, their weightings and the mitigating actions proposed.

1. Summary

Annex 1 presents the risk register for University Enterprise and Annex 2 presents the associated actions planned. These risks cover the whole of University Enterprise activity and are not limited to the business of SBUEL.

The Board are asked to consider the risks presented and the proposed mitigating actions.

The risk register of University Enterprise is subject to formal management oversight at the departmental quarterly review meetings. In addition, the risk register is reported to the Board of Directors of SBUEL at each Board meeting.

2. Recommendations

That the Board:

- Notes the University Enterprise Risk Register and the associated Action Plan and comments on the completeness of the risks recognised, their weightings and the mitigating actions proposed.

Risk Register

Date	21/03/2014
Risk Status	Open
Risk Area	Support
Sub Risk Area	University Enterprise

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
323	UE3 Lack of priority for Enterprise from faculty and academic staff Risk Owner: Tim Gebbels Last Updated: 21/03/2014	Cause & Effect: Cause: Enterprise not recognised as a corporate priority versus Teaching or Research. Effect: Poor support for Enterprise activity from Faculty and department management and from individual academics. Inability of the University to deliver major new commercial projects if and when they can be found.	2 2 Medium		Medium	Ensure priorities are established that do not create perverse incentives between faculties and University Enterprise but instead encourage them to co-operate. Person Responsible: Tim Gebbels To be implemented by: 31/12/2013 <hr/> Ensure that Enterprise becomes a central component of the criteria used to recruit and promote University staff, whether academics, support staff or senior managers Person Responsible: Tim Gebbels To be implemented by: 31/07/2014

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
324	UE4 Poor project management or delivery	<p>Cause & Effect:</p> <p>Cause: Inadequate project management controls for Enterprise activity. Inadequate understanding of customer requirements or deadlines. Poor resource and staff time planning.</p> <p>Effects: Reduced income (client unwilling to pay) or cost over-runs. Inability to grow Enterprise activity as planned. Damaged reputation of the University.</p>	2 2 Medium		Medium	<p>University Enterprise to take ownership of the commercial client relationship (where appropriate) and to improve client communications throughout project lifecycle to ensure sound understanding of client need and appropriate quality control of final deliverables.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/12/2013</p> <hr/> <p>Devise and implement formal project management to effectively manage project phasing, milestones, deliverables, resource and budget scheduling, client reporting and billing.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2014</p>

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
325	UE5 Insufficient team capacity or capability	<p>Cause & Effect:</p> <p>Cause: Step change in corporate ambition requires step change in performance of University Enterprise team performance.</p> <p>Successive change processes or other de-motivators may result in staff turnover.</p> <p>Change in team focus and priorities may result in new skills needs not met by existing staff.</p> <p>Effect: High staff turnover resulting in loss of existing skills. Inability of team to meet growth targets.</p>	2 2 Medium		Medium	<p>Keep team under review to maintain staff numbers and skill profile to meet business need</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2013</p> <hr/> <p>Develop and implement a programme of organisational development both for the whole team and for the management team to foster team cohesion.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2014</p>

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
360	UE6 Crisis causes disruption to University Enterprise business Risk Owner: Tim Gebbels Last Updated: 01/11/2013	Cause & Effect: Cause: Unexpected crisis disrupts business critical element of University Enterprise activity Effect: Projects and other ongoing commercial activity fail to meet customer expectations Key records and/or documents lost, disrupting client relationships, contract management or other essential processes.	2 1 Low		Low	

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
361	UE7 Action of Spin-out or Spin-in company adversely affect University Enterprise Risk Owner: Tim Gebbels Last Updated: 21/06/2013	Cause & Effect: Cause: Uncontrolled and unmanaged activity of spin-out or spin-in company has an adverse impact on SBUEL or LSBU e.g. through legal or financial liabilities, reputational damage Effect: Losses in related businesses may need to be consolidated into SBUEL and LSBU accounts, impairing performance Damaged reputation in the market place may impact our ability to secure commercial business or even to recruit students	2 1 Low		Low	Develop a simple framework for assessing the risk associated with associated companies. Populate the framework for all such companies. Monitor risks on a regular basis (quarterly) Person Responsible: Tim Gebbels To be implemented by: 31/07/2013
365	UE8 Enterprise Centre performs poorly at launch Risk Owner: Tim Gebbels Last Updated: 21/03/2014	Cause & Effect: Cause: Poor operational planning for the launch and subsequent running of the Enterprise Centre post completion Effect: Enterprise Centre seen as a failure Reputational damage to the University	2 1 Low		Low	Establish a programme of events to engage the business community, particularly SMEs in SE1. Person Responsible: Tim Gebbels To be implemented by: 31/07/2014

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
366	UE9 Letting of Technopark accomodation under performs	<p>Cause & Effect:</p> <p>Cause: Poor management of the Technopark tenants and of the ongoing lettings business</p> <p>Effect: Loss of tenants leading to erosion of income Reputational damage leading to reduced ability to recruit and retail tenants</p>	2 2 Medium		Medium	<p>Identify new tenants and retain existing tenants to build occupancy levels across both Technopark and Clarence Centre to achieve 85% occupancy in 3 years.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 30/09/2016</p>
367	UE10 Inadequate communication of Enterprise plans	<p>Cause & Effect:</p> <p>Cause: Inadequate communications, primarily with Faculties, over the targets and plans of University Enterprise and the support needed to deliver them.</p> <p>Effect: Low recognition of the value and importane of Enterprise Lack of buy in from Faculties to Enterprise activity Low take-up of enterprise initiatives Poor income generation results</p>	2 2 Medium		Medium	<p>University Enterprise to be actively involved the the development of Faculty plans, income targets and budgets for Enterprise activity in the 14/15 planning cycle and in future.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2014</p>

