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Meeting of the Board of Governors

4pm on Thursday, 17 March 2016
in 1B27, Technopark, London Road, London SE1

Agenda

No.	Item	Paper No.	Presenter
1.	Welcome and apologies		Chair
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		Chair
3.	Chair's Business		
3.1	Minutes of meeting of 26 November 2015 (for publication)	BG.01(16)	Chair
4.	Matters arising		Chair
5.	Key Items to discuss		
6.	Vice Chancellor's report and key performance indicators (to discuss and note)	BG.02(16)	VC
7.	Chief Financial Officer's report (to discuss and note)	BG.03(16)	CFO
8.	Other matters		
8.1	Health and Safety update	BG.04(16)	EDHR
8.2	Chancellor succession (to approve)	BG.05(16)	Sec
8.3	SBUEL governance proposals (to approve)	BG.06(16)	PVC (R&EE)
9.	Items to note <i>the following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>		
9.1	Reports on decisions of Committees	BG.07(16)	Committee chairs
9.2	Corporate Risk register	BG.08(16)	CFO

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- 9.3 Declarations of interest update (to authorise) BG.09(16) Sec
10. Any Other Business Chair
11. Date of next Board meeting: 4pm on Thursday 19 May 2016

Please note that the annual meeting of the University Court will take place at 6.15pm in the Confucius Institute, Caxton House. All governors are invited to attend.

Members: Jerry Cope (Chair), Andrew Owen (Vice Chair), David Phoenix (Vice Chancellor), Steve Balmont, Shachi Blakemore, Michael Cutbill, Douglas Denham St Pinnock, Neil Gorman, Carol Hui, Mee Ling Ng, Hilary McCallion, Abdi Osman, Jenny Owen, Tony Roberts, Andrea Smith and James Smith.

Apologies: Kevin McGrath

With: Chief Financial Officer, Deputy Vice Chancellor, University Secretary and Governance Manager.

Attached for information only:

- Final external auditors report (as requested at the Board meeting of 26 November 2015)

	PAPER NO: BG.01(16)
Paper title:	Minutes of the meeting of 26 November 2015
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Jerry Cope, Chairman of the Board
Purpose:	To approve the minutes of the last meeting as a correct record and the redactions for publication.

Executive Summary

The Board is asked to approve the minutes of its meetings of 26 November 2015 and the suggested redactions (in grey) for publication on LSBU's website.

Minutes of a Meeting of the Board of Governors
held at 4pm on Thursday, 26 November 2015
in the Boardroom, Technopark, London Road, London SE1

Present

Jerry Cope	Chair
David Phoenix	Vice Chancellor and Chief Executive
Steve Balmont	
Shachi Blakemore	
Douglas Denham St Pinnock	
Neil Gorman	
Carol Hui	
Hilary McCallion	
Kevin McGrath	
Mee Ling Ng	
Abdi Osman	
Jenny Owen	
Tony Roberts	
Andrea Smith	
James Smith	

With

Nick Taylor	Grant Thornton, External Auditors (<i>for minutes 25-34</i>)
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In attendance

Richard Flatman	Chief Financial Officer
James Stevenson	University Secretary and Clerk to the Board of Governors
Ruth Sutton	Governance Assistant

Welcome and Apologies

1. Apologies were received from Andrew Owen and Pat Bailey, Deputy Vice Chancellor.
2. The Chair reported that governors had just received an informative presentation on the higher education green paper.

Declaration of Interests

3. No governor declared an interest in any item on the agenda.

Minutes of the previous meeting

4. The Board approved the minutes of the meeting of 21 October 2015 (paper **BG.64(15)**) and their publication with the proposed redactions, subject to minor amendments.

Matters Arising

5. The Secretary updated the Board on progress to acquire the lease of Hugh Astor Court. The Board noted that the final draft contract was with the Peabody Trust for approval. The Board noted that the negotiated deadline for vacant possession is 30 September 2016, which could be extended only in specified exceptional circumstances.
6. The Chair updated the Board about discussions he had with Morley College about potentially joining the LSBU group. The Board noted the confidentiality of the project. The matter would be discussed in detail at the Major Projects and Investment Committee.

Vice Chancellor's Report

7. The Board discussed the Vice Chancellor's report (paper **BG.65(15)**), which included an update on the proposal to establish the LSBU Institute of Professional and Technical Education and international partnerships.
8. The Board discussed student recruitment in detail and noted the under-recruitment of full-time undergraduates by 162 for Semester 1. The long-term growth targets to 2020 would be discussed at the Board strategy day in April 2016.

Nick Taylor of Grant Thornton entered the meeting

Chief Financial Officer's Report

9. The Board discussed in detail the Chief Financial Officer's report (paper **BG.66(15)**), which included updates on the current financial position; year end reporting; and the year end surplus of £1.2m, ahead of budget of £1m.
10. The Board discussed the impact of under-recruitment on the full year forecast. It was noted that the positive variance in staff costs of £1.5m and expected Semester 2 recruitment for January 2016 would help to make up the income shortfall. The CFO remained confident, based on what was currently known, that this year's budget surplus would still be achieved.

11. The Board approved the financial tables for 2014/15 for submission to HEFCE as part of the HEFCE Annual Accountability Return.

Shachi Blakemore left the meeting

Key Performance Indicators report 2014/15 and targets for 2015/16

12. The Board discussed the Key Performance Indicators report (paper **BG.67(15)**) and approved the proposed targets for 2015/16, subject to minor amendments.

Corporate Strategy Progress Report

13. The Board noted the new Corporate Strategy Progress report (paper **BG.68(15)**). The Board requested a succinct report twice a year.

Audit Committee Annual Report

14. The Board noted the Audit Committee's annual report for 2014/15 (paper **BG.69(15)**). The Chair of the Audit Committee would sign the report at the end of the meeting.

External Audit findings

15. The Board noted Grant Thornton's audit findings report which had been discussed in detail by the Audit Committee (paper **BG.70(15)**). Mr Taylor reported that there were no matters which needed to be brought to the attention of the Board. The final version would be circulated.

External audit letter of representation

16. The Board noted the letter of representation to the external auditors (paper **BG.71(15)**). It was noted that there were no representations specific to LSBU. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.
17. The Board approved the letter and authorised the Chair to sign the letter on behalf of the Board.

Annual report and financial statements for year ended 31 July 2015

18. The Board discussed the annual report and financial statements for year ended 31 July 2015 (paper **BG.72(15)**), which had been reviewed by the Audit committee and the Finance, Planning and Resources committee.
19. The Board noted minor amendments to the accounts made since the Audit Committee.
20. The Board noted assurances from the Executive that the form and content of the report and accounts were accurate and could be approved by the Board.
21. After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2015 and authorised signature by the Chair and Vice Chancellor on behalf of the Board.
22. The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 11 November 2015. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

Neil Gorman left the meeting

Written Resolution to reappoint Grant Thornton

23. The Board noted the prior approval by a majority of the members of the company of the written resolution to reappoint Grant Thornton UK LLP as external auditors to the University for the year to 31 July 2016 with delegation of remuneration to Executive on the recommendation of the Audit Committee. The Chair would sign the written resolution on behalf of LSBU at the end of the meeting.

Governance of LSBU sponsored academies

24. The Board noted the change in governance of the LSBU sponsored academies to a single charitable multi-academy trust company following discussions with the Department for Education (paper **BG.74(15)**).
25. The Chair noted that an LSBU independent governor would sit on the board of the multi-academy trust company.

Report on decisions of Committees

26. The Board noted a report on decisions of committees since its last meeting of 21 October 2015 (paper **BG.75(15)**).
27. The Board approved the revised terms of reference for the Major Projects and Investment Committee and the Academic Board.
28. A meeting of the Remuneration Committee would be held following this meeting.

Date of next meeting

29. The next Board meeting will be at 4pm on Thursday 17 March 2016, followed by a meeting of the University Court.
30. There would be an informal meeting of the independent governors in January 2016.

The Chair closed the meeting.

Confirmed as a true record:

..... (Chair)



Committee Action Points

10 March 2016

10

09:36:40

Committee	Date	Minute	Action	Person Res	Status	
Board	26/11/2015	6	MPIC to discuss Morley College joining LSBU group	DVC	Discussed at meetings of 16 December 2015 and 16 February 2016.	<input checked="" type="checkbox"/> Completed
Board	26/11/2015	15	Circulate final version of external audit findings	Secretary	Circulated via email on 10 March 2016	<input checked="" type="checkbox"/> Completed

	PAPER NO: BG.02(16)
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	David Phoenix, Vice Chancellor
Executive sponsor:	David Phoenix, Vice Chancellor
Purpose:	To update the Board on University matters
Recommendation:	To note the report.

Matter previously considered by:	Board of Governors	At each meeting
Further approval required?	No	N/A

Executive Summary

The paper provides an update on key areas of activity for information and assurance. The Board's attention is drawn specifically to the following:

We have two important surveys underway, National Student Survey (NSS) and Destination of Leavers from Higher Education (DLHE). The NSS is showing a more favourable increase in numbers from last year with 31% completion compared to 17%. We will be looking to build on an overall satisfaction rate of 82% that was achieved in 2015. Latest results in the DLHE survey show a significant improvement in what was already a strong score in graduate employment to around 75%. Both surveys contribute to our position in domestic league tables.

Semester two (15/16) saw 373 Home / EU applicants fully enrol at LSBU, against a target of 299 fully enrolled students (£1.1m income target). The UCAS Tracker currently shows that LSBU is -1.5% (- 315) applications behind compared to the same period last year. However, our competitor group are also showing a slow start to the cycle, with the group as a whole down by -3%. To date LSBU has received 323 firm acceptances so far this cycle (173 of which are unconditional) from Home / EU applicants for full-time undergraduate degrees. This is -13% (or 49 acceptances) down on the same time last year. Full-time postgraduate Home /EU recruitment is currently up 59% (or 36 acceptances) on last cycle with 205 firm acceptances

received to date. Our focus is now on conversion and the University has a fully integrated and extensive marketing and recruitment plan that is rolling out across all channels.

Vice Chancellor's Report March 2016

This report has been formatted around the three key outcomes listed in the corporate strategy followed by a review of activity related to the enablers.

1.0 External Environment

We have been admitted to the Skills Funding Agreement Register of Training Organisations. This means that we can apply for funding for vocational qualifications which will support the development of the IPTE as well as other areas where we can grow our income. An 'Apprenticeship Manager' has been appointed to help us further develop this area of work

The grant letter has been sent by BIS to HEFCE. We will now need to await the funding allocations by institution in coming weeks. Headline numbers are not surprising and continue the gradual decline in funding which has been taking place over a number of years alongside a steady increase in the reliance on tuition fees by universities. Total funding to HEFCE will be **£3.712 billion** in 2016-17 and is projected to fall to **£3.476 billion** in 2017-18. The teaching grant will be **£1.539 billion** in 2016-17, down from **£1.671 billion** last year. HEFCE will review its approach to Teaching funding which could lead to significant changes in the way we receive funding, for example for high cost subjects such as science and engineering. Capital funding for teaching falls to **£140 million** in 2016-17, down from £300 million last year - and will fall again to £100 million next year. The letter also refers to the following;

- The **Student Opportunity Fund** is to be retargeted next year (following its cut by up to half in the Spending Review) to include a greater focus on institutions "with higher proportions of at risk students from disadvantaged backgrounds, including part-time students". In theory this should benefit us but it will depend on the factors used to allocate funds. We are currently reviewing our 'postcode data' as this may drive allocations moving forward.

- **HEFCE is going to take responsibility for delivering Teaching Excellence Framework (TEF) 2** - strengthening the position of the funding council (and presumably its successor body OfS), as there had been speculation that the TEF could be delivered by other agencies - we now know that at least in the short term, that won't happen.

- HEFCE is to look at the **contractual status of academic staff and teaching intensity/contact hours** as possible metrics to feed into the TEF in the future. Both

will be controversial for different reasons but as yet the issue of metrics around TEF continues to prove challenging.

- **HEFCE's role in quality** receives some challenge in the letter: "*We would encourage you to ensure that any new approach maintains the broader assurances that are needed to support Home Office visa activity, act as a potential gateway into TEF, and maintain the UK HE global reputation, including by maintaining compatibility with our obligations under the Bologna process. We also support your ongoing work to ensure that assurance mechanisms for England fit smoothly within a whole-UK approach.*" This list of functions closely match those of QAA and are often used by critics of HEFCE's plans to replace QAA in a shakeup of quality assessment. Elsewhere in the letter, the issue is hinted at in another context: "*We recognise that there will be instances in which there is a case for allocating funds to non-institutional bodies, alongside contributions from institutions and other organisations, where this secures the long-term sustainability of high value services to the sector.*" This links to sector bodies seeking to significantly increase fees to institutions to compensate for cuts to grant aid. Universities UK is reviewing the shape of the sector in this regard and I am a member of this review group which is due to report in September.

2.0 Corporate Strategy Outcome 1: Student Success

The focus of this outcome is developing the learning pathway to improve student engagement and the outcomes they achieve.

2.1 National Student Survey (NSS)

The 2016 NSS survey is underway. Fieldwork surveying final year undergraduate students is conducted by Ipsos-Mori, and began in early February. Activities across LSBU are underway to encourage participation in the survey, which provides valuable feedback on the student experience as well as contributing to reputational metrics such as all domestic league tables. The LSBU response rate is currently at 31% (with a minimum of 50% required for publication). At the same point last year the response rate was 17%. Results will be published in July, after the survey closes at the end of April. LSBU will be looking to build on its overall satisfaction rate of 82% (3rd highest amongst our aspirational group of seven other universities and 3 % higher than in 2014) that was achieved in 2015 but it is too early to predict the outcome and whilst we know we have had positive feedback on some activity we have also had challenges with areas such as timetabling which may adversely affect the outcome.

2.2 Destination of Leavers from Higher Education (DLHE)

The DLHE survey is underway and the latest results show a significant improvement in what was already a strong score from Spring 2015. As of 26 February the proportion of students (full-time, first degree of UK domicile) that graduated in the

summer of 2015 with graduate level jobs or further study was c90% (provisional). This compares to 68% in the previous year (and 49% the year before that). This is an important metric as it contributes to all domestic league tables, and furthermore is expected to be a metric included in the Teaching Excellence Framework, cited in the Government Green Paper. The final result will be known after data cleansing in the next few weeks but we are reaching a level where maintaining the score will become the focus rather than seeking further increases.

2.3 Data Quality

Significant progress has been made in the sphere of data quality. The principle of data quality is increasingly being embedded in the culture of LSBU, and its importance to understanding LSBU's reputation and performance. There is a process in place to assess data quality risks, and the first report on this topic has been reported to the latest Audit Committee. The organisation is increasingly working collaboratively, with tangible benefits beginning to be delivered.

2.4 International Student barometer.

This year we took part in a survey of international students. The results are currently being analysed but 77% would encourage others to apply to LSBU compared to 83% from other London Universities (81% from other Million+ universities). When looking at the top 10 factors leading to study we compare favourably with other London HEIs which took part in terms of satisfaction levels:

- Personal safety 90% (compared to 83%)
- Cost of study 88% (compared to 80%), cost of living 87% (compared to 80%)
- Opportunities for further study 84% (compared to 75%)
- Opportunity to work whilst studying 80% (compared to 67%)

We score lower on only two factors:

- Institutional reputation – 89% (compared to 95%) and
- Research quality – 89% (compared to 91%).

Overall the student experience, once here, is in line with other London HEIs although in general we are 2-3% below average in areas related to teaching and satisfaction with accommodation.

2.5 Retention

The Higher Education Statistics Agency (HESA) have this week issued institutions with their retention data. This predicts that 66% of LSBU 2014/15 full time first degree students will complete their degree at LSBU (based on past performance). This is against an expected benchmark of 71.8% (calculated according to national averages according to various academic and demographic factors). Though the

University is still below the benchmark (-5.8%), this is an improvement from the previous year when we were 6.7% below benchmark. The actual figures published in league tables will show better completion levels as they include transfers to other universities as a positive outcome. The benchmark data will be available later this month and reported in the next Board report.

3.0 Corporate Strategy Outcome 2: Real World Impact

This outcome focuses on the applied nature of our teaching research and enterprise and the way the three interact to ensure we have a real world focus and impact.

3.1 Research and Enterprise and Innovation

For research we have secured £1.8m of income YTD (end Jan 16), with just over £2.1m left to achieve by year-end. Of this £2.1m there is planned activity totaling £1.6m. This leaves £500k of unidentified income. For enterprise we have secured slightly over £3.7m of income with a further £5.8m to target. Of this £5.8m there is planned activity totaling £5m that leaves £800k of unidentified income. Both are in line with our expectations for this time of the year.

The research income pipeline has potential bids identified totaling just over £6.7m. The enterprise income pipeline of potential activity has a value totaling nearly £12m. Both pipelines represent significant growth based on 2014-15 performance. The predicted conversion rate for enterprise is 18% based on the average for 2014-15. Whilst as yet we have not therefore identified funding to fully meet this year's targets, we are continuing to focus on realising activity through the growing list of potential projects

3.2 School of Health and Social Care Commissions

NHS pre-registration commissions for Sept 2016 (the final year that pre-registration courses will be commissioned by the NHS prior to shift of funding to BIS and student loans) are static in comparison to Sept 2015. DoH cut HEE's budget for 2016/17 by 25% so we are pleased to maintain our current commissions against this backdrop. CPPD commissions are not expected until late May (much later this year than in previous years) and are expected to reflect the 25% cut in central funding to HEE. The School is therefore working to increase income streams from elsewhere (International, enterprise, non-NHS commissioned courses, research) to make up this gap in income. From Sept 2017 onwards we are forecasting modest increases across most pre-registration courses to meet employer demand in London and will add new courses in Physiotherapy and Rehabilitation Therapy and possibly in Paramedic Science.

HSC is revalidating all pre-registration courses in April 2016 to ensure that more flexible modes of delivery for Sept 2017 entry are available to support students who are paying their own fees and to support in-service and alternative routes to training, in partnership with our NHS Trusts. This will also ultimately include both Apprenticeships/ Higher Apprenticeships, a new Nursing Associate role and various top-up courses for these roles to fully registered professional status. We are planning a similar large-scale review and revalidation of a similarly large and complex CPD portfolio in the next academic year to provide for a future where students bear more responsibility for the cost of their own courses/ CPD and where release from work becomes more difficult.

Finally, we are working with local NHS partners from CCGs, Primary Care, Mental Health & Acute secondary care to develop multi-professional drop-in clinics at both Southwark and Havering campuses. These will be largely student-lead facilities, offering local services to the community including diagnostic services, advisory services, GP, dental and other community services. We are keen to develop these as a model for excellence in primary care and as vibrant learning environments.

We are establishing a not-for-profit 'company in residence' with former health minister, Ann Keen, which will serve as a specialist nursing staffing agency, providing high quality nurses specialised in care of older people. 'Engage' nurses will undergo bespoke specialist training and education for these roles and will then be available for agency employment to the NHS and other providers of services. The agency will also provide training for health care assistants working with older people, including to LSBU health students who have achieved the 'care certificate' stage of the new curriculum to enable them to gain work and to 'earn while they learn' and at the same time gain excellent additional clinical skills. We are also looking to partner with local nursing/ care homes to develop models of excellence in provision of residential care. This part of the service is very poorly served at the moment, but getting this right is essential for the whole health system to operate effectively and affordably.

4.0 Corporate Strategy Outcome 3: Access to Opportunity

This outcome focuses on the need to work in partnership with key organisations to deliver our strategy and the civic engagement aspects of our vision. Its outcomes include measures such as recruitment of students that can succeed as well as international activity.

4.1.1 2016/17 Undergraduate Recruitment (As at 29/02/2016)

There are three factors we are monitoring in terms of recruitment:

- Application rates
- Offer levels
- Acceptance levels

Excluding HSC we are up on 2014 when we managed to hit our 2750 target, but down on 2015 applications. UCAS Tracker currently shows that LSBU is -1.5% (-315 applications) behind compared to the same period last year. If you exclude HSC applications this figure rises to -4% (-451 applications). Our competitor group are also showing a slow start to the cycle, with the group as a whole down by -3%. The national market is up by less than half a percentage point.

Summary	2014	2015	2016	%Δ 2014/16	%Δ 2015/16
LSBU Applications	20,728	20,662	20,347	-1.84%	-1.52%
National Applications	2,633,471	2,690,563	2,701,108	2.57%	0.39%
Competitor Applications	159,793	155,771	151,345	-5.29%	-2.84%

To date LSBU has made 3% more offers than in 2015 as shown below with only Applied Science showing a significant drop (Non-commissioned numbers from health are small). It is very early in the cycle for LSBU but we have received 323 firm acceptances so far this cycle (173 of which are unconditional) from Home / EU applicants for full-time undergraduate degrees. This is -13% (or 49 acceptances) down on the same time last year.

UG FT School / Division	Main Cycle					
	Firm Accepts	LYTD	+/- %	Active Offers	LYTD	+/- %
Applied Science	66	76	-13.16%	1,133	1,301	-13%
Home/EU	64	76	-15.79%	1,099	1,262	-12.92%
OS	2	0		34	39	-12.82%
Arts and Creative Industries	75	64	17.19%	876	826	6%
Home/EU	71	63	12.70%	834	799	4.38%
OS	4	1	300.00%	42	27	55.56%
Built Environment and Architecture	34	28	21.43%	553	437	27%
Home/EU	28	27	3.70%	485	372	30.38%
OS	6	1	500.00%	68	65	4.62%
Business	56	65	-13.85%	1,490	1,269	17%
Home/EU	44	58	-24.14%	1,356	1,157	17.20%
OS	12	7	71.43%	134	112	19.64%
Engineering	53	78	-32.05%	1,171	1,119	5%
Home/EU	49	72	-31.94%	1,072	986	8.72%
OS	4	6	-33.33%	99	133	-25.56%
Health and Social Care	7	13	-46.15%	28	65	-57%
Home/EU	7	11	-36.36%	28	63	-55.56%
OS	0	2	-100.00%	0	2	-100.00%
Law and Social Science	64	67	-4.48%	1,438	1,486	-3%
Home/EU	60	65	-7.69%	1,378	1,413	-2.48%
OS	4	2	100.00%	60	73	-17.81%
LSBU Total	355	391	-9.21%	6,689	6,503	3%
Home/EU	323	372	-13.17%	6,252	6,052	3.30%
OS	32	19	68.42%	437	451	-3.10%

Clearly we are still very early in the conversion cycle and many students will be waiting until they have had responses from each of their chosen institutions before making a final decision (the deadline for on-time / early applicants is early May).

To date we have seen good engagement in marketing activity and have seen total attendance at LSBU Open Days increase by around 7% year on year (3,593 attendees against 3,354 attendees).

Our focus is now on conversion and the University has a fully integrated and extensive marketing and recruitment plan that is rolling out across all channels.

All activity will be monitored in terms of effectiveness and performance against targets, with adjustments being made at each stage of the cycle to maximise impact.

Undergraduate part-time Home /EU acceptances are down by -7% (or 10 accepts) but this is early in the cycle

4.1.3 2016/17 Postgraduate Recruitment (As at 29/02/2016)

Full-time Postgraduate Home /EU recruitment is currently up 59% (or 36 acceptances) on last cycle with 205 firm acceptances received to date.

PGT FT		Main Cycle				
School / Division	Firm Accepts	LYTD	+/- %	Active Offers	LYTD	+/- %
Applied Science	37	13	184.62%	38	19	100%
Home/EU	19	11	72.73%	23	5	360.00%
OS	18	2	800.00%	15	14	7.14%
Arts and Creative Industries	1	3	-66.67%	2	11	-82%
Home/EU	1	0		0	0	
OS	0	3	-100.00%	2	11	-81.82%
Built Environment and Architecture	45	47	-4.26%	41	50	-18%
Home/EU	17	19	-10.53%	15	22	-31.82%
OS	28	28	0.00%	26	28	-7.14%
Business	87	98	-11.22%	96	124	-23%
Home/EU	33	25	32.00%	13	13	0.00%
OS	54	73	-26.03%	83	111	-25.23%
Engineering	76	62	22.58%	52	88	-41%
Home/EU	18	8	125.00%	3	4	-25.00%
OS	58	54	7.41%	49	84	-41.67%
Health and Social Care	56	56	0.00%	80	95	-16%
Home/EU	37	26	42.31%	67	84	-20.24%
OS	19	30	-36.67%	13	11	18.18%
Law and Social Science	118	105	12.38%	73	93	-22%
Home/EU	80	40	100.00%	22	36	-38.89%
OS	38	65	-41.54%	51	57	-10.53%
LSBU Total	420	384	9.38%	382	480	-20%
Home/EU	205	129	58.91%	143	164	-12.80%
OS	215	255	-15.69%	239	316	-24.37%

Postgraduate part-time Home / EU acceptances are up by 10% (or 7 accepts).

4.2 International student recruitment

The University retained its UKVI Tier 4 licence for this academic year. There are three key measures necessary to pass the Basic Compliance Assessment, one of which is maintaining an applicant visa refusal rate with the Home Office less than 10%. Last summer, when it became clear that Post-92's in London were subject to disproportionate targeting for refusals, it was decided at Executive level to take measures ensuring an acceptable visa refusal rate even though there would be an impact on student recruitment and consequent income. In the census period running up to September 2015 a refusal rate of 9% was achieved, however this resulted in a shortfall of some 200 students including some £0.75M of returned fee payments. Anticipating further reductions in the threshold visa refusal rate, processes were tightened and modelling across the entire recruitment cycle suggests the University will secure a rate at or below 5% in future delivering a prudent 'buffer zone' for operations.

Following an October 2015 Penningtons audit of University processes associated with all the tiers of UK Visa applications operating at the University, an internal 'task and finish team' have implemented recommendations and resourced functions to ensure our licence arrangements protect the University's interest. This initial audit and an associated December update has been provided to the Audit Committee and the closing audit report from March (again from Penningtons) will be presented at the next Audit Committee in June 2016. The University pays for a Home Office premium customer service which offers an enhanced level of support for organisations providing a dedicated account manager: UKVI visited the campus in February and were impressed by the processes in place and confidence in LSBU was confirmed.

Applications for September 2016 are in line with the same period for 2015. Work is being undertaken to improve conversion of applicants in order to increase enrolments. A major channel for generating applications is through our work with a trusted network of recruitment agents. In order to improve conversion through these relationships, the University hosted a conference for the agents on campus in January, allowing them to experience the facilities, meet staff and students face to face and learn more about the University strategic direction. Increased applicant interest in LSBU is already evident as a direct consequence of this conference. Other recruitment channels are overseas educational partners whose students progress onto a LSBU course and the Cambridge Education Group (CEG) who operate in a similar way but from a UK base. There is a drive in place to increase the number of overseas progression partners and CEG have worked closely with the University's Business School to pilot an innovative 4 year linked course starting in January 2017 which should prove attractive to students. Despite recruitment remaining difficult, because the University is a trusted partner to UKVI, agents,

overseas Universities and the CEG, income growth is sustainable although at reduced levels.

4.3 Update on the British University in Egypt (BUE) and the Applied Sciences University (ASU) in Bahrain

Both these University partners are operating under agreed framework arrangements covering teaching and learning, research and enterprise (knowledge transfer and entrepreneurship). Whilst each of these three 'pillars' of activity are developing differently between these two key partners, the LSBU oversight is identical.

2016 is the Egypt-UK Year of Research, Innovation and Education. LSBU is well placed in terms of both leadership and expansion. We are in the process of validating three additional courses at BUE having extended our relationship with the University to include the majority of their recent expansion of faculties. These new courses are Bachelors degrees in English Language & Literature; Law and Psychology. In total the number of students at BUE on LSBU validated courses is currently 1640 increasing steadily as planned. The scale of research is smaller, however the research environment at BUE is quite strong and is being merged with that of LSBU to provide an internationally connected community of researchers and students. Enterprise is much less developed and will require time to develop both internal infrastructure and external ecosystems.

2016 is the celebration of 200 years of Bahrain's relationship with the UK, so whilst ASU are awaiting Education Council approval for the partnership with LSBU and without this we cannot progress further with the validation of Engineering, Built Environment and Law Bachelors degrees, this is a good time to expand our relationship first in terms of a post graduate institute with four LSBU Schools potentially contributing to a comprehensive course offer, and a rapidly developing activities / structure for enterprise and commercial delivery. The development of research links will again need Council approval and will be sought once delivery at the Masters level is evident. The relationship with the British Embassy and UKTI is strong and LSBU's work has recently been cited as an example to other UK HEIs.

4.4 Academies Update

A new Trust, South Bank Academies, has been established bringing together the University Academy of Engineering and the South Bank Engineering UTC. The Trust has a majority of LSBU staff as trustees and includes three independent members. It is proposed that an LSBU governor will join the board of South Bank Academy. Setting up the Trust has been a significant piece of work involving sensitive negotiation with interested stakeholders to achieve the governance structure agreed with the Board.

4.4.1 South Bank Engineering UTC

Demolition of existing structures at the site has begun and we are in discussion with EFA with regard to the temporary accommodation for 2016/17 school year, while the permanent UTC building is built. The UTC team has been very active with marketing and student recruitment activities including direct communications with over 8000 families, career and education events, school visits, meetings at community venues such as libraries, community centres etc. The recruitment has been positive and we will continue to recruit until the capacity of the temporary accommodation is reached. We have recruited a Vice-Principal and the recruitment of teaching staff will begin as soon as the Funding Agreement is signed. We had two review meetings with the DfE last year. The DfE invited us for another review meeting in March and we expect to agree on minimum student recruitment numbers in order for them to permit the UTC to be opened in September 2016. We currently have over 100 pupils accepted to study for September which means we have exceeded the minimum number set by DfE but numbers to year 10 remain challenging at c 30 – we are aiming for a minimum of 40.

4.4.2 University Academy of Engineering South Bank

The Academy continues to develop well. The Academy is fully subscribed this year with some of the children, who nominated the Academy as their first choice, were not able to get a place. The Academy is also opening post 16 education in September 2016. The recruitment into 6th Form continues until the end of August although as we don't currently have our own feeder route numbers remain challenging. The Academy has not been inspected by Ofsted and we are now expecting that the Ofsted inspection will take place in early 2017. We recruited an additional Assistant Vice-Principal to support the Academy as the student numbers have grown.

4.5 LSBU Institute for Professional & Technical Education (IPTE)

The IPTE will almost certainly be established from September 2016, to act (at the very least) as an administrative centre for the increasing number of apprenticeships that we are expecting to offer. The exact nature of the IPTE had yet to be decided – although it may start as a small unit we are seeking pump-priming through discussions with Southwark Borough Council and with HEFCE to speed up development. We are currently mapping programmes for which a degree level apprenticeship may be a way forward. The quality assurance arrangements – especially in terms of end point assessment are being developed with potential partnerships being reviewed, for example with City and Guilds.

4.6 Public Affairs and Civic Engagement

We continue to focus our public affairs activity on LSBU's leading role in professional and technical education. We have met representatives of key organisations in the

London South Bank University

field including the Gatsby Foundation, University Vocational Awards Council, HEFCE, GLA, London Enterprise Panel, CBI and BIS, where we participated in a workshop with senior civil servants delivering the new Degree Apprenticeships. LSBU has now been chosen to host the launch of UUK's report on Higher and Degree Apprenticeships, which we hope will involve the Skills Minister, Nick Boles. Our report on Employer Sponsored Degrees, produced with the Higher Education Policy Institute, will be launched at an event at the House of Commons on April 19th.

We have also been increasing our engagement around three other areas: London, Health and Social Care and research and enterprise.

- In London we have become involved in the key organisations for higher education and regional government. PVC Paul Ivey is chairing London Higher's Research Excellence Committee and is Deputy Chair of AccessHE. Paul also sits on two committees of the London Enterprise Panel – those for European Funding and Skills - and on the board of the Local Area Reviews of Further Education.
- Following the School of Health's high profile series of public debates, we provided briefings on LSBU and Health to over a dozen MPs. These resulted in opportunities to engage and inform MPs of LSBU's view around key health issues including the change from nursing bursaries to loans.
- With regard to research and enterprise; we are working with the Industry and Parliament Trust to promote our research work in Westminster. I have also joined the board of the National Centre for Universities and Business.

Before Christmas I appeared before the Business, Innovation and Skills Committee to give evidence regarding the proposed Teaching Excellence Framework. I am also using my role on the HEFCE Teaching Excellence and Student Opportunity Strategic Advisory Committee to input further into the data issues related to the TEF and the use of HESA data in a reformed longitudinal DLHE survey.

LSBU has also made submissions to the government consultations on TEF, the Stern review of the Research Excellence Framework and on Higher and Degree Apprenticeships.

More generally, we have met parliamentarians with particular interests in Health, Education and Skills and south London including Baroness Sharp, Lord Kennedy, Paul Blomfield, Liam Byrne, Paul Scully, Vicky Foxcroft, Helen Whately. In April we are receiving a visit from Universities Minister Jo Johnson.

In February we held an event at Westminster celebrating the Chinese New Year for invited guests including parliamentarians, businesses and organisations with particular links to China. We also held a launch, led by Lord Michael Grade, to launch the University's new Media Centre, Elephant Studios. In March, Keith Vaz MP

was the keynote speaker at Dr Rami Ranger CBE Enterprise Lecture, our annual celebration of enterprise at LSBU.

5.0 Strategic Enablers

5.1 Academic Pathway

As part of the new academic pathway we have launched a promotions panel which is due to conclude mid- March. A total of 74 applications were received and put forward to the Stage 1 Panel which has held in December. Of the 74 applications; 10 were for promotion to Senior Lecturer, 44 to Associate Professor and 19 to Professor. Following the Stage 1 Panel, three members of staff were successful in being promoted to Senior Lecturer. 18 applicants for promotion to Associate Professor and 9 applicants to Professor were put through to Stage 2 where external references were sought.

The Stage 2 Panel will meet on 15 March to review the applications and references and a final decision will be made. Successful academic promotions for Associate Professor and Professors will be effective of 1 April 2016.

5.2 LSBU Local Agreement

The University has entered into negotiations with UCU on updating and modernising the LSBU Local Agreement which determines the duties and working hours for lecturing staff. The current agreement has been in place since 1992 when the national lecturing contract was introduced at LSBU, and has remained largely unchanged since then. The University's proposal is to retain Part A of the agreement, which is the nationally agreed text, and to revise some of the more restrictive aspects of the locally agreed Part B that no longer reflect the needs of students in a modern university. Negotiations were opened with UCU last July, and have intensified since January, but to date UCU has not demonstrated a willingness to move from the basic tenets of the existing agreement. At the last meeting in February, UCU would not agree to negotiations continuing without re-opening discussions on the Academic Framework already in place for Grades 7 and 8. Management is now considering its position with regard to the next step to take this forward.

5.3 Identity and Access Management System

The first of several upgrades to the Identity Management component of IBMs Identity and Access Management product was rolled out week commencing 1st March. This initial upgrade will utilise data stored in the Oracle HR system as the single source of data for on-boarding Staff and agency workers and Raiser's Edge for Alumni, and represents a significant move away from the use of PhoneBook as a data source. By doing this and continuing to use QLS as the source for Student data it enables the

University to improve the quality of data used to provision all ICT accounts and email IDs and ultimately retire the legacy Identity Management system.

5.4 New appointments

We have recently recruited for the post of Director of Research Informed Teaching. Dr Saranne Weller has previously worked at the University of Surrey, Kings College London and University of the Arts London (as Associate Dean, Learning, Teaching and Enhancement). She won the 2008 Society for Research in Higher Education Newer Researchers Award and is due to start in June 2016.

Marc Griffith will join us at the end of March as Head of Digitally Enhanced Learning. His previous role was Head of Academic Practice and Learning Enhancement at the University of Derby, and he worked before that at the universities of Birmingham, Surrey and UAL.

5.5 Hugh Astor Court update

The contract for the sale of Hugh Astor Court has now been completed and the clean document prepared for signature. The contract makes provision for a preferred vacant possession date set at 31st July 2016. At this point, if vacant possession is not achieved then both parties have the option to either 'walk away' from the contract with a return of the deposit and no penalties applied, or to agree an extension to the vacant possession date set in the contract at 31st December 2016. As it has been some time since the original agreement was made, the COO has asked for a further local authority search to be carried out prior to exchange of contracts. We expect then to exchange before the end of March. Peabody are continuing to serve notice on the tenants with a number already vacated.

Out come s	#	Corporate Strategy Goals	Report Date	17th February 2016	Past Performance			benchmark	Target	15/16 Ratings		Ambition	15/16 Rating Criteria					
			20/20 Success Measures	#	Key Performance Indicators	2012/13	2013/14	2014/15	Competitor Group 12/13 average	2015/16	Forecast RAG rating	Actual Result Rating	2020/21	Exec. Lead	Green	Amber	Red	
Student Success	1	Employ- ability	95% students in employment / further study (EPI)	1	DHLE entry to employment or further study (EPI)	77.4%	85.5%	90.2%	88.5%	93%			95%	PVC (SE)	93 % +	90 - 92 %	<90 %	
			Top 10 UK universities for student start ups	2	Number of Student start ups	6	1	30	47.86	50			150	PVC (R&E)	50 +	43 - 49	< 42	
	2	Student Experience	Top quartile of all universities in NSS	3	NSS scores – overall satisfaction	82%	80%	82%	81.7%	84%			89%	DVC	84 % +	81 - 83 %	< 81 %	
				4	International Student barometer (% recommending LSBU)	73.00%	72.40%		not available	75%		77.0%	81%		75% +	71 - 74%	< 71 %	
				5	PGT experience (% satisfaction)	75%	77%	74%	not available	77%			82%		77 % +	74- 76 %	< 74 %	
				6	Student Staff Ratio	24.2:1	17.2:1	16.4:1	21.2	17:5			18:1		<=17.5	17.5 - 18.5	> 18.5	
Real World Impact	3	Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	7	Graduate level employment	59%	54%	75%	n/a (local indicator)	77%			80%	PVC (SE)	77 % +	72 - 76 %	<72 %	
	4	Research and Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£2.2m	£1.8	£2.0m	£6.1	£2.2	£2.0m		£6.0 m	PVC (R&E)	£2.2 m +	£2.05 - 2.15 m	<£2.05 m	
Access to Opportunity	5	Access	Top London Modern for LPN recruitment	10	% recruitment from low participation neighbourhoods	7.3%	7.4%	7.7%	6.4%	8.0%		8.4%	9.0%		PVC (R&E)	8.0% +	7 - 7.9 %	<7 %
				11	FT UG recruitment pre-clearing applicant %	68.0%	76.0%	79.2%	not available	80.0%	78.4%		90%	80 % +		76 - 79 %	< 75 %	
				12	First Degree Completion (at or above benchmark)	-6.7%	-9.5%	-7 %	-3.13%	-4%			+3%	>=-4 %		-5 to -7 %	<-8 %	
			Exceed expectations on completion	13	Year 1 progression	70.1%	69.1%	69.5%	not available	75%	71.9%		85%	75 % +	72 - 74%	<72%		
				14	Good Honours		61.0%	61.2%	62.2%	60 - 65%			60 - 65%	DVC	60 % +	58 - 59 %	<58 %	
				15	PG completion	67.1%	54.8%	61.5%	not available	70%			85%	70% +	66 - 69 %	< 66%		
	6	International	4 QS Stars	16	QS Star Rating	n/a	2 (prov.)	3 stars	not available	3	3		4	VC	3	2	1	
				17	Overseas student income	£8.8m	£8.5m	£10.6m	£29.5m	£10.9	£9.4m		20m	PVC (R&E)	£10.9 m +	£10.3 - 10.8 m	<£10.3 m	
	Strategic Enablers	7	People and Organisation	Rated as a good employer	18	Appraisal completion %	28%	37%		not available	95%			95%	EDHR	95 % +	90 - 94 %	< 90 %
					19	Average Engagement Score as as %	58%	-		70%	55%			75%	EDHR	55%	51 - 54 %	< 51 %
8		Resources and Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	4.0%	2.3%	0.9%	9.6%	0.7%	1.0%		5.0%	CFO	0.7 % +	0.4 - 0.6 %	< 0.4%	
				21	Income (£m)	£137.9m	£134.8m	£140.8m	£188.2m	£142.8m	£138.6		£170.0m		£142.8 m +	£137 - 142 m	< £137 m	
				22	EBITDA margin (EBITDA expressed as % of income)	12.6%	11.4%	9.2%	9.20%	11.5%			15.0%		11.5% +	11.1 - 11.4%	<11.1%	
			23	Student satisfaction ratings with facilities & environment	80.0%	83.0%	87.7%	82.7%	88.5%			90%	COO	88 % +	85 - 87 %	< 85%		
24	Teaching room utilisation rate	23%	22%	21%	not available	25%			48%	25% +	22 - 24%	<22%						
League Tables	Overall	Top London Modern university (excl UAL)	25	TIMES - League table ranking	118/121	122/123	120 / 127	92.3	115			80	VC	115 or higher	116 - 119	120 or lower		
			26	GUARDIAN – League table ranking	113/119	112/116	111 / 119	87.1	100			86		100 or higher	101 - 106	107 or lower		
			27	COMPLETE UNIVERSITY GUIDE – League table ranking	119/124	120/123	119 / 126	85	115			93		115 or higher	116 - 119	120 or lower		

	CONFIDENTIAL
	PAPER NO:BG.03(16)
Paper title:	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	Richard Flatman, Chief Financial Officer
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To update the Board on financial matters.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Financial sustainability.
Recommendation:	The Board is requested to note the report. There are no matters requiring approval.

Matter previously considered by:	Board of Governors	At each meeting
Further approval required?	N/A	On:

Attachments:

Appendix 1: Management accounts summary

Report from the Chief Financial Officer: March 2016

1. Financial performance

The management accounts summary for the first half of the financial year to 31 January 2016 is attached as Appendix 1.

The University set itself challenging recruitment targets in the 2015/16 budgeting cycle and in December we reduced our income forecast income by £3.2M as a result of the shortfall in Home/ EU Undergraduate and Overseas recruitment. At that time, and as reported to Board at end of January, we were expecting Semester 2 recruitment to be on target and to generate £2.5m of income.

It is now clear that we will not meet Semester 2 targets largely as a result of a shortfall in overseas student recruitment. We have therefore further reduced our full year income forecast by £0.6M. We have also been reviewing our Enterprise and Research pipeline and as a result have reduced our forecast in regard to income from these areas by a further £0.6M. After accounting for these adjustments our latest full year income forecast at the mid-year point is £138M which is £4.7M short of budget. After adjusting for the impact of one-off income increases in 2014/15 this does represent year on year income growth of £1.3M. The challenge however remains in terms of our ability to meet the higher income growth targets set out in the corporate strategy.

To ensure that the University delivers budget surplus for 2015/16, the Executive identified savings of £3.2M. The £3.2M level was set to return to agreed surplus of £1M and provide additional contingency of approx. £750k. Rather than rely on potential additional income generation and/or possible savings in student refunds and internal re-structuring costs, the Executive took the decision to build in cost reductions of £3.2m compared with the original budget (equivalent to 2.25% of budgeted total expenditure of £141.7m). The savings agreed by the Executive were reductions to the following:

- investments in Academic staff to deliver a £1.0m saving
- investments in professional services staff to deliver a £0.75m saving
- Operating Expenses (across all areas within the University) to deliver savings of £1.5m.

For the staff savings it is important to note that these relate to downward adjustments on future forecast increases in cost. Post adjustment there is still scope for new investment in staff cost compared with the first 6 months of the year. These adjustments have been discussed with and agreed by Deans/Directors and, whilst challenging, do not threaten delivery of key objectives/outcomes.

We have also chosen not to undermine the revenue investments in teaching and learning, student support and research and enterprise and these are proceeding as planned in the current year. In building first draft budget targets for 2016/17 our starting assumption is that these revenue investments will roll forward although we may need to challenge this assumption as the budgeting process progresses.

The savings of £3.2M have been incorporated into the revised January forecasts and as a result the University is now forecasting a surplus of £1M in line with agreed budget. Nevertheless, the shortfall in semester 2 student fee income and the reduction in forecast research and enterprise income are disappointing and mean that we have lost any additional contingency.

Whilst the Research and enterprise forecast has been reduced, the budget target remains unchanged. We have an active pipeline of opportunities and Operations Board will review the position carefully on a regular monthly basis to ensure that we deliver the best result possible.

It should be noted that there may be further cost savings against funds set aside in the budget to cover both in year re-structuring costs (£1.5m) and refunds related to student attrition (£3.7m). Both are looking positive at this stage but are currently uncertain. In addition, these possible positive adjustments may be offset by a negative adjustment for higher pensions interest payable as a result of the implementation of new Financial Reporting Standard (FRS) 102.

As always, there remains the risk of in-year grant cuts although recent announcements in this regard have been more positive than in previous years.

2. Planning and budgeting and Performance Review Cycle

2.1 Performance Review process 2015/16

The Performance Review Cycle was amended for the 2015/16 academic year, and now consists of formal Executive reviews with each School and Professional Service group, which take place in February and early March once the Management Accounts for the second Quarter are available.

These meetings also review progress against the Local Delivery Plans (LDP's) by each area, their risk management records and local performance against key metrics for Schools. Following the successful launch of a new online tool developed by the project delivery team within Academic Related Resources, the tracking of LDP progress now occurs in an efficient online format, which enables reporting by each objective and goal of the Corporate Strategy. This will feed directly into the 6 monthly reports to Board.

The recent Executive review meetings have also been forward looking, considering challenges/ key actions which will feed directly into local delivery plans for 2016/17 and which will inform the budget setting process.

2.2 The planning and budgeting process for 2016/17

The key planning and budgeting stages for 2016/17 have now been agreed for launch in early March. The LDP template completed by each area to develop a plan to support their budget submission has been updated for 2016/17 and reflects corporate priorities set out in the corporate plan.

Developments this year include a formal event mid-way through the planning process where Schools and Professional Functions will explore inter-disciplinary connections, and a more formal review process to ensure that actions are smartened up prior to the progress reporting cycle.

2.3 Grant letter / funding

HEFCE wrote to us in early February to alert us to some revisions to the funding round timetable. In February the precise timings remained uncertain as HEFCE had yet to receive its annual grant letter from the Department for Business, Innovation and Skills (BIS). The HEFCE Board

meeting to make the main decisions relating to funding adjustments for 2015/16 and the allocations for 2016/17 is scheduled to be on 9 March and it is anticipated that the announcement of recurrent grant allocations will be made on Tuesday 19 April with information embargoed until 21 April. This compares with a normal mid-March date for receipt of our grant letter.

The letter from BIS to HEFCE setting out priorities was released on 4 March. The letter shows total HEFCE funding plus regulated fee income from students rising from £12.1BN in 2015/16 to £12.3BN in 2016/17 but this is after accounting for an assumed £0.5BN increase in fees from regulated students. The total recurrent teaching grant from HEFCE actually decreases year on year by £150m from £1.7BN to £1.55BN whilst the recurrent research grant remains level at £1.7BN. However, these comparative figures are based on the February 2015 grant letter. Subsequent to that letter, HEFCE was required to find £150M cuts to funding at the back end of 2014/15 hence the late downward grant adjustments last year. These cuts are therefore already in the baseline. HEFCE is expecting to have to find additional cuts of £120m by 2019/20 although not necessarily on a straight line profile. The early indications therefore are that minimal cuts are expected next year although part of the discussion at the HEFCE Board will be whether to smooth the longer term impact. At this stage however, significant cuts for 2016/17 are not expected to the key elements of our HEFCE funding including Student opportunity (SO) funding, HEFCE QR (research) or HEIF (Enterprise & Innovation).

The early indications are that SO funding will be cut by 50% over the spending review period (by 2019/20) which is disappointing given the challenging goals set to improve access by those from disadvantaged communities. However, our current forecasts assume that we will lose 60% of SO funding, equivalent to a cut of £2.4M for LSBU in 2016/17 so the latest announcements are a little more positive in funding terms. BIS has also asked HEFCE to re-target SO funding with a greater focus on institutions with higher proportions of at risk students from disadvantaged backgrounds, including part time students, and to support access for those students with the educational attainment or potential to succeed in geographical areas where there is evidence that entry rates are below expectations. Some of which might work to our advantage.

HEFCE has also confirmed that it remains possible (as explained in our 2015/16 funding agreement and October 2015 grant letter) that they may

need to revise budgets for the 2015/16 academic year in the light of the forthcoming 2016/17 settlement although they do say in their letter that they think this will be unlikely. Should this be necessary, any changes will be notified on 19 April.

We are also not aware of any changes that may need to be made either to 2015/16 grant (or grants from earlier years) to reflect student number returns that have been made to date by LSBU.

All of this remains very uncertain, particularly in the longer term. However, the timing of the grant letter does mean that we will have some clarity on funding for 2015/16 (adjustments if any) and 2016/17 before the Board strategy day on April 21.

2.4 Five Year forecasts

In addition to the detailed mid-year budget review process, we have also taken the opportunity to review the income assumptions underpinning our 5 year forecasts and work up some revised income scenarios. This latest review reflects the roll forward impact of under recruitment this year, challenges previous growth assumptions and takes account of the changing landscape eg higher apprenticeships. These will be considered at the Board strategy day in April.

3. Controls assurance

3.1 Internal audit progress

The PwC internal audit programme is progressing as planned and no critical or high risk findings have been reported in year to date. The most recent continuous audit review of our student data was rated “low risk”.

3.2 EU funded projects

As part of the funding requirements for research projects, the University's grant submissions are periodically audited. One particular audit took place recently regarding a European Union funded project. The total project had a budget of €1,137,310 with LSBU as the lead partner (with a share of €368,505). Our own analysis as part of the pre-audit process had identified some concerns with the claim during the period 2010 – 2012 and so the University took a provision in the 2014/15 accounts for a potential clawback.

The auditors, PKF Littlejohn, reported their initial findings in February 2016. Their report identified 3 weaknesses with our processes during this period as follows;

- the processes that we had used to record which staff worked on the research project and the steps that we had taken to ensure that a member of academic staff could not be charged to 2 projects at once and the hourly rate at which the member of the academic staff was charged to the project.
- the level of documentary evidence that had been retained by the university to support expense claims. Some of this documentation could not be retrieved from the archive in time for the audit, whilst some expenditure was considered to be funded through general overhead and so should not have been charged to the project
- the speed at which payments were made to other university partners once we had received the funds from the European Union.

A full report will be submitted to next meeting of Audit committee. The findings have been shared with the University's Research and Enterprise teams and we have taken steps to improve our post research award processes. We are also investing in Research expertise within the Finance team to ensure that as the volume of EU research grants increases we have the capacity and expertise within the team to adequately manage the relationship between the Funding Partner and the Academic leading the research.

Although the final adjustment was less than we provided in the 2014/15 accounts and will not preclude us from bidding on future EU research projects it is a timely reminder of the importance of appropriate controls between the Academic community and the Finance team at LSBU.

4. Other matters

- BIS has received over 600 responses to the Green paper but their response is not expected until after the local elections in May. The Teaching Excellence Framework (TEF) will go ahead and BIS have confirmed that they would like HEFCE to take responsibility for delivering it in 2017/18. The question is whether fees will be allowed to rise by inflation whilst the framework is being developed. Pressure from government to offload the student loan book to HE/private sector partners is also still on the agenda and there is a belief in some quarters that this encourages links between the HE sector and employability and is a better market solution than the proposed TEF public sector solution

to employability. However, there remains little or no appetite within the HE sector for this.

- HEFCE reports that the sector financial performance in 2014/15 improved on previous year although there is a much wider divergence of performance than previously. Further details are expected in April when HEFCE advises all institutions of their risk rating (based on our annual accountability review submission approved by Board in November) alongside benchmarking of key financial metrics.
- As expected, the grant letter from BIS asks HEFCE to lead on sector efficiency. There remains a perception that the sector is cash rich, has done very well from tuition fee changes and still needs to do much more in terms of efficiency. This is expected to lead to changes in vfm reporting which is likely to be mandatory in future.
- The Executive has developed a “thought piece” on the potential implications of the discussions around the UK’s membership of the EU and in particular the consequences of a vote to leave. UUK has taken a strong position in favour of UK’s continued membership and the Universities for Europe group established by UUK is campaigning on 5 themes as follows that the EU:
 - ✓ supports British Universities to pursue cutting-edge research leading to discoveries and inventions which improve people’s lives
 - ✓ supports British Universities to grow businesses and create jobs
 - ✓ makes it easier for UK universities to attract talented students and staff who contribute significantly to university teaching and research and benefit the UK economy
 - ✓ helps Universities to provide more life-changing opportunities for British students and staff
 - ✓ provides vital funding to the UK’s most talented researchers, supporting their work in areas from disaster prevention to curing cancer.

The LSBU document identifies key issues for further consideration. At this stage the immediate priority is to engage students and encourage them to debate, register and vote (without influencing or being seen to influence the way they should vote – albeit that the UUK position is clear).

APPENDIX 1

January management accounts summary

1) This Executive Summary reports on the Financial position of London South Bank University as at 31 January 2016 and summarises the changes since the December forecast

2) RAG Status

Income Growth 0.9% <i>excluding EDISON</i>	Staff Cost Growth 2.3% <i>excluding EDISON & restructuring</i>	Staff Cost % 55.3% <i>excluding restructuring</i>	Opex Growth -3.5% <i>excluding EDISON</i>	FYF Surplus 0.7%	EBITDA 10.1%
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3) Summary

The full year forecast at January 2016 is trending towards a surplus of £1.0M after recognising £1.7M in reductions to our Staffing forecast, £1.5M reductions in our Operating Expenses forecast and a reduction in our income forecast of £1.2M. This would deliver the University on budget for 15/16.

The key driver for the change in forecast this month is a downward review of income following second semester enrolment and then subsequent reductions in forecasts for both Staffing and in Operating Expenses following the directive of the Executive. The £1.7M reduction in the staff cost forecast is equivalent to a 32% 'haircut' on proposed staff growth in the final 6 months of the year, the £1.5M Operating expense reduction is equivalent to a 3.5% reduction against the budgeted level of Operating Expenses.

The £3.2M movement was expected to move the University to a £2M surplus which would have enabled us to increase our contingency by £1M, however there has been a subsequent review of Overseas Income following disappointing levels of Second semester enrolment and a fall in our Research and Enterprise income forecast. Further changes within exceptional items has reduced the surplus to £1.0M.

Our Second Semester income forecast has reduced from £2.4M to £1.8M and is primarily due to lower than expected International students enrolling on UG and PG degrees. The reduction of £0.3M in Exceptional items is a transfer from the Investment Pot to fund investments in both Staffing and Opex in key areas of growth.

4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	14/15 Actuals	15/16 Budget	Change %
Funding Grants	14.8	13.4	-10%
Health - Contract	24.8	24.9	1%
Home / EU UG Fees	54.2	58.7	8%
Home / EU PG Fees	6.4	7.7	20%
Overseas Fees	10.6	10.9	3%
Research Activities	3.9	4.0	3%
Enterprise Activities	8.5	10.2	21%
Student Related Income	10.7	11.2	5%
Other Operating Income	7.0	1.5	-78%
Endowments & Interest	0.3	0.2	-39%
Income	141.1	142.7	1%

Dec 15/16 FYF	Monthly Move	Jan 15/16 FYF	variance to Budget	Budget variance%	variance to 14/15
13.4	0.0	13.4	0.0	0%	-9%
24.9	0.3	25.2	0.3	1%	2%
57.2	-0.0	57.1	-1.6	-3%	5%
7.5	-0.0	7.4	-0.3	-3%	16%
9.3	-0.6	8.8	-2.1	-20%	-17%
4.0	-0.1	3.9	-0.1	-3%	-0%
10.2	-0.6	9.6	-0.6	-6%	14%
11.2	-0.0	11.2	-0.0	-0%	5%
1.2	-0.1	1.1	-0.4	-26%	-84%
0.2	0.0	0.2	0.0	0%	-39%
139.1	-1.2	138.0	-4.8	-3.3%	-2%

Dec 14 / 15 YTD	Dec 15 / 16 YTD	variance to 14/15	variance to 14/15 %
7.8	6.6	-1.2	-16%
12.2	12.4	0.2	2%
57.2	58.7	1.5	3%
6.0	6.9	0.8	14%
9.6	8.0	-1.6	-17%
2.0	1.8	-0.2	-9%
3.3	3.7	0.4	13%
5.2	5.6	0.4	7%
0.8	0.5	-0.3	-42%
0.1	0.2	0.1	134%
104.2	104.3	0.1	0%

in £'m	14/15 Actuals	15/16 Budget	Change %
Academic Staff Costs	42.1	41.8	-1%
Support & Technicians	32.2	36.8	14%
Third Party Staff	7.2	2.0	-72%
Depreciation	8.8	10.7	22%
Operating Expenses	46.7	43.4	-7%
Interest Payable	3.0	4.7	58%
Exceptional Items	0.0	2.3	0%
Expenditure	139.6	141.7	2%

Dec 15/16 FYF	Monthly Move	Jan 15/16 FYF	variance to Budget	Budget variance%	variance to 14/15
40.6	-1.1	39.5	-2.3	-5%	-6%
36.0	-0.2	35.7	-1.0	-3%	11%
2.7	-0.2	2.5	0.5	23%	-65%
10.7	-0.0	10.6	-0.0	0%	21%
43.2	-1.6	41.6	-1.8	-4%	-11%
4.6	0.0	4.6	-0.1	-1%	56%
2.7	-0.3	2.4	0.0	1%	0%
140.5	-3.5	137.0	-4.8	-3.4%	-2%

Dec 14 / 15 YTD	Dec 15 / 16 YTD	variance to 14/15	variance to 14/15 %
19.0	18.6	-0.4	-2%
15.4	16.5	1.2	8%
1.7	1.5	-0.2	-14%
4.4	4.8	0.5	11%
17.6	17.9	0.3	2%
1.5	2.4	0.9	57%
0.0	0.0	0.0	0%
59.6	61.8	2.2	4%

Surplus for the year	1.2	1.0	-17%
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-1.4	2.4	1.0	0.0	0.0%	-212%
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44.6	42.5	-2.1	-5%
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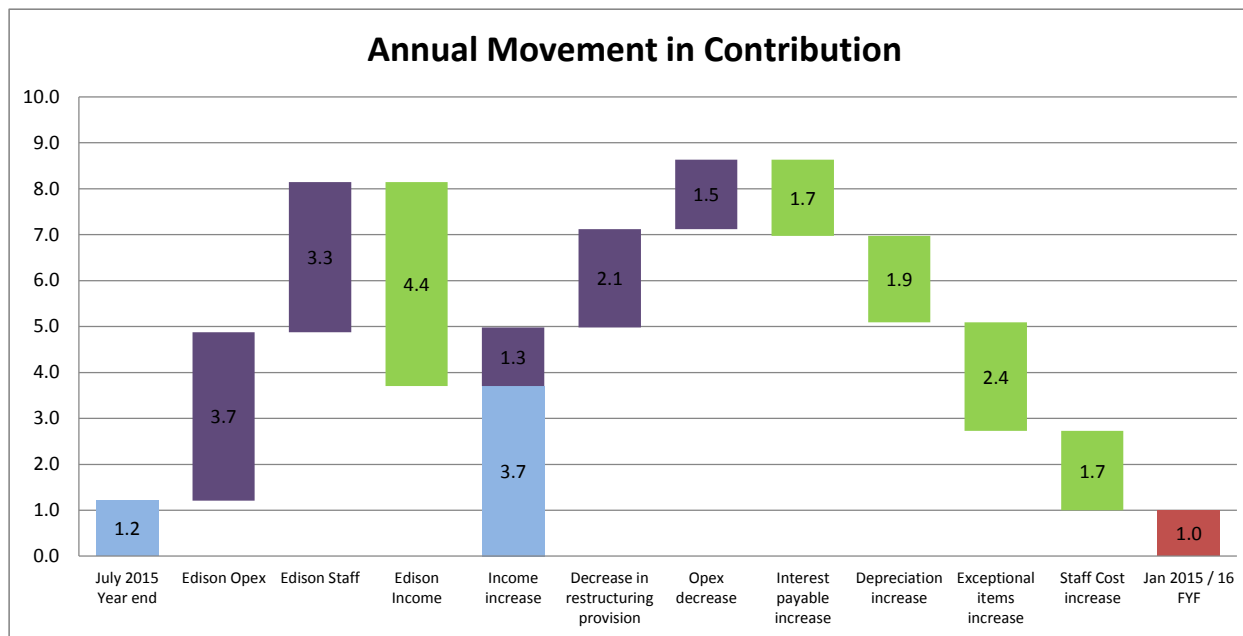
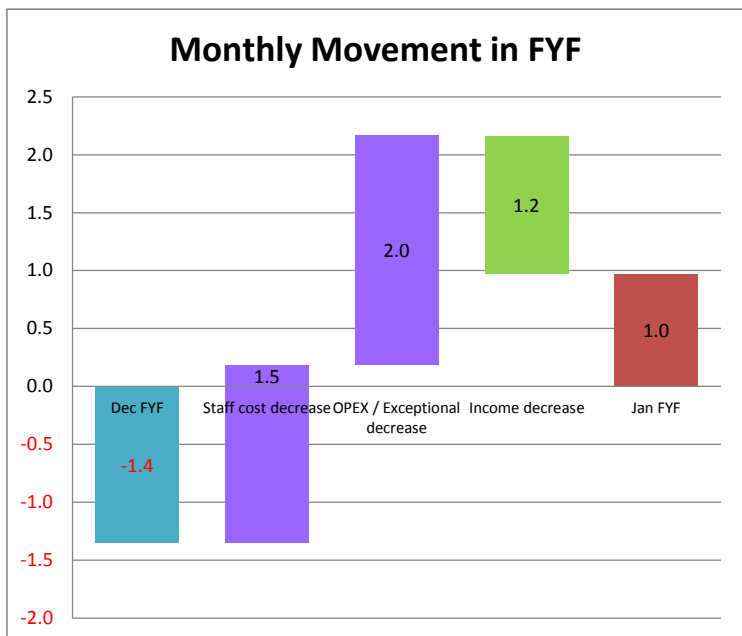
Surplus as % of income	0.9%	0.7%	-1.0%	0.7%
Surplus per student FTE	£82.0	£71.5	-£105.2	£78.0
Staff cost as % of income	57.7%	56.5%	57.0%	56.4%

44%	45%	YTD Staff Cost %
38%	41%	YTD OPEX Cost %
43%	44%	Total YTD Cost %

5) Forecast Summary

38

As described above the key drivers for the change in surplus this month are the £1.2M reduction in forecast income, investments in staff which have reduced the staffing forecast by £1.7M and a 3.5% cut in all area's Operating Expense budgets which will deliver £1.5M savings. There have been subsequent investments in both Staffing and Opex funded through Exceptional Items.



In terms of staff savings, we have identified and implemented over £1.7M of savings which was equivalent to slowing down the rate of growth in the staffing forecast across all areas by 32%. There are no staffing cuts rather the rate of investment has been slowed. With regard to Operating Expenses we have reduced expenses across all areas by 3.5% which has generated a saving of £1.5M

Even after the income revision the University is still forecast to grow its income by £1.3M year on year, will be investing an additional £1.7M in staff year on year and has £2.4M to invest in Exceptional items to support Research and Enterprise activity and in wider remaining investment funds. The University is benefitting from a reduction in the restructuring provision for the year which currently stands at a forecast £1.5M as compared to last years £3.6M, this however has been offset by increases in interest payable relating to FRS17 Pension costs and by an increase in depreciation due to the increase in capital expenditure.

6) Risks and Contingencies

The Full Year Forecast contains a number of risks primarily now to do with retention. We have reduced our income forecast by £0.6M as we have not met our second semester income targets. We do still hold a contingency of £0.5M and a restructuring provision of £1.5M. There has been £0.2M of charges to the restructuring provision in 15/16 and we may have overprovided in 14/15. We continue to review this provision and will release any overprovision next month. There are no funds remaining in the £1M general Investment Pot. The other key risk/opportunity concerns tuition fee refunds. We have assumed Tuition Fee refunds of £3.7M whilst we have currently refunded £1.8M.

There are however a number of risks that have not been factored into the current year forecast including an additional charge of £1.3M provision for LPFA pension costs, an assumed £0.5m bad debt provision and an assumed HEFCE clawback of £1M. These risks are the key reason that we targeted an increase in our contingency of £1M

7) Contribution Analysis

The current forecast contribution for the year is £0.2M behind 2014/15 and £2.7M behind the directly comparable position in 14/15 once we strip out the costs of the EDISON programme and the extraordinary levels of voluntary redundancy. The change in contribution is directly linked to Investments in Research, funds for the 'normal' Investment Pot, investing in Staff including pension provision and the additional depreciation costs associated with our most recent capital investments

In terms of contribution, there are 2 Professional Functions that are currently forecast to not deliver to the expected levels of contribution; the Confucius Institute where an income shortfall was recognised last month and ICT including ICT innovation. It is now recognised that ICT will not deliver to its staffing budget and that area is now trending towards an overspend of £260K.

Contribution per Student and per Staffexcluding School admin
before staff adjustment

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care (excl. student admin)		Law & Social Sciences		Total All Schools	
	14 / 15 Actual	Jan 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF	14 / 15 Actual	Dec 15/16 FYF
Income (M)	£10.7	£11.5	£9.4	£9.4	£15.0	£16.1	£17.9	£16.2	£18.2	£18.6	£32.8	£33.1	£14.6	£15.0	£118.6	£120.0
Expenditure (M)	£5.7	£5.6	£3.8	£4.1	£7.1	£6.7	£8.7	£8.0	£9.9	£9.1	£16.4	£14.7	£6.9	£6.9	£58.7	£55.1
Contribution (M)	£5.0	£5.9	£5.6	£5.3	£7.8	£9.4	£9.2	£8.2	£8.3	£9.5	£16.3	£18.4	£7.7	£8.0	£59.9	£64.9
Contribution %	46%	51%	60%	56%	52%	59%	51%	51%	45%	51%	50%	56%	53%	54%	51%	54%
Student FTE	1,128	1,150	1,040	1,089	1,596	1,726	2,622	1,986	1,437	1,829	3,592	3,414	1,694	1,656	13,109	12,850
Contribution per FTE	£4,391	£5,145	£5,422	£4,881	£4,909	£5,474	£3,514	£4,149	£5,752	£5,206	£4,551	£5,394	£4,518	£4,857	£4,570	£5,051
Academic / HPL FTE	52	47	35	37	65	60	106	81	56	64	183	190	69	71	566	551
Student / Acad. Staff ratio	22	24	29	30	25	29	25	24	26	29	20	18	25	23	23	23
Contribution per Staff FTE	£95,262	£124,653	£158,904	£144,123	£120,346	£158,419	£86,889	£101,436	£148,091	£148,695	£89,218	£96,686	£111,404	£112,698	£105,774	£117,768

The Schools are approximately £1.9M behind their target contribution and every School is expected to miss budget apart from the School of the Built Environment and Architecture. The total contribution from the Schools at £64.9M is however £5.0m higher than in 14/15 and every School is improving its financial position except for the School of Arts & Creative Industries which is benefitting from extra investment in 15/16 and the School of Business which has transferred the Division of Informatics to the School of Engineering

8) Student Number Analysis

In 2013 / 14 we lost £3.0M in income from the 1,092 students who Withdrew or Interrupted. In 2014/15 we lost almost £3.7M in terms of the difference between the Fee that we will charge and the Fee that would have been charged if the student completed. In 15/16 we are forecasting to return £3.7M again and have already returned £1.8M of this. In terms of % we are slightly better than the comparable position in 14/15 but it is too early to tell if this is due to actions on retention or a change in process in the student admin team

9) Student Withdrawal Analysis

Academic year	Total Students	Total Withdrawals	% of Total	Comparable at 31/1	
12/13	19,262	1,020	5.3%	636	3.3%
13/14	19,734	1,092	5.5%	490	2.5%
14/15	19,495	1,102	5.7%	503	2.6%
15/16	18,589			432	2.3%

'Lost Income'	Jan	15/16 YTD	Jan	15/16 YTD	
Applied Science	£24,000	£257,000	Engineering	£14,000	£229,000
Arts and Creative Industries	-£8,000	£201,000	Health & Social Care	£12,000	£69,000
Built Environment & Architecture	£31,000	£309,000	Law & Social Sciences	£69,000	£374,000
Business	£44,000	£393,000	Total	£186,000	£1,832,000

10) Income Analysis

There are 6 key movements in terms of income for the month; Firstly there has been a review of some of the more speculative Enterprise activity across the Schools and this has led to a reduction in forecast income in both the School of Health & Social Care and the School of Architecture and the Built Environment. This review has reduced our Enterprise forecast to £9.6M for the year which is £0.6M off target. Secondly there has been a review of our research activity and this has led to a reduction of £0.1M in the Nat Puri Institute within the School of Engineering. Thirdly there has been a review of activity under the Health Contract within the School of Health & Social Care and this has led to an increase in forecast of £0.3M. There has also been a reforecast of income within the Academy of Sport and this has led to a reduction in forecast of £0.2M. This has been slightly offset by additional income from Residences as a result of a second summer school and the net change in income for the month is a reduction of £0.5M. The additional reduction of £0.6M is linked to under recruitment against second semester targets

11) Staff Cost Analysis

In terms of staffing we have recognised the £1.7M reduction in staffing forecast required by the Executive and this brings the total underspend in staffing as compared to the budget to £2.9M. Excluding the provision for restructuring we have spent £36.5M in staffing in the first 6 months of the year and are forecasting £39.6M in staffing costs in the second half of the year. This increase of £3.1M equates to an 8.6% in staffing costs in the second 6 months as compared to the first.

12) Operating Expense Analysis

In terms of Operating Expenses, all areas have recognised the full 3.5% reduction in operating expenses required by the Executive.

13) Budget Analysis

There are 33 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. 6 of the 7 Schools are no longer expected to deliver to budget, 18 areas are forecast to deliver better than budget but ICT and the Confucius Institute are in a deficit position.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)	
			2015 Forecast (£)	2015 Budget (£)	Variance - Forecast to Budget		2015 Actuals (£)	2015 Budget (£)	Variance - Actuals to Budget			Note
					(£)	%			(£)	%		
-141,122,532	-104,170,654	Total Income	-137,958,778	-142,734,309	(4,775,532)	(3%)	-104,294,847	-105,144,662	(849,815)	(1%)	-33,663,930	
81,457,831	36,122,609	Total Staff Costs	77,771,480	80,639,104	2,867,624	4%	36,653,301	39,018,903	2,365,602	6%	41,118,179	
8,758,726	4,362,778	Total Depreciation	10,639,741	10,668,491	28,750	%	4,829,295	5,378,565	549,270	10%	5,810,446	
46,732,524	17,563,699	Total Other Operating Expenses	41,556,010	43,384,216	1,828,206	4%	17,889,000	20,394,497	2,505,497	12%	23,667,010	
2,961,894	1,536,008	Total Interest Payable	4,623,104	4,692,374	69,270	1%	2,413,768	2,255,473	(158,295)	(7%)	2,209,335	
		Total Exceptional Items	2,365,707	2,349,124	(16,583)	(1%)		548,709	548,709	100%	2,365,707	
-1,211,558	-44,585,559	Contribution	-1,002,735	-1,000,000	2,735	%	-42,509,484	-37,548,515	4,960,968	13%	41,506,748	
57.7%		Staff costs as % of income	56.4%	56.5%			35.1%	37.1%				
0.9%		Contribution %	0.7%	0.7%			40.8%	35.7%				

	CONFIDENTIAL
	PAPER NO: BG.04(16)
Paper title:	Health & Safety Update Report for the Board of Governors
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	Mandy Eddolls, Executive Director of HR
Executive sponsor:	Mandy Eddolls, Executive Director of HR
Purpose:	Discussion / Information
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 8 People and Organisation
Recommendation:	The committee are asked to note the report.

Matter previously considered by:		
Further approval required?		On:

Executive Summary.

In October 2015, the forward plan of health and safety initiatives and campaign was shared with the Board of Governors. This paper seeks to highlight progress against those plans.

1. Occupational Health and Wellbeing.

- 1.1. A review of our occupational health provider showed that there were significant failings in their management of ill health cases and their advice on dealing with employees with disabilities.

- 1.2. A new provider has been procured and is providing a physician-led service for ill health management cases and a more robust approach to fully documented, auditable and delivered reasonable adjustments for disabled staff, using the framework and procedure recommended by the Business Disability Forum.
- 1.3. The review identified two cases of potential liability where line managers had not referred disabled staff to OH. One employee took voluntary severance and compromised out the liability and one case is on-going, with a view that a modest settlement will be in the best interest of both parties. Training for managers is underway in the Equality Act and the correct approach to dealing with disabled staff is incorporated into that training.
- 1.4. We have been awarded the Mayor of London's Healthy Workplace Commitment Award, which recognises our approach to developing staff wellbeing, and work will continue in conjunction with the Academy of Sport and colleagues in Health and Social Care to seek further levels of accreditation.
- 1.5. Stress management is a key component of this wellbeing strategy and a full stress survey will be completed by the end of April 2016, with results available in May 2016.

2. Contractor Management.

- 2.1. Significant work has been undertaken over the last few months to improve our management of contractor safety, with the development of a new handbook and toolkit documentation supporting a full face to face training programme for all contractors.
- 2.2. All contractors have now undertaken the training.
- 2.3. There were Health and Safety incidents with contractors between October 2015 and January 2016 (all classed as minor) and we will monitor on a monthly basis to check that the training is working.

3. Compulsory Training.

- 3.1. A programme of compulsory health and safety training for all staff was introduced in November last year and to date 52% of staff have completed it.

- 3.2. Uptake of the training is much higher in Professional Services than in Schools and work is on-going with the Deans to ensure that a greater emphasis is placed on its importance for academic staff.
- 3.3. The Executive team and Operations Board have undergone two half day training sessions and the Exec Director of HR has completed the Institute of Occupational Safety and Health is accredited training course for Senior Executives.
- 3.4. Staff refusing to complete compulsory Health and Safety training will be managed to under the University Disciplinary Policy if they have wilfully failed to complete the training by July 2016.

4. Fire Safety

- 4.1. Fire safety across campus remains an area for significant work.
- 4.2. A programme of recruitment and training for fire wardens has been completed, with 113 number of wardens now in place, which indicates a 1 in 20 ratio.
- 4.3. The London Fire Brigade conducted a fire safety audit of Borough Rd facility and were fully satisfied with all aspects. There is a rolling programme of audit with the LFB and the fire safety group meets every two weeks to discuss progress against plans.
- 4.4. There have been a number of fire alarm activations across the University from September 2015 for January 2016, including some false alarms. (details at Appendix A). These are also reviewed fortnightly by the fire safety group.

5. Student Safety and working with Student Union.

- 5.1. The Chief Executive of the Student Union is now working closely with the Health Safety and Resilience team on jointly embedding health and safety principles across campus.
- 5.2. A new jointly developed risk assessment programme has been introduced for all University Field Trips and work continues with the Academy of Sport to ensure best practice is used when engaging in team sports, the source of most student injuries.

6. Travelling Abroad

- 6.1. The new centralised travel booking system ensures that staff travelling abroad have appropriate health advice before they travel and contact details are available in the event of an incident.

7. Incident Management

- 7.1. The Executive Team and Operations Board are undertaking a full training in incident management in April 2016.
- 7.2. In August 2016, a major incident on site will be simulated under exercise conditions (e.g. bomb threat, armed attack on the campus, terrorist incident in locale) to test operational plans.

8. Accidents and Incidents

- 8.1. Accidents on site for the last quarter

Quarter 4 Accident data 1.10.15 – 31.12.15

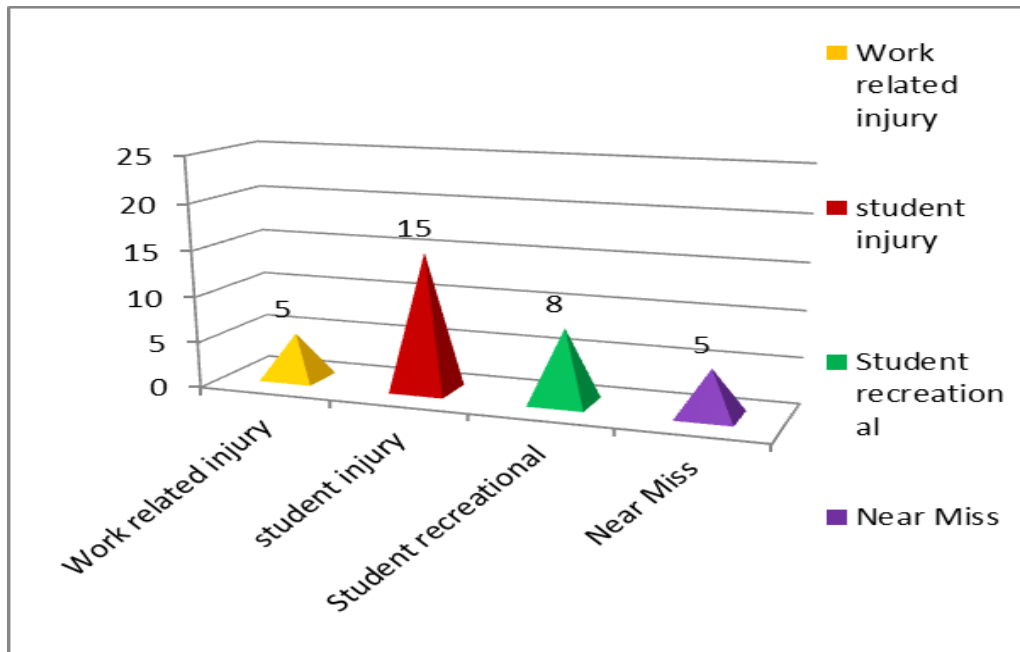
Categories	Total
Work related injury	5
Student Injury	15
Student recreational injury	8
Near Miss	5
	33

Quarter 3 Accident data 1.7.15 – 30.09.15

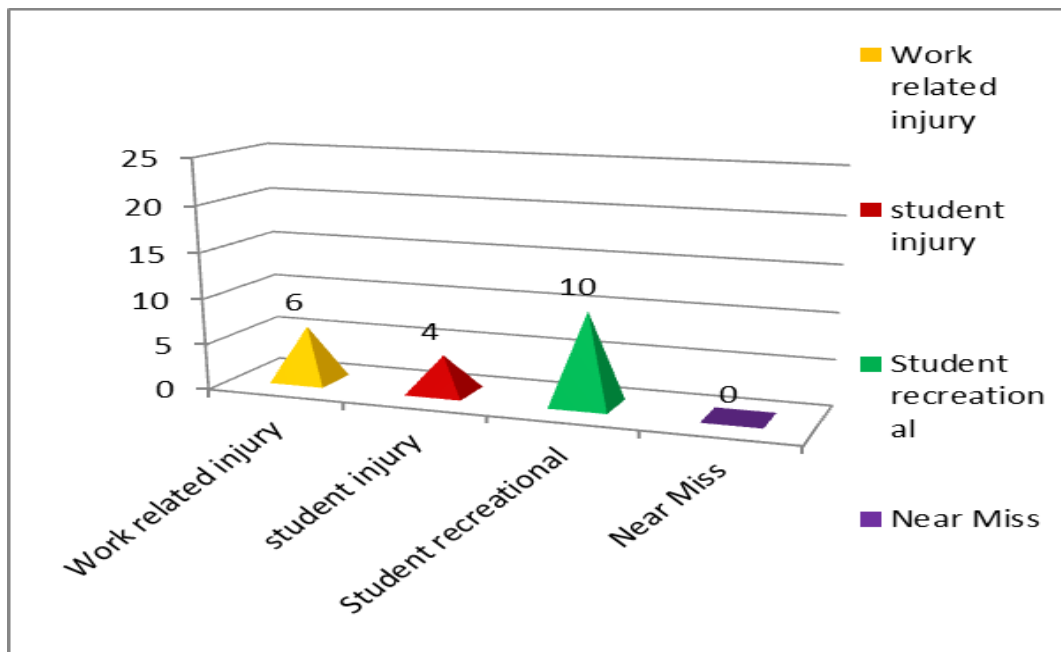
Categories	Total
Work related injury	6
Student Injury	4
Student recreational injury	10
Near Miss	0
	20

On the dashboard we differentiate between staff and students in the first bar chart.

8.2. Bar Charts Accident data 1.10.15 – 31.12.15



Bar Chart Accident data 1.07.15 – 30.09.15



8.3. Historically Universities Safety and Health Association (USHA) data indicates that London South Bank University has a lower than average rate of accidents in comparison with the sector. We expect this trend to continue and further evidence will be presented in the next Health and Safety Joint Committee.

	PAPER NO: BG.05(16)	
Paper title:	Chancellor succession	
Date:	17 March 2016	
Board/Committee:	Board of Governors	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	Jerry Cope, Chair of the Board	
Purpose:	To approve the extended temporary membership of the Nomination Committee to lead the search for a new chancellor	
Aspect of the Corporate Plan to which this will help deliver?	All aspects	
Recommendation:	<p>That the Board approve:</p> <ul style="list-style-type: none"> • the establishment of the Chancellor Nomination Committee • its terms of reference • authorise the selection and appointment of a search consultant by the committee, if required 	
Matter previously considered by:	Independent governors	On: 2 February 2016
Further approval required?	No	On: N/A

Proposed arrangements for the selection and appointment of the Chancellor of the University

Introduction

1. LSBU's current Chancellor's, Richard Farleigh, term of office comes to an end on 31 March 2016. It has been agreed with Richard not to renew his term of office. Richard has agreed to continue as Chancellor until a successor is found.

The selection of the Chancellor

2. Under LSBU's articles, the appointment of the Chancellor is a matter reserved to the Board as a whole. Accordingly, the Board of Governors, as a whole, makes the final decision to appoint a new Chancellor. The Board will be kept fully informed at all key stages in the appointment process.

Appointment of sub-committee to lead the search

3. It is recommended that the membership of the Nomination Committee is temporarily extended. The extended committee will determine the process and lead the search including consulting with key stakeholders, including students.
4. In order to take into account the views of students and staff it is proposed that the membership of the committee is the members of the Nomination Committee plus two student governors and one staff governor. The proposed membership is:
 - Jerry Cope Chair of the Board and the committee
 - David Phoenix Vice Chancellor
 - Steve Balmont Independent Governor
 - Shachi Blakemore Independent Governor
 - Hilary McCallion Independent Governor
 - Abdi Osman Student Governor
 - Andrew Owen Independent Governor
 - Jenny Owen Staff Governor
 - Andrea Smith Student Governor
5. Proposed terms of reference are attached for approval. The committee will be supported by the University Secretary and team.
6. Although considered unnecessary at this stage, the Board is requested to authorise the Committee to appoint search consultants for candidates, if required and in accordance with LSBU's procurement best practice.

The role

7. The Chancellor role is traditional rather than fully defined, but essentially it is to be a champion/ambassador for the University both generally and at a few selected events (e.g. the Court) and to front some or all of our degree ceremonies.

Criteria

8. In looking for a replacement for Richard, the following criteria were agreed by the Nomination Committee (Chancellor):

The next Chancellor should meet some or all of the following criteria:

- Belief in LSBU's values and strategic direction;
- Comfortable in an ad hoc, in practice undefined, ambassadorial role;
- Someone who students and staff will feel able to relate strongly to and respect;
- Some connection to LSBU and/or SE London;
- Someone who is able to raise the profile of the university;
- Prepared to give a little time and to participate at graduations and other events.

Recommendation

9. The Board is requested to:
 - approve the extended membership of the Nomination Committee;
 - approve its terms of reference; and
 - note the criteria for selection

Nomination committee - terms of reference for recruitment of Chancellor

1. Membership

- 1.1 The membership of the committee is extended temporarily for the recruitment of a new Chancellor only. It is the members of the Nomination Committee plus two student governors and one staff governor.
- 1.2 A quorum shall be at least two independent governors, but there will always be consultation with staff and student members on key decisions.
- 1.3 The chair of the Board shall chair the committee.

2. Frequency of meetings

- 2.1 The committee shall meet at such times as the Chair shall require.

3. Authority

- 3.1 The committee is authorised by the board, at LSBU's expense, to appoint search consultants, and to place advertisements in appropriate publications or websites which it deems necessary to help fulfil its duties.

4. Secretary

- 4.1 The secretary to the committee will be the Clerk to the Board or other appropriate person nominated by the Clerk.

5. Duties

- 5.1 The duties of the committee shall be to:
 - 5.1.1 conduct the process for the recruitment to the office of Chancellor on behalf of the Board of Governors:
 - 5.1.2 call for and consider nominations from the governors, students, staff, and alumni of the University;
- 5.2 From a short-list, identify an appointable candidate or candidates and make a recommendation to the Board on the appointment of the Chancellor.
- 5.3 The final decision to appoint is made by the Board.

Extended Membership 2015/16*Chair*

Jerry Cope

Members:

David Phoenix	Vice Chancellor
Steve Balmont	Independent Governor
Shachi Blakemore	Independent Governor
Hilary McCallion	Independent Governor
Abdi Osman	Student Governor
Andrew Owen	Independent Governor
Jenny Owen	Staff Governor
Andrea Smith	Student Governor

Approved by the Board of Governors on [17 March 2016]

	CONFIDENTIAL
	PAPER NO: BG.06(16)
Paper title:	South Bank University Enterprise Limited (SBUEL) governance
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	Paul Ivey, Pro Vice Chancellor (Research and External Engagement)
Executive/Operations sponsor:	Paul Ivey, Pro Vice Chancellor (Research and External Engagement)
Purpose:	Discussion
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Outcome 1 Goal 1 Employability, Outcome 2, Goal 4 Research and Enterprise, Outcome 3 Goal 6 Internationalisation
Recommendation:	The Board is requested to approve the proposed changes to the governance of SBUEL

Matter previously considered by:	Executive	On: 24 February 2016
	SBUEL Board of Directors	8 March 2016
Further approval required?	No	N/A

The governance and expansion of enterprise activity at London South Bank university

Introduction.

Enterprise at LSBU is a broad term: it encompasses the usual HEIF activities such as consultancy, facilities and equipment related services, intellectual property income and regional and development programmes. It also includes the HE-BCI activities of continuing professional development and continuing education, but not collaborative and contract research despite the boundaries between research and enterprise occasionally being ‘porous’ in terms of definition.

Unusually at LSBU Trans National Education (TNE) is included despite Innovate UK considering TNE part of higher education's wider international activities and internationalisation agenda. The distributed income stream anticipated for each of these activities over the coming years is indicated below.

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Enterprise	£7.5M	£8.0M	£9.0M	£11.0M	£15.0M
TNE	£2.1M	£3.1M	£4.1M	£5.1M	£6.0M
Research	£1.9M	£1.9M	£2.2M	£3.0M	£5.0M

Enterprise income is set to double, TNE income is set to triple and research income is between these two in terms of growth. The treatment of tax arising from these activities (either VAT or corporation tax) can be complex and depends on the type of service provided by LSBU: for example education and training can be reported differently.

To protect the University's charitable status the University created SBU Enterprises Ltd. (SBUEL). SBUEL is a company subsidiary to LSBU. As a company it is mandated to have a separate board, currently chaired by a University Governor. SBUEL was established in this form following the internal ALc review (arms-length company).

The structure and operation of SBUEL has not developed further than that envisaged for it by the ALc review. Unfortunately this has resulted in a board which is too small, lacking criticality in terms of appraising investment in business start-ups, micro-businesses, buy-ins, facility management (i.e. The Clarence Centre), Joint venture due diligence, non UK tax treatment, and a resolved understanding of the benefits (or otherwise) of non University employment terms and conditions.

Governance

All of the SBUEL activity is tactical / operational as part of the agreed corporate strategy goals 4 (Research and Enterprise) and 6 (Internationalisation). The recommendation regarding governance is to retain SBUEL as a company subsidiary to LSBU but have as the end point of governance the Executive rather than the Governing Board as at present. Issues regarding audit arrangements, reporting to the University and financial control will be unchanged. In view of one deficit raised above, the SBUEL board will expand to develop non-executive appointments covering areas such as spin-ins and overseas joint ventures for example, and whilst retaining a Governor as a board member, SBUEL will instead have an executive lead. A final point is that the company name and profile will possibly need some consideration to reflect the required expansion and re-positioning.

Appendices

The following revised governance documents are attached for information:

- Statement of governance
- Schedule of matters reserved
- Composition of the Board of Directors

Statement of governance for SBUEL

South Bank University Enterprises Ltd (SBUEL) is a wholly owned subsidiary of London South Bank University and is the vehicle through which the University ~~chooses to~~ accounts for its commercial activity. It is a company limited by shares and is a separate legal entity and therefore subject to its own governance arrangements.

As a matter reserved to the board, the LSBU board of governors is responsible for setting the governance processes relating to SBUEL. The proposed governance model is that SBUEL operates at arm's length from the university as a small or medium enterprise (SME).

Delegation and Powers reserved to ~~the LSBU Board of Governors~~ as sole member

The ~~Board of Governors~~ LSBU delegates autonomy to the SBUEL board of directors, so that SBUEL may operate substantially as an autonomous SME. This delegation is subject to such powers reserved to ~~the board of governors~~ LSBU as are necessary to retain overall control.

In relation to SBUEL, powers reserved to ~~the LSBU board of governors~~ include:

- the power to appoint the ~~chairman and~~ independent governor director of the SBUEL board;
- the power to amend SBUEL's articles of association;
- the power to change the company's name;
- the power to restrict the issue of additional shares;
- the power to wind up SBUEL;
- an overriding power to restrict activities of SBUEL if it sees fit.

These powers are set out in the SBUEL articles or in legislation and are exercised by LSBU as the sole member of SBUEL.

SBUEL Board

SBUEL will be controlled by its board of directors. The board of directors will be led by a ~~chairman~~ who must is also ~~be an independent governor of~~ LSBU's Pro Vice Chancellor (Research and External Engagement). The board is then composed, ~~ex officio~~, of the University's ~~Executive Director of Finance~~ Chief Financial Officer (ex officio), an independent governor of the University, the Director of Enterprise (ex officio), up to three Deans from the University and up to three external non-executive directors ~~and Pro Vice Chancellor (External)~~. ~~Additionally, the Director of Enterprise (an SBUEL employee) and two further external non-executive directors will be appointed in due course (appointment will be by the SBUEL Board).~~

Delegated Powers

The overarching principle of delegation to SBUEL is that, subject to the reserved powers, ~~the Board of Governors~~ LSBU delegates as fully as possible the operation of SBUEL to its Board of Directors.

SBUEL will remain subject to the University's Financial Regulations except where these explicitly exempt SBUEL. The powers delegated to the SBUEL Board are set out in a Schedule of Matters Reserved to the SBUEL Board. There is a unified process shared by LSBU and SBUEL for contract and investment approval.

The SBUEL board will set its own HR policies and make decisions within the delegations granted by the LSBU board of governors.

Visibility of acquisitions

~~Only M~~ matters of significant expenditure or risk must be referred upwards to the Executive and the Board of Governors of LSBU as appropriate.

~~There is an additional operational line of control underpinning delegated powers. The Director of Enterprise is managed operationally on a day to day basis by the PVC (External), thus ensuring that there is direct oversight and control of SBUEL activity by the University Executive.~~

Audit Arrangements

As an SME, SBUEL board will not have sub-committees. As a wholly-owned subsidiary of LSBU, it will be subject to LSBU's internal audit arrangements. ~~During 2012/13, SBUEL's governance and internal controls will be reviewed by internal audit and formally reported to the LSBU Audit Committee.~~ In addition, SBUEL's external auditors will continue to be Grant Thornton (LSBU's auditors). Grant Thornton will report to SBUEL board in relation to the annual external audit and to LSBU as part of the consolidation into LSBU's group accounts.

Reporting to the University

There will be a ~~quarterly~~ monthly report of the enterprise pipeline activity, including activity carried out through SBUEL, presented to the Operations team ~~Executive~~, to ensure that the Executive remains fully informed of progress. Enterprise activity is covered in the Management Accounts and KPIs which are considered by the Finance, Planning ~~Policy~~ and Resources Committee (F, P&R) at each meeting. ~~P&R will receive an annual report of Enterprise Activity.~~

Financial Control

LSBU financial regulations, unless specific provision is made, apply to SBUEL activities. Separate financial procedures for SBUEL cover:

1. Expenditure – set out in the SBUEL expenditure procedure (~~to be~~ approved by the SBUEL Board)
2. Delegated authorities – set out in the SBUEL letter of delegated authority
3. HR policies (to be approved by the SBUEL Board).

General points regarding SBUEL Financial procedures:

- Changes to these financial procedures will be approved by the SBUEL board
- The board of SBUEL will consider an annual budget for the Company, which will be approved by the LSBU board as part of the overall University budget approval process. Performance against budget will be reviewed by the SBUEL Board, F, P&R and the main board as part of the monthly management accounts
- ~~• The Director of Enterprise is responsible for maintaining a risk register and the SBUEL board should consider this at its board meetings. Any Significant risks should be escalated to the LSBU Executive for future consideration and inclusion in the LSBU corporate risk register.~~

University enterprise , which includes SBUEL, risks are reported in the operational risk register for Research, Enterprise and Innovation, part of the University's risk framework

Schedule of Matters Reserved to the Sole Member, Board of Directors and to Management

The following schedule sets out the matters reserved respectively to the member, board and chief executive of South Bank University Enterprises Ltd (SBUEL).

Sole Member (London South Bank University)

	Matter	Reference Authority
1.	Power to direct and restrict activities of SBUEL if it sees fit	Art 6.3.3
2.	Appointment of chairman of the SBUEL board <u>and the governor director to the SBUEL board</u>	Art. 15.4
3.	Termination of directors' appointment	Art 30.2
4.	Amendments to the composition of the SBUEL Board	<u>Rights as a sole member</u>
5.	Amendment of SBUEL's articles of association	s.21 CA ¹ 2006
6.	Change of company name	Art. 4
7.	Shares: <ul style="list-style-type: none"> • Approval of the issue of unissued shares • Authority to grant the Board power to allot shares 	Art. 6.3.2 Art. 37
8.	Winding up SBUEL	s.84(1)(b) IA ² 1986
9.	Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £2m • Not in the ordinary course of business or unbudgeted expenditure above £0.5m 	<u>University Matters Reserved 5.2 & 5.3 and University Financial Regulations 9.6-12.6</u>
10.	Exceptions to Financial Regulations that apply to SBUEL	University Financial Regulations

¹ Companies Act 2006

² Insolvency Act 1986

11.	Approval of all borrowing by SBUEL	Resolution of the board LSBU
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Board of Directors

	Matter	Reference Authority
12.	Approval of company strategy	
13.	Approval of company budgets, business plans and annual reports	
14.	Approval of SBUEL Financial Regulations where excepted from University Financial Regulations: <ul style="list-style-type: none"> • Procurement regulations • Levels of delegated financial authority 	
15.	Recruitment, employment and HR regulations	
16.	Approval of adjustments to spot salaries	
17	Approval of staff bonuses including the award of spot bonus above £1,000	
18.	Working capital Policy	
19	External Audit processes	
20.	Approval of commercial sales in SBUEL: <ul style="list-style-type: none"> • above £1m³ - SBUEL Board • between £1m and £2m – Chair of the Board 	University Financial Regulations 10.4
21.	Propose surplus distribution policy / Gift Aid Policy	
22.	Establishing a system of internal control and risk management	
22	Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £100,000 and below £2m • Not in the ordinary course of business or unbudgeted 	

³ ~~The PVC (External) or Executive Director of Finance (both directors of SBUEL) are authorised to approve commercial sales between £50k and £500k. Together they are authorised to approve commercial sales between £500k and £1m.~~

	expenditure up to £0.5m	
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SBUEL Chief Executive

	Matter	Reference Authority
23.	Proposing strategic proposals and budgets	
24.	Executing the strategy agreed by the Board of Directors	
25.	Signing of contracts (within authority)	
26.	Staff recruitment and remuneration	
27.	Recommending adjustments to spot salaries to the Board	
28.	Recommending bonus levels to the Board	
29.	Award of spot bonus under £1,000 (in consultation with an Executive Director)	
30.	Approval of commercial sales in SBUEL-up to £50k <u>£1m</u> – <u>Director of Enterprise</u>	

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

This document is intended to complement the Articles of Association. If the two conflict, then the Articles shall prevail.

Composition

1. The Board of Directors, when fully complemented, shall consist of the following:
 - (a) The Pro Vice Chancellor (Research and External Engagement) (or equivalent) of the University (ex officio)
 - ~~(a)~~(b) one director who is an Independent Governor of London South Bank University (the University)
 - ~~(b)~~(c) up to ~~three~~two directors who are independent non-executive directors
 - ~~(c)~~(d) The ~~Executive Director of Finance~~ Chief Financial Officer (or equivalent) of the University (ex officio)
 - ~~(d) The Pro Vice Chancellor (External) (or equivalent) of the University (ex officio)~~
 - (e) The Director of Enterprise (or equivalent) of ~~South Bank~~the University ~~Enterprises Ltd (the Company)~~ (ex officio)
 - ~~(e)~~(f) Up to three Deans of the University
2. The ~~Board of Governors~~Chair of the Board of SBUEL ~~of the University~~ shall ~~have the right to amend the composition of the Board of Directors as they see fit~~make appointments within the framework in 1.

Appointment

3. The Board of Governors of the University shall appoint the director under 1(ba).
4. The Board of Directors of the Company shall appoint the directors under 1(cb) and 1(f). ~~The Nominations Committee of the University shall be asked to ratify such appointments.~~

Term of Office

5. The term of office of the director appointed under section 1(ba) shall be for the period of three years or until their period of office as an Independent Governor of the University shall end, whichever is sooner.
6. The term of office of the directors appointed under section 1(bc) and 1(f) shall be for the period of three years.
7. Directors appointed under sections 1(ac) and 1(bf) may be reappointed for a second term.
8. The terms of office of the *ex officio* directors shall be until they cease to hold the position as specified in sections 1(ea), 1(d) and 1(e) respectively.

Chairman of the Board

9. The director appointed under section 1(a) shall be the Chairman of the Board of Directors of SBUEL.

	PAPER NO: BG.07(16)	
Paper title:	Report on decisions of Committees	
Board/Committee	Board of Governors	
Date of meeting:	17 March 2016	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsors:	Relevant committee chairs.	
Purpose:	To update the Board on committee decisions.	
Recommendation:	To note the report. To approve minutes of the final meetings of the closed committees.	
Matter previously considered by:	As indicated	N/A
Further approval required?	No	N/A

Executive Summary

A summary of Committee decisions is provided for information. Minutes and papers are available on the governors' sharepoint.

The Board is requested to note the reports.

Summary of Committee decisions

South Bank University Enterprise Board meetings – 20 November 2015, 15 December 2015 and 8 March 2016

The Board discussed:

- A proposed investment fund for LSBU student and graduate entrepreneurs
- An investment opportunity in Venture Simulations which was subsequently rejected
- Governance proposals for SBUEL

South Bank Academies – 7 January 2016

The Board approved:

- That the University Academy of Engineering South Bank (opened September 2014) and the South Bank Engineering UTC (due to open in September 2016) should be run by a single company, under a multi-academy trust model. This was supported by the DfE. The two schools will be run by their own local governing bodies. The multi-academy trust structure is intended to maximise synergies between the two.
- The change of name of the company from University Academy of Engineering South Bank to South Bank Academies
- The recommendation of the draft Articles of Association to the members who subsequently approved these
- The appointment of Rao Bhamidimarri as CEO of the Company

The Board noted:

- The revised membership of the company, to include London South Bank University and Richard Flatman
- The appointment of Dave Phoenix, Richard Flatman and James Stevenson as directors of the company
- The intended resignations of Irene Bishop, Karen Fowler and Anil Puri as directors of the company
- The intended appointment of Steve McGuire as director
- The intention for a serving independent governor of LSBU to be appointed to the Board of the company.

Audit Committee – 11 February 2016

The committee discussed:

- An update on the Identity and Access Management system (IAMS) project
- An update on Prevent duty compliance
- Internal audit progress report
- Continuous auditing report on student data which was rated as low risk
- The corporate risk register
- An update on audit of international students
- A data assurance report – the internal auditors would be reviewing data quality as part of the internal audit programme
- Speak up report – no matters were reported
- Anti-fraud, bribery and corruption report – no matters were reported
- An update on the Finance and Management Information professional service group structure and leadership team

The committee ratified the TRAC return submitted to HEFCE.

Major Projects and Investment Committee – 16 February 2016

The committee discussed the initial business cases for project Maple and for developing an Institute of Professional and Technical Education. The email dated 1 March 2016 to the Board following the meeting is out below:

“Dear governor,

At the board meeting of 26 November 2015, the Chair gave an initial report on discussions with Morley College about the feasibility of its becoming part of the LSBU group, known as Project Maple. As indicated at the time, the matter is strictly confidential.

During January 2016, a project team led by the Deputy Vice Chancellor developed an outline business case, with external business and financial support from PricewaterhouseCoopers and legal advice from Veale Wasbrough Vizards.

A further update was given to the Major Projects & Investment Committee (MPIC) at its meeting of 16 February 2016. By this time, Morley College’s board had decided that it did not wish to relinquish

control by accepting LSBU as its sole corporate member. Accordingly, MPIC agreed with the Executive's recommendation that the project is now at an end. The draft minutes (approved by the chair) of the MPIC meeting are attached.

Although Project Maple is not proceeding, the Executive is exploring potential areas of academic collaboration with Maple, given the alignment our missions. Any collaboration is likely to be around community engagement.

The Executive will continue with the proposal to develop the Institute of Professional & Technical Education (IPTE). This project will enable LSBU to provide higher apprenticeships (HAs), develop that market and mitigate the risk of losing employer-sponsored undergraduates who might transfer to HAs. The proposal is independent of the need for Morley to become part of LSBU group”.

Finance Planning & Resources Committee – 1 March 2016

The Committee discussed:

- Management accounts to 31 January 2016
- Student recruitment update
- KPI report

The Committee approved:

- Revised treasury management policy
- Revised gifts and hospitality policy
- Revised financial regulations subject to minor amendments
- Revised travel, subsistence and expenses policy

Academic Board meeting – 2 March 2016

The Board discussed:

- Academic KPIs
- An update on the Higher Education Green Paper and sector response
- An update on Students as Partners - appeals project and the Assessment and Feedback project
- Amendments to academic regulations

Nomination Committee (Chancellor) – 3 March 2016

The committee agreed:

- Selection criteria for the Chancellor – set out in paper BG.05(16) on today's agenda
- To call for and consider nominations from students, staff, alumni and governors

Nomination Committee – 3 March 2016

The committee discussed independent governor succession planning. The committee agreed to recruit up to two governors with audit, international and/or digital experience and skills.

Recruitment will be through advertisement and application.

The committee noted:

- succession planning for the co-opted member of the audit committee
- the membership of the University Court

	PAPER NO: BG.08(16)
Paper title:	Corporate Risk Register
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	John Baker – Corporate & Business Planning Manager
Executive sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To provide Board with the current corporate risk register.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	The corporate risk register is aligned to the corporate strategy.
Recommendation:	Note: <ul style="list-style-type: none"> • the risks and their ratings, • the allocation of risks to corporate objectives

Matter previously considered by:	Operations Board	On: 26 January 2016
	Audit Committee	11 February 2016
Further approval required?		

Executive Summary

The register is a dynamic document managed within the 4-Risk platform. This record presents all identified Corporate Risks, grouped by Corporate Objective, with impact and likelihood assessments, and related controls and actions. The summary pages present the totality of risk on a 1 page matrix, along with a record of all changes and action progress updates since the last presentation of the register.

LSBU Corporate Risk Register cover sheet: Risk overview matrix by impact & residual likelihood

Date: 21 st December 2015	Author: John Baker – Corporate & Business Planning Manager	Executive Lead: Richard Flatman – Chief Financial Officer
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	2: Revenue reduction if marketing and PR activity does not achieve recruitment targets (PI)	1: Failure to position LSBU to improve reputation & effectively respond to policy changes & shifts in competitive landscape (DP)	4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty / closure</i>	Impact
457: Anticipated international student revenue unrealised (PI)	6: Management Information is not meaningful, or reliable for decision making or reporting (RF) 14: Potential loss of NHS contract income (WT) 305: Data not used / maintained securely (IM) 362: Low staff engagement impacts performance negatively (DP) 3: Increasing pensions deficit (RF) 402: Income growth from R&E unrealised (PI) 467: Progression rates don't rise (PB)	37: Capital investment ambitions of forward estates strategy undermine financial sustainability (RF)	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	
	398: Academic programmes not engaged with technological and pedagogic developments (SW)	397: Effectiveness of delivery impaired as institution goes through restructuring processes (DP)	2 Medium <i>failure to meet operational objectives of the University</i>	
			1 Low <i>little effect on operational objectives</i>	
3 - High <i>The risk is likely to occur short term</i>	2 - Medium <i>This risk may occur in the medium term.</i>	1 - Low <i>This risk is only likely in the long term</i>		
Residual Likelihood				
Executive Risk Spread: VC – 3, DVC – 1, CFO – 3, PVC-S&E – 1, PVC-R&EE – 3, COO – 1, Dean Health – 1, ExD-HR – 0, US - 0				

Changes since presentation at November Audit Committee, and overdue action progress updates detailed below:

<i>Reference</i>	<i>Risk title</i>	<i>Changes made</i>
Goal 3: Real World Impact - Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise		
398 (SW)	Low engagement with technological or pedagogic developments	
467 (PB)	UG Progression rate doesn't rise	
Goal 4: Real World Impact - Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.		
402 (PI)	2020 income growth through Research & Enterprise	<p>Forecasting action progress note: The Cognos Business Development reporting which provides on demand views from Raisers Edge enterprise sales opportunities is currently in UAT. We expect to launch formally in January. This provides the sales pipeline and conversion trends by school that are needed to support more developed longer range forecasting. Longer term research forecasting is dependent on modifications to the current SharePoint system. The detailed brief was submitted to ICT on the 17.09.15 and the KT&E team are still waiting for the formal cost and project schedule.</p> <p>Performance reporting action progress note: The first draft of PIs is complete except for the research pipeline performance data.</p> <p>Academic Engagement action progress note: Formal REI workshop programme focused on up-skilling and engaging academics has been launched end November.</p>
Goal 6: Access to Opportunity - Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.		
457 (PI)	International student £income unrealised	<p>Penningtons Audit Action implemented: The UKVI actions are all in place. An account handling group consisting of all the key services, plus the Deans was established to take this forward. LSBU was re-audited last week to check on progress & the auditors were happy with the progress made.</p>
Goal 7: Strategic Enabler - People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.		
1 (DP)	Response to environmental change & reputation	
362 (DP)	Poor Staff Engagement	<p>Engagement strategy action closed: Whilst no formal strategy has been produced (pending a full review of OD activities and team structure). A number of engagement activities relating to the outcome of the Employee Engagement Survey and Leadership Climate Survey have taken place. These included; launching the Values, work on Leadership Development, regular internal communications, Wellbeing etc. This work is on-going and new priorities arising from the Employee Engagement Survey 2016 which is currently being developed and is due to launch in February 2016 will form the basis of the new Engagement Strategy 2016 – 2020.</p> <p>Behavioural Framework activities action recorded as implemented: Work continues within ODT to deliver the Values and Behavioural Framework into the way LSBU operates. This has included promotional posters, pens, badgers, banners to build awareness of the EPIIC branding alongside activities to truly embed the Values into the way we operate in a meaningful way. This includes; developing online team and self-assessment tool and materials, linking to Appraisal, Academic Framework, leadership Development, Training courses and materials, job specifications, the Learning</p>

		Pathway. A refreshed awareness campaign is planned for early 2016 alongside the analysis of the results of the Employee Engagement Survey. Further work needs to take place to embed the Values into our interactions with Students as well as internally.
397 (DP)	Restructuring impact	
Goal 8: Strategic Enabler - Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.		
2 (PI)	Home & EU Recruitment income targets	
3 (RF)	Pensions deficit	
6 (RF)	Quality and availability of Management Information	
14 (WT)	Loss of NHS income	
37 (RF)	Estates strategy £ impact	Student Centre negotiations action progress note: Programming expert engaged to adjudicate on the decisions taken in respect of the refused extension of time claim & met with Mansell to agree a final account by March 2015. We await a meeting with the senior Director of Balfour Beatty early in 2016.
305 (IM)	Data Security	PWC Audit Findings action progress update Internal Audit progress reports records that one finding is implemented and two are still in progress, majority completion expected by end December 15. Mandatory training action progress update The current plan is to pilot the content with the Library and LRC staff during November, and then to phase staff rollout towards the end of the year.

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
398	Academic programmes do not engage with technological and pedagogic developments which support students and promote achievement Risk Owner: Shan Wareing Last Updated: 05/11/2015	<p>Cause & Effect:</p> <p>Cause: LSBU does not effectively exploit the learning potential of new technologies. Curriculum do not adapt sufficiently for students to develop the knowledge, behaviours and skills valued by employers Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment.</p> <p>Effect: Retention does not meet the targets within the 5 year forecast. Employability of LSBU graduates does not improve. Market appeal of courses is impaired</p>	2 3 Medium	Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Learning Pathway Programme.	2 2 Medium	<p>Actively pursue the long term objectives of the TEL strategy via establishing CRIT (Centre for Research Informed Teaching).</p> <p>Person Responsible: Shan Wareing</p> <p>To be implemented by: 31/12/2015</p> <hr/> <p>Invest in pilots and subject-specific developments, consistent with local expertise, motivation and market intelligence, to ensure staff & students are able to experiment with appropriately controlled risks.</p> <p>Person Responsible: Shan Wareing</p> <p>To be implemented by: 30/06/2016</p> <hr/> <p>Liaise with legal team to provide assurance on usage of student data within analytics projects.</p> <p>Person Responsible: Grace McCalla</p> <p>To be implemented by: 24/12/2015</p> <hr/> <p>Co-ordinate (with DESEs) School intervention projects using analytics data, and produce report on plans and outcomes.</p> <p>Person Responsible: Lesley Roberts</p> <p>To be implemented by: 31/05/2016</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
467	<p>Progression rate across undergraduate programs does not rise in line with targets of Corporate Strategy</p> <p>Risk Owner: Pat Bailey</p> <p>Last Updated: 05/11/2015</p>	<p>Cause & Effect:</p> <p>Cause: Low tariff students admitted through clearing. ESE analytics dashboards not utilised. High risk students are not identified in a timely way and supported sufficiently. Students don't engage with new initiatives. Support provided fails to bridge support gap for students entering through non-traditional access routes.</p> <p>Effect: Progression rate fails to increase. Hefce could view institution as high risk. Data could have negative impact in any REF type teaching review processes. Considerable lost income to institution from Y2 & Y3 potential enrolments.</p>	<p>3 2</p> <p>High</p>	<p>Study Support & Skills Sessions provided by the Library &LRC</p> <hr/> <p>Student Welfare advice and support provided by Student Life Centre</p>	<p>3 2</p> <p>High</p>	<p>Produce report for Ops Board reviewing success of Summer School Intervention</p> <p>Person Responsible: Jenny Laws</p> <p>To be implemented by: 30/11/2015</p> <hr/> <p>Work with Schools & Student Support to establish use of Personal Tutoring system to identify students at risk of non-progression and act as foundation for intervention.</p> <p>Person Responsible: Shan Wareing</p> <p>To be implemented by: 31/05/2016</p> <hr/> <p>Utilise Learner Analytics at Course Level to plan interventions for courses with low completion rates.</p> <p>Person Responsible: Lesley Roberts</p> <p>To be implemented by: 30/04/2016</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
402	<p>Income growth expected from greater research and enterprise activity does not materialise</p> <p>Risk Owner: Paul Ivey</p> <p>Last Updated: 29/06/2015</p>	<p>Cause & Effect:</p> <p>Cause:</p> <ol style="list-style-type: none"> 1) A competitive & challenging market environment with rising standards, as Universities seek to expand & diversify income across research and enterprise, competing for the similar opportunities and funders. 2) Recent history of projecting then failing to deliver increased enterprise income, and lack of proven forecasting systems. 3) The aggressive and complex turnaround required to reverse a weakening LSBU income trend carries intrinsic high risk. 4) dependence on HSC CPPD income (which forms around half of enterprise income.) 4) New structures (academic & professional function) fail to entice and encourage academic participation in activity. 5) Limitations of academic capacity and capability are slow to be rectified. 6) Internal competition for staff time from a range of newly invigorated LSBU activities over and above teaching. 7) TNE partnerships are not approved, or break down when contacts relocate. <p>Effect:</p> <ol style="list-style-type: none"> 1) Income growth expectations of 	<p>3 2</p> <p>High</p>	<p>R&E activity Pipeline Reports (Financial & Narrative) will be provided to each Operations Board Meeting to aid constant scrutiny and review of progress against 5 year income targets.</p> <hr/> <p>Enterprise Business Plan & strategy submitted for approval annually to SBUEL Board (which has 2 Non-Executive Directors) for monitoring & quarterly updates provided at LSBU Board meetings.</p>	<p>3 1</p> <p>Medium</p>	<p>Establish two-tier robust forecasting and reporting systems for R&E covering in-budget year and longer time horizon, working with Finance, Schools and REI staff.</p> <p>Person Responsible: Gurpreet Jagpal</p> <p>To be implemented by: 31/07/2015</p> <hr/> <p>Formal academic R&E engagement plan, with sub-sections by Schools and Enterprise Institute. Include establishment of baseline measures including academic activity and LSBU ability to service identified leads and opportunities. Work with Organisational Development as required.</p> <p>Person Responsible: Gurpreet Jagpal</p> <p>To be implemented by: 30/09/2015</p> <hr/> <p>Develop formal process by which the KPI and PI that drive R&E performance are reviewed routinely by the institution. Establish baseline performance for 2014-15 and implement up to date capture processes from the new financial year.</p> <p>Person Responsible: Gurpreet Jagpal</p> <p>To be implemented by: 31/07/2015</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
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the Corporate Strategy unrealised.

- 2) Undiversified enterprise portfolio with the dependency on HSC and CPD overall.
- 3) Reduced income is accompanied by lower financial contribution, as an increased proportion of delivery is sourced outside core academic staff.
- 4) Increased dependency on generating enterprise opportunities via Knowledge Transfer outreach as opposed to an academic-led stream, results in higher opex costs.
- 5) The holistic benefits for teaching and the student experience from increased external engagement, and in particular from the new types of income projected i.e. applied research, consultancy, KE as opposed to CPD are reduced.
- 6) Pressure on research funding opportunities not only reduces income but the proportion of staff resource diverted to winning new funding is significantly increased.
- 7) Reduced research income adversely affects the research environment, publication rates, evidence of impact, student completions, & ultimately LSBU REF 2020 rating.
- 8) Inability to align academic resource with identified market opportunities.
- 9) TNE enterprise expectations unrealised.

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
457	Anticipated international student revenue unrealised Risk Owner: Paul Ivey Last Updated: 06/11/2015	<p>Cause & Effect: Cause: UK government process / policy changes. Restriction on current highly trusted sponsor status. Issues connected with english language test evidence. Anticipated TNE growth does not materialise.</p> <p>Effect: LSBU unable to organise visas for students who wish to study here. International students diverted to other markets. Expected income from overseas students unrealised. Conversion impact of LSBU TNE students doesn't materialise.</p>	3 3 High	Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team. Recruitment Reports presented to each meeting of Ops Board.	3 2 High	<p>Implement 'One More Student' Campaign with agent network & counsellors to stimulate recruitment routes.</p> <p>Person Responsible: Jennifer Parsons To be implemented by: 30/03/2016</p> <hr/> <p>Review International Office activity plan for Semester 2 recruitment phase to stimulate enrolment.</p> <p>Person Responsible: Jennifer Parsons To be implemented by: 30/11/2015</p> <hr/> <p>Develop University wide implementation plan in response to findings of recent UKVI audit by Penningtons.</p> <p>Person Responsible: Jennifer Parsons To be implemented by: 24/12/2015</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	<p>Failure to position LSBU to improve reputation & effectively respond to policy changes & shifts in competitive landscape</p> <p>Risk Owner: David Phoenix</p> <p>Last Updated: 05/11/2015</p>	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Changes to fees and funding models - Increased competition from Private Providers - Government policy changes and SNC cap removal - Failure to anticipate change - Failure to position (politically) - Failure to position (capacity/structure) - Failure to improve League Table position <p>Effects:</p> <ul style="list-style-type: none"> - Further loss of public funding - Loss of HEFCE contract numbers - Failure to recruit students - Business model becomes unsustainable 	<p>4 3</p> <p>Critical</p>	<p>Ketchum appointed to advise LSBU on the ongoing changes to the political environment for higher education & its external communications in response to these changes.</p> <hr/> <p>Financial controls (inc. forecasting & restructure) enable achievement of forward operating surplus target communicated to Hefce in July Forecast.</p> <hr/> <p>A horizon scanning report produced by the Director of Strategic Stakeholder Engagement is provided to each meeting of the Executive.</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>Student Access & Success Strategy for 14/15 through OFFA</p>	<p>4 1</p> <p>High</p>	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
362	<p>Low staff engagement impacts performance negatively</p> <p>Risk Owner: David Phoenix</p> <p>Last Updated: 02/06/2015</p>	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> •Bureaucracy involved in decision making at the University •No teamwork amongst departments at the University •Staff feeling that they do not receive relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises <p>Effects:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases 	<p>3 3</p> <p>High</p>	<p>Cascade messages from Ops Board circulated for Cascade Meetings within each School & Professional Function.</p> <hr/> <p>Departmental Business Planning process</p> <hr/> <p>Direct staff feedback is encouraged through the "asktheVC@" email address and through feedback forms on intranet and 'developing our structures' microsite.</p> <hr/> <p>Scheduled Team meetings</p> <hr/> <p>Regular Business review meetings</p>	<p>3 2</p> <p>High</p>	<p>Develop an engagement strategy, building on the Leadership Climate Indicator Survey & past Employee Engagement Survey results.</p> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 30/09/2015</p> <hr/> <p>Deliver a planned programme of activities to ensure continued awareness raising and promotion of the Behavioural Framework, to embed the values in to HR documentation, and to develop baseline measures.</p> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 31/07/2015</p> <hr/> <p>Design and circulate Staff Engagement Survey.</p> <p>Person Responsible: Cheryl King-McDowall</p> <p>To be implemented by: 30/01/2016</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
397	Effectiveness of delivery impaired as Institution goes through restructuring process	<p>Cause & Effect:</p> <p>Cause: The structural re-organisation of academic groupings from 4 faculties to 7 schools. The re-focusing of support departments into professional service clusters. - undertaken to underpin academic and business effectiveness.</p> <p>Effect: Staff morale could be impacted negatively by process of change, and by perceived threats to job security, which impairs enthusiasm and contribution in role. High performing staff seek employment elsewhere, causing skills shortages & loss to institutional knowledge base. Reduced Service levels - to staff and students - by teams trying to deliver business as usual whilst also going through the change process. Potential strike action if union engagement breaks down. Data reliability might be impaired if the translation process encounters issues such as unforeseen time or money resource implications.</p>	<p>3 2</p> <p>High</p>	<p>Programme Board will meet for 12 months as the Corporate Delivery Board (CDB) – to enable Exec monitoring of current & upcoming projects, and to oversee change across LSBU at a high level.</p> <hr/> <p>Central Programme Management Office (PMO) is in place to manage governance, oversight and reporting of 'monitored' and 'managed' changes, & management of related risks, issues, communications, benefits, and dependencies.</p> <hr/> <p>Executive Communications Strategy designed to ensure significant consultation with internal and external stakeholders.</p> <hr/> <p>Routine monitoring of high level action tracker for institutional transition by Operations Board.</p> <hr/> <p>Staff Gateway links to web micro-site with all the "Your Career Matters" forms and guidance documents, including FAQs, and monitored yourcareermatters@ email for all queries.</p> <hr/> <p>Regular report to Operations Board on the Opportunities risks and issues in the "Creating the Schools" project.</p>	<p>3 2</p> <p>High</p>	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
2	Revenue reduction if marketing and PR activity does not achieve Home/EU recruitment targets Risk Owner: Paul Ivey Last Updated: 29/09/2015	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Changes to UGFT fees - Increased competition (removal of SNC cap in 15/16) - Failure to develop and communicate brand & Isbu graduate attributes - Lack of accurate real-time reporting mechanisms - Poor league table position - Portfolio or modes of delivery do not reflect market need - Tighter tariff policy during clearing <p>Effects:</p> <ul style="list-style-type: none"> - Under recruitment - loss of income - Loss of HEFCE contract numbers - to 14/15 - Failure to meet related income targets 	4 3 Critical	<p>Report on student applications is presented to every monthly meeting of Operations Board & reviewed by Board of Governors</p> <hr/> <p>Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July</p> <hr/> <p>Differentiated marketing campaigns are run for FTUG, PTUG and PG students on a semesterised basis.</p>	4 2 Critical	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
3	Staff pension scheme deficit increases	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - TPS/USS schemes may also become subject to FRS17 accounting <p>Effects:</p> <ul style="list-style-type: none"> - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term 	3 3 High	<p>Switch of inflator from RPI to CPI (expected to be lower in the long term)</p> <hr/> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p> <hr/> <p>Annual FRS 17 valuation of pension scheme</p> <hr/> <p>Regular participation in sector review activity through attendance at LPFA HE forum, & UCEA pensions group by CFO or deputy.</p> <hr/> <p>Regular Reporting to Board via CFO Report</p> <hr/> <p>DC pension scheme for SBUEL staff.</p> <hr/> <p>Tight Executive control of all staff costs through monthly scrutiny of management account and operation of recruitment freeze policy with defined exceptions.</p> <hr/> <p>New LPFA scheme terms, effective April 2014, with increased personal contributions</p> <hr/> <p>Strict control on early access to pension at redundancy/restructure</p>	3 2 High	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
6	<p>Management Information is not meaningful, unreliable, or does not triangulate for internal decision or external reporting</p> <p>Risk Owner: Richard Flatman</p> <p>Last Updated: 05/11/2015</p>	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Lack of strategic vision for ICT - Proliferation of technology solutions - Data in systems is inaccurate - Data in systems lacks interoperability - Resource constraints & insufficient staff capability delay system improvement - Lack of data quality control and assurance mechanisms <p>Effects:</p> <ul style="list-style-type: none"> - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information insufficient to verify external reporting - unclear data during clearing & over-recruitment penalties - League table position impaired by wrong data - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc) 	<p>3 3</p> <p>High</p>	<p>Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.</p> <hr/> <p>Engagement between International Office, Registry & School Admin teams to ensure UKVI requirement compliance, specifically regarding:</p> <ul style="list-style-type: none"> - Visa applications and issue of CAS - English language requirements - Reporting of absence or withdrawal <hr/> <p>Systematic data quality checks and review of key data returns prior to submission by B.I.U.</p> <hr/> <p>International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.</p> <hr/> <p>Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes:</p> <ul style="list-style-type: none"> - HR systems - Space management systems - TRAC - External returns 	<p>3 2</p> <p>High</p>	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
14	Loss of NHS contract income Risk Owner: Warren Turner Last Updated: 07/10/2015	<p>Cause & Effect: Cause: NHS financial challenges/ structural change is resulting in a total review of educational comissioning by Health Education England with an expected overall reduction in available funding. In addition late decision making over community programmes. Plus London Educational Contracts (pre-registration) are running on an extension, all to be renewed by April 2016 with likely re-tendering. Recruitment to contracted programmes is buoyant. Risk is of reduction in NHS contracted pre-registration numbers as a result of re-tendering exercise coupled with reduction in overall funding across the NHS. Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p>	3 3 High	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)</p> <hr/> <p>Support with numeracy and literacy test preparation Develop BSc Health and Social Care by September 2015 for applicants not meeting course tariffs requirements and to support PGDip recruitment.</p> <hr/> <p>Regular contact with HEE DEQs, None Medical Deans and commissioning contract managers.</p>	3 2 High	<p>Continue contract discussions with HEE/ LETB's. Attempt to extend contracts or revert to National Framework Person Responsible: Warren Turner To be implemented by: 31/03/2016</p> <hr/> <p>Ensure a quality campus in each HEE/ LETB area. Plan for renewal of Havering lease in 2018 or alternative site. Continue discussions with NHS partners in NE London (BHR, NELFT and Barts) together with Queen Mary School of Medicine and Dentistry re potential for revitalising the Harold Wood site for the future. Person Responsible: Warren Turner To be implemented by: 31/03/2016</p> <hr/> <p>Grow into new markets for medical and private sector CPPD provision Person Responsible: Warren Turner To be implemented by: 30/06/2016</p> <hr/> <p>Develop opportunities for further International 'in-country' activity in Malaysia, Singapore, Hong Kong, India and Saudi. Person Responsible: Mary Lovegrove To be implemented by: 30/06/2016</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<p>Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding</p> <p>Person Responsible: Sheelagh Mealing</p> <p>To be implemented by: 30/06/2016</p> <hr/> <p>Improve NSS participation & scores Develop action plans for Departments and School from results of 2014 NSS</p> <p>Person Responsible: Sue Mullaney</p> <p>To be implemented by: 31/08/2016</p>
37	<p>Capital investment ambitions of forward estate strategy undermine financial sustainability</p> <p>Risk Owner: Richard Flatman</p> <p>Last Updated: 04/09/2015</p>	<p>Cause & Effect:</p> <p>Causes:</p> <ul style="list-style-type: none"> - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding <p>Effects:</p> <ul style="list-style-type: none"> - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students 	<p>3 3</p> <p>High</p>	<p>Management Accounts, with a CAPEX report section, are provided to each meeting of the P&R Committee, and the Board receives business cases in relation to all planned capital expenditure > £1million.</p> <hr/> <p>Full Business Cases prepared; using guidance and process approved by Executive - including clarity on cost and funding, for each element of Estates Strategy, and approved by Board of Governors where cost = >£1M.</p> <p>ncluding all capital spend. Guidance developed as part of new process.</p> <hr/> <p>Clear requirement (including authority levels) for all major (>£1m) capital expenditure to have Board approval</p>	<p>3 1</p> <p>Medium</p>	<p>Complete report on the final Student Centre negotiations.</p> <p>Update: the 12 month defects liability period concluded & working through the final defect list. POE was due by Feb 14.</p> <p>Person Responsible: Ian Mehrtens</p> <p>To be implemented by: 30/04/2013</p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
				<p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Capex reporting routines established and embedded into regular updated financial forecasts & management accounts and regular Board reports.</p> <hr/> <p>LSBU Project methodology & Estates & Facilities Dept project controls, including Governance arrangements applied to all Capex projects.</p>		
305	<p>Student & corporate data not accessed and stored securely or appropriately</p> <p>Risk Owner: Ian Mehrtens</p> <p>Last Updated: 03/12/2015</p>	<p>Cause & Effect: Cause: Loss or inappropriate access to data, or breach of digital security; either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive files / data)</p> <p>Effect: Reputational damage, regulatory failure, undermining of academic credibility or compromise of competitive advantage.</p>	<p>3 2 High</p>	<p>Responsibility for control over data protection risks at an institutional level allocated to Director of ICT.</p>	<p>3 2 High</p>	<p>Deliver project to ensure mandatory training is delivered to staff via ICT log on, to include data security awareness.</p> <p>Person Responsible: Craig Girvan To be implemented by: 29/01/2016</p> <hr/> <p>Respond to findings of PWC 14/15 internal audit report into data security.</p> <p>Person Responsible: Rob McGeechan To be implemented by: 30/05/2015</p>

	CONFIDENTIAL
	PAPER NO: BG.09(16)
Paper title:	Declarations of interest update
Board/Committee	Board of Governors
Date of meeting:	17 March 2016
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Jerry Cope, Chairman of the Board
Purpose:	To authorise updates to declared interests of governors and Executive members.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Companies Act compliance
Recommendation:	To authorise updates to declared interests.

Matter previously considered by:	No	On: N/A
Further approval required?	No	N/A

Executive Summary

Declarations of Interest – Independent Governors

Under the Companies Act 2006, the Board is required to authorise potential situational conflicts for governors. The following declarations have been made to the Secretary since the last Board meeting (a full review takes place annually in November).

One new independent governor, Michael Cutbill, began his term of office on 1 January 2016. He has declared the following interests:

- a. Owner (100%) of Kellen Head (business consultancy)
- b. Owner (25%) of Richmond Crescent Flats Ltd (freehold interest)

Two new staff governors have declared the following:

- a. Jenny Owen has no interests to declare;
- b. Tony Roberts has declared that he is a governor of the University Academy of Engineering South Bank (one of LSBU's sponsored schools).

Declarations of Interest – Executive Members

Three members of the Executive were appointed directors of the University Academy of Engineering South Bank (now South Bank Academies), by written resolution on 21 December 2015:

- Dave Phoenix – Vice Chancellor and Chief Executive of London South Bank University;
- Richard Flatman – Chief Financial Officer of London South Bank University;
and
- James Stevenson – University Secretary and Clerk to the Board of Governors of London South Bank University.

These interests will be added to the register of interests.

The Board is requested to authorise these declarations.