

Meeting of the Board of Governors

4.00pm on Thursday, 20 May 2021
via MS Teams

3.15 – 4.00pm: Pre-Board presentation on portfolio review

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		JC
2.	Declarations of interest		JC
3.	Minutes of the previous meeting	3 - 8	JC
4.	Matters arising	9	JC
Chair's business			
5.	Committee update: FPR	Verbal report	MC
Items to discuss			
6.	VC report	10 - 28	DP
7.	CFO report	29 - 51	RF
8.	Annual research and enterprise report	To follow	PI
9.	LSBU Hub construction – delegation of authority	52 - 57	PI
Items to note			
10.	Corporate risk report	58 - 60	RF
11.	LSBSU election results	61 - 65	NL
12.	Reports and decisions of committees <ul style="list-style-type: none"> • Group equality statement 	66 - 72	MB
13.	Board strategy day report 22 April 2021	73 - 78	MB

Date of next meeting
4:00pm, Thursday 22 July 2021

Members: Jerry Cope (Chair), Michael Cutbill (Vice-Chair), Duncan Brown, John Cole, Maureen Dalziel, Peter Fidler, Mark Lemmon, Nicki Martin, Jeremy Parr, David Phoenix, Rashda Rana, Tony Roberts, Deepa Shah, Maxwell Smith, Vinay Tanna and Harriet Tollerson

In attendance: Pat Bailey, Michael Broadway, Richard Flatman, Paul Ivey, Nicole Louis and Dominique Phipp

Apologies: James Stevenson

Observer: Ruchika Kumar (LSBSU Council Chair 2021/22)

Supplement for information:

- SBA Board draft minutes of 18 March 2021

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 25 March 2021
via MS Teams**

Present

Jerry Cope (Chair)
Michael Cutbill (Vice-Chair)
Duncan Brown
John Cole
Maureen Dalziel
Peter Fidler
Mark Lemmon
Nicki Martin
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Maxwell Smith
Harriet Tollerson
Vinay Tanna

Observer

Kate Stanton-Davies

In attendance

Pat Bailey
Michael Broadway
Amy Eden (*for minute 12*)
Richard Flatman
Matt Myles-Brown (*for minute 12*)
Ed Spacey (*for minute 11*)
James Stevenson

1. Welcome and apologies

The Board welcomed Maureen Dalziel to her first meeting as an independent governor. The Board welcomed Kate Stanton-Davies as an observer to the meeting following her recent appointment as a co-opted member of MPIC.

The Board had just received an informative pre-Board presentation on Skills for Jobs white paper, the college and year 14.

2. Declarations of Interests

No member declared an interest in any item on the agenda.

3. Minutes of the previous meetings

The minutes of the meeting of 19 November 2020 were approved, subject to a minor amendment, and their publication.

The minutes of the meeting of the 25 November 2020 and the written resolution passed on 29 January 2021 were approved.

4. Matters arising

The Board noted the update on matters arising from the previous meeting. The Board requested that it is kept updated on the review of the accounts preparation process.

5. Senior Independent Governor (SIG)

The Board approved the appointment of Peter Fidler as the Senior Independent Governor (SIG).

The Board noted that following the retirements of Hilary McCallion and Mee Ling Ng, Jeremy Parr had joined the Nomination Committee, Deepa Shah had joined the Remuneration Committee and Maureen Dalziel had joined the Finance, Planning and Resources Committee. In addition, Kate Stanton-Davies had joined the Major Projects and Investment Committee as a co-opted member.

6. Provost appointment

The Board approved the appointment of Prof. Tara Dean as Provost. The Remuneration Committee would be requested to approve the proposed remuneration package.

7. Appointment of future independent and associate governors

The Board welcomed the proposed appointment process for future independent and associate governors.

8. Committees update

The Chair of MPIC updated the Board on the committee's work. The committee is currently overseeing the major projects of Southwark campus redevelopment, the SBC estates strategy and project Leap.

The Chair of the Remuneration Committee updated the Board on a recent independent review by AdvanceHE of the CUC HE Senior Staff Remuneration Code. The review found that in broad terms the Code remains fit for purpose. The CUC will use the review findings to update the Code where appropriate. The committee would undertake a review of LSBU's arrangements against the updated code.

The Board noted that future arrangements for Board and committee meetings when the current government 'lockdown' ends would follow the university's approach to 'return to work'. Governors would be consulted.

9. VC report

The Board discussed the Vice Chancellor's report.

The Vice Chancellor updated the Board on recent policy announcements, including the removal of funding for London weighting for 2021/22 and the proposal for the OfS to implement certain thresholds at course level to allow universities to retain their registration and access to student loan funding. A project to review the shape of LSBU's course portfolio was underway and is considering the implications of thresholds for LSBU. An update would be provided to the Board at the April 2021 strategy day.

The Board discussed the proposed approach to the Secretary of State's request that universities adopt the International Holocaust Remembrance Alliance's (IHRA) definition of anti-semitism. The Executive is developing an Equality Policy to re-affirm LSBU's strong commitment to equality. The policy will consider how to reference the IHRA definition in the context of LSBU's policies. FPR would be requested to approve the policy. The Board endorsed this approach.

The Vice Chancellor updated the Board on the restoration of systems following the cyber incident. Progress was being made in restoring systems. Restoration of the interface between QL (the student records system) and other systems was behind schedule due to third party service providers. The Board noted that the cyber incident was adversely impacting on student recruitment for 2021. A review of the incident would take place and be reported to the Group Audit and Risk Committee.

The Board noted that, due to the cyber incident, around 150 graduates had not received their transcripts or certificates, which had impacted their ability to evidence their degree award as required for employment. This had been reported to the OfS.

The Board noted an update on the London Road project. Due to a number of factors the project was behind schedule and likely to be over budget. An October 2021 opening date was now expected. The Board noted that a dispute over costs with the contractor had been referred to adjudication which had found against LSBU. An update would be provided to MPIC. The delivery of the project would be reviewed and reported to GARC.

The Board noted that LSBU had received its KEF results. LSBU had performed well in a number of areas and reasonably well in some others. An analysis would be carried out when sector data is available.

10. CFO report

The Board discussed the CFO report, which included updates on the current financial position, budget planning for 2021/22, the revolving credit facilities and the implementation of the agreed pensions changes.

The Board noted that the accounting records were in the process of being updated following the IT outage. The best estimate of the current financial year end forecast was income of £162m (£8m better than budget) and a £2m surplus. The Board noted that the executive is focusing on staff costs which are forecast to be over budget. The Board requested to be kept updated on staff costs.

The Board noted that the total recoverable costs of the IT incident were likely to be around £1m, although this was still under investigation.

The Board noted that 2021/22 budget planning had begun and a range of scenarios would be presented at the April 2021 Board strategy day.

The Board noted that the Barclays revolving credit facility (RCF) would shortly be utilised as required. The proposed additional RCF with AIB is pending a valuation of Dante House against which the loan will be secured.

The Board noted that the new defined contribution pension scheme for new PSG staff would be implemented from 1 April 2021, including in SBC and its subsidiary SW4.

11. Health & Safety annual report

With Ed Spacey, Director of Group Assurance

The Board discussed the comprehensive group health and safety assurance report in detail.

The Board noted that student and employee accident rates for the university were below the sector benchmark.

The Board expressed its gratitude for the work done during the past year to mitigate the impact of the coronavirus pandemic on the university and the group.

The Board took assurance from the report.

Ed Spacey left the meeting

12. LSBSU incorporation

Amy Eden, SU CEO and Matt Myles-Brown, SU Deputy CEO joined the meeting

The Board discussed the proposal to incorporate the Students' Union as a company, which had been discussed by FPR. The Board noted that a number of Students' Unions had recently incorporated as companies as a way to reduce the personal liability of trustees. The Board supported the incorporation in principle.

The Board discussed the proposed draft articles of association which required Board approval under the Education Act 1994. The Students' Union intended to use the model articles for Students' Unions which had been approved by the Charity Commission. The Board noted the University's solicitors had reviewed the proposed draft articles and had not raised any concerns. The Board noted that some minor changes would be negotiated with the SU.

The Board approved the proposed draft articles subject to minor changes and authorised the Chair of FPR to approve these changes on behalf of the Board.

The Board authorised a sub-committee of the Chair of MPIC, the Chair of FPR and

the Vice Chancellor to consent to the transfer of undertaking from the current unincorporated association to the newly incorporated company on behalf of the University.

Amy Eden and Matt Myles-Brown left the meeting

13. Corporate strategy 2020-25 update

The Board noted the corporate strategy update.

14. Corporate risk report

The Board noted the updated risk register which had been discussed by the Group Audit and Risk Committee.

15. Reports and decisions of committees report

The Board noted the report from committees.

The Board approved the updated terms of reference for the Academic Board and for the Enterprise Advisory Board.

16. Group strategy day notes

The Board noted the notes from the Group strategy session of 17 December 2020.

17. Declarations of interests

The Board authorised the declared interests of John Cole and Deepa Shah.

**Date of next meeting
4.00 pm, on Thursday, 20 May 2021**

Confirmed as a true record

..... (Chair)

**BOARD OF GOVERNORS - THURSDAY, 25 MARCH 2021
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
4.	Matters arising	The Board to be kept updated on the review of the accounts preparation process	Ongoing	CFO	In progress. Report to go to GARC at its meeting of 15 June 2021.
8.	Committees update	Governors to be consulted on arrangements for returning to face-to-face meetings	Summer 2021	Secretary	In progress
9.	VC report	Update on portfolio review to be provided to the April 2021 Board strategy day.	22 April 2021	VC	Complete
9.	VC report	Equality statement to go to FPR for approval.	27 April 2021	Chief People Officer	Complete.
9.	VC report	Review of the IT incident and recovery process to be reported to GARC.	6 May 2021	CCO	Complete.
9.	VC report	Update on London Road adjudication and costs to be provided to MPIC.	6 May 2021	CBO	Complete
		Delivery of London Road project to be reviewed and reported to GARC.	Winter 2021	CBO	In progress

	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	20 May 2021
Author:	David Phoenix, Vice Chancellor and CEO
Executive sponsor:	David Phoenix, Vice Chancellor and CEO
Purpose:	To update the Board on University matters
Recommendation:	The Board is requested to note the report.

Executive Summary

As reported at the last Board meeting in March, we have been undertaking a review of our portfolio and the project reached its first significant proposals at the end of March and has now moved into operationalising these recommendations. Whilst there has been considerable course consolidation, there are only two subject areas that are closing (History and Geography).

Our estate development work continues with the creation of Croydon Campus progressing well. It is on time for completion at the end of July and within budget. Due to delays caused by unforeseen work on London Road and some issues with the supply of essential materials, Willmott Dixon Interiors (WDI) has now advised a revised completion date to 21st October 2021. The building will, unfortunately, not be ready for occupation until the beginning of Semester 2. More information on this is provided in section 5.2 of this report.

On 30 March 2021 LSBU submitted to REF2021, with 199 staff submitted, LSBU's largest REF submission to date, representing a >70% increase on its REF2014 submission (116 staff). This compares well with the 46% increase in the number of staff submitted by UK universities overall but I expect most Moderns will show significant increases hence relative performance will be key. This was a significant piece of work delivered by a pan university team.

Vice Chancellor's Report: May 2021

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 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.

1.1 Portfolio Review

The Portfolio project aims to support the Corporate Strategy by improving student outcomes, reducing course fragmentation and increasing staff capacity for small group teaching, research and enterprise. The project reached the first overall significant recommendations and proposals at the end of March and has now moved into operationalising these recommendations.

At the March Project Board and subsequent Exec meetings, decisions were made for a number of courses to be consolidated with the creation of corresponding pathways where appropriate. The affected Schools are currently working on reprofiling of the courses which have required change. Additional support is being provided to Deans and Heads of Division most impacted by the change. While there is considerable course consolidation, there are only two subject areas that are closing (History and Geography).

There has been some impact of the review and subject closures on the University's external reputation, and this has been amplified by changes in the wider regulatory environment to arts and humanities funding. However, the LSBU stance remains strong, with few subjects closed, limited impact on staff and the focus on transformational change in provision. A key aspect of transformation is the introduction of a Curriculum Framework which aims to improve student progression, graduate outcomes and reduce module fragmentation.

The project is now focused on supporting Academic staff through the Curriculum exercise, with the introduction of teaching sabbaticals, a curriculum roadshow and an Education Forum, encouraging debate and discussion on key points related to the Curriculum. A series of robust, carefully thought-out communications to both staff and students have become a significant priority for the project.

1.2 Student Satisfaction

Between 8th - 18th March 2,846 students completed the mid-semester survey which included 2315 undergraduates and 521 postgraduates. Overall, there was a 17% response rate which has highlighted a need to increase future responses. The survey was important in helping us understand student perceptions in the light of continued covid disruption and the IT outage. Despite the outage, the proportion of students indicating that they are not satisfied with their experience has not increased since Semester 1, sitting at around 20%. This suggests that actions taken to mitigate the impact of the outage have been successful. The main reasons for student reporting dissatisfaction were oriented around feelings of disconnectedness, and

concerns about online provision (in specific Schools). As a result of the feedback, Schools will continue to provide and promote staff development opportunities for colleagues to help improve digital literacy and more targeted interventions have included providing individual colleagues with support, where issues were flagged at a module level.

In terms of addressing feelings of disconnectedness, a set of planning principles for the coming academic year are being developed which will ensure that we put consideration of ways in which we can provide and promote opportunities to re-engage with the campus community at the forefront of our planning. In addition, for those schools that have not been able to provide on-campus activities within the current academic year, activities are being planned and offered over the summer, or will be provided within the next academic year for returning students.

In terms of provision meeting student expectations, students were asked to say whether their course had been delivered as promised, based on course specification addendum documents issued over the summer. More than 80% students agreed that the course had delivered as expected. Of those who did not agree, qualitative comments were reviewed to identify issues. In almost all cases, these students were indicating a general level of discontent with the pandemic and IT outage situation, rather than pointing to specific deficits in provision. In very few cases, issues related to communication were identified and rectified – i.e. students stated that specific activity was not being offered as expected, whereas in fact this had been scheduled but not clearly communicated.

1.3 The Office for Students

In mid-January, we received a letter from the OfS asking us to undertake a review during the 'first half of the spring term' of three areas: consumer protection, quality and communication. The consumer protection element draws on many of the expectation setting and audit activities that we have already carried out in semester 1.

LSBU has met obligations under consumer law and there is no requirement for refunds or redress. Key points to note include:

- Semester 1 was completed as planned & communicated with students, and where change was necessary for safety of students & staff, this has also been communicated.
- The plan for Semester 2 is to ensure students receive teaching & assessments as promised, these have been confirmed by responses from Course Directors Surveys in Semester 1 & Semester 2.
- The DESEs confirmed the delivery response in Semester 2 which is also supported by the responses to module evaluations.

As such, we will be in a good position with existing provision and currently we are able to confirm compliance at an institutional level, but will continue to review any complaints at an individual or course level.

The communication aspect of the review requires us to look at evidence of effective communication to students and the review prompts us to consider how we refresh our communication. Key points to note are:

- There is evidence of extensive communications provided by Student Services, Course Directors Survey & the Schools. New students are sent information in advance and consent through enrolment.
- The Student Union, student forum & module evaluation indicates that communications are received & understood by many students.
- There are clear comms on refunds/redress, seen by receipt of complaints, School feedback & SU Issues tracker.

There are however, some areas for development that remain:

- Improved timeliness of communications.
- Central comms accessed by only 46% of students - a more effective communications tool is needed and more work is underway using social media.
- Further work planned to capture the views of students.

The final element is to review the regulatory approach in terms of our degree awarding regulations. Key points include;

- Schools have maintained standards and value of the assessments; this has been confirmed by External Examiners, School Reviews, Module Evaluations & course monitoring.
- There is a localised example of assessment below normal standard due to the move online in March 2020, but concerns are not widespread, with 98% of external examiners saying that our standards were comparable to other HEIs. The division in question has worked with external examiners to change its online examination in order to provide students with an opportunity to better provide judgement of critical thinking and application of knowledge.
- The Welfare & access arrangements have been considered for all students, particularly from protected characteristics.
- There are no-detriment policies published in March 2020 and September 2020.
- The Extenuating Circumstances Policy is actively promoted for further protection.

1.4 Year 2 Graduate Outcomes results

The Year 2 Graduate Outcomes (GO) final provider data was delivered by HESA on 30th April 2021. Year 2 of GO surveyed the 2018/19 graduate cohort between December 2019 and November 2020, c. 15 months after completion of studies. Response rates were not adversely impacted by the pandemic but continued to fall short of HESA's targets, in particular for UK undergraduates. The sector response rate in Year 2 was 48% (Year 1: 46.9%); LSBU achieved 48.3% (Year 1: 48.2%).

LSBU has seen a 1.1% decline in graduate outcome's to 74.6% for the overall population. There was a 3.1% increase in unemployment. The graduate outcome of the EPI cohort used by UK league tables (Full time, First degree, UK domiciled) has declined more significantly by 4.6% to 64.9%, again mainly due to a 6.6% increase in unemployment and a 4% decline in graduate level employment. These results were calculated using the OfS B3 DLHE definition, in absence of a HESA Performance Indicator, OfS or TEF measure for GO. We will understand the implications once sector data becomes available in July.

EPI cohort outcomes improved in the Schools of Health and Social Care (+2.3%) and Business (+0.4%). All other Schools deteriorated year-on-year. The results are embargoed and should not be referenced externally until the publication of sector and provider results in late July 2021. HESA are currently assessing whether results should be weighted in order to provide a more representative picture of outcomes when accounting for low response rates. If a decision is made to weight results, LSBU will receive a revised dataset with weightings by mid-June. A full update will be given to FPR and reported in the next VC report.

2.0 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.

2.1 Income Diversity

The value of new research awards won to end of April 2021 stands at £2.62m, comparable with £2.8m at the same point for 2019/20. The forecast for income from Research Funding Bodies for existing projects to the end of 2020/21 is £3.69m, against a target budget of £3.5m.

Recent awards of note include an Innovate UK funded project on development of a device for improving renewable energy and power grid efficiency (HAWKSBI), with an award value to LSBU of £458k. Another recent success is a project funded under the UK PACT Green Recovery Challenge Fund, led by Birmingham University, and worth £140k to LSBU.

The current pipeline of research proposals in development is encouraging and includes a number of applications resulting as outputs from the 2020/21 LSBU Sabbatical Scheme. In addition, LSBU has been invited by the National Institute for Health Research (NIHR) to extend the 3-year Public Health Intervention Responsive Studies Team (PHIRST) project, led by School of Health and Social Care, for a further two years to deliver four further sub-projects in years 4 and 5, with additional equivalent funding of approx. £1million.

Successful Enterprise bids were up in March this year (£418k) compared to March last year (£167k). However overall income remains down against budget. This has been expected due the effects of the pandemic and loss in income from key projects such as CPPD face-to-face delivery through the Institute of Health. However, as companies and institutions have started to recover from the pandemic, we are experiencing higher engagement with LSBUs commercial activities, both with existing and new clients. Highlights include a new contract agreement led by SBI and the School of Health and Social Care to evaluate a technology platform, DrDoctor which will deliver a total income of £507K, over 35 months (12th April 2021 – March 2024). This work has resulted in an invitation to join the NHSx (the NHS's innovation arm) supplier network, which will result in a healthy pipeline of projects if successful. Additionally, SBI are in final contract negotiations with a private investor for a Diesel Particulate Filter (DPF) developed by the School of Engineering, the project is valued at £1.2 million. If successful, this will be a significant development for LSBU's IP potential.

The Strategic Projects team are working closely with partners to identify new sources of regeneration funding. The ESIF (European Structural and Investment Funds) replacement funds are beginning to be rolled out with the imminent launch of the Community Renewal Fund (CRF). LSBU will be preparing a bid to the CRF which will act as a preparatory fund to the larger UK Shared Prosperity Fund (UKSPF) due to launch in the spring of 2022. The BIG South London Partnership (SLP) continues to be a focus for sub regional activity which will see LSBU submit 12 applications for Innovation Vouchers (c£60k) to work with SMEs in the SLP. LSBU will also lead on an application to run the Innovation Support Programme