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
----------	------------	----------------	------------------------	-------------------	------------------------	-----------------

Provide regular updates to the Board of Governors, University Executive and SMG.
Continue to promote University Enterprise at University committees (e.g. Research committee) and at Faculty Departmental meetings
Make use of internal comms channels to promote Enterprise messages
Deliver events like the VC's Enterprising Staff Awards to enhance the profile of enterprising staff.
Person Responsible: Tim Gebbels
To be implemented by: 31/07/2014

Action Plan

Date

21/03/2014

Risk Status

Open

Risk Area

Support

Sub Risk Area

University Enterprise

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
323	UE3 Lack of priority for Enterprise from faculty and academic staff	Medium	Ensure priorities are established that do not create perverse incentives between faculties and University Enterprise but instead encourage them to co-operate.	Tim Gebbels	£0.00	No	31/12/2013	
			Continue to communicate the Enterprise strategy across the whole University to ensure the priority of Enterprise activity is recognised	Tim Gebbels	£0.00	No	31/07/2014	
			Ensure that Enterprise becomes a central component of the criteria used to recruit and promote University staff, whether academics, support staff or senior managers	Tim Gebbels	£0.00	No	31/07/2014	
324	UE4 Poor project management or delivery	Medium	University Enterprise to take ownership of the commercial client relationship (where appropriate) and to improve client communications throughout project lifecycle to ensure sound understanding of client need and appropriate quality control of final deliverables.	Tim Gebbels	£0.00	No	31/12/2013	
			Devise and implement formal project management to effectively manage project phasing, milestones, deliverables, resource and budget scheduling, client reporting and billing.	Tim Gebbels	£0.00	No	31/07/2014	To be addressed by new Programme Management officer to be in post in early April 2014

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
325	UE5 Insufficient team capacity or capability	Medium	Keep team under review to maintain staff numbers and skill profile to meet business need	Tim Gebbels	£0.00	No	31/07/2013	Staff turnover and maternity leave have resulted in some vacancies and are likely to continue to do so. Loss of skills through staff departures, coupled with changing priorities may lead to skills gaps
			Develop and implement a programme of organisational development both for the whole team and for the management team to foster team cohesion.	Tim Gebbels	£0.00	No	31/07/2014	To be developed and implemented with support from LSBU OD team.
			Undertake a review of the team structure and the purpose of each job (within the defined establishment envelope). Move to the new structure as soon as possible.	Tim Gebbels	£0.00	No	31/07/2014	Three new posts created in December and recruitment underway. All posts to be filled by summer 2014
360	UE6 Crisis causes disruption to University Enterprise business	Low	Under the University's Business Continuity Planning Framework, develop a business continuity plan for University Enterprise	Tim Gebbels	£0.00	No	31/12/2013	
361	UE7 Action of Spin-out or Spin-in company adversely affect University Enterprise	Low	Develop a simple framework for assessing the risk associated with associated companies. Populate the framework for all such companies. Monitor risks on a regular basis (quarterly)	Tim Gebbels	£0.00	No	31/07/2013	
365	UE8 Enterprise Centre performs poorly at launch	Low	Procure a consultant or interim to develop a detailed business model and operational plan for the running of the Enterprise centre	Tim Gebbels	£50,000.00	Yes	30/09/2013	

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
366	UE9 Letting of Technopark accomodation under performs	Low	Establish a programme of events to engage the business community, particularly SMEs in SE1.	Tim Gebbels	£0.00	No	31/07/2014	Active programme currently in place. Additionally, lettings are ahead of plan.
		Medium	Identify new tenants and retain existing tenants to build occupancy levels across both Technopark and Clarence Centre to achieve 85% occupancy in 3 years.	Tim Gebbels	£0.00	No	30/09/2016	
			Include Technopark into the business model and operational plan for the Enterprise Centre so that, when the Enterprise Centre goes live, both it and Technopark form a coherent enterprise "ecosystem" which is greater than the sum of its parts.	Tim Gebbels	£0.00	No	30/09/2013	
367	UE10 Inadequate communication of Enterprise plans		Through transfer of staff from previous management company maintain continuity and quality of tenant management services.	Tim Gebbels	£0.00	No	31/07/2013	
		Medium	Provide regular updates to the Board of Governors, University Executive and SMG. Continue to promote University Enterprise at University committees (e.g. Research committee) and at Faculty Departmental meetings Make use of internal comms channels to promote Enterprise messages Deliver events like the VC's Enterprising Staff Awards to enhance the profile of enterprising staff.	Tim Gebbels	£0.00	No	31/07/2014	

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
		Medium	University Enterprise to be actively involved the the development of Faculty plans, income targets and budgets for Enterprise activity in the 14/15 planning cycle and in future.	Tim Gebbels	£0.00	No	31/07/2014	Joint business planning approach for 14/15 plans now underway between Enterprise, Research and individual HoDs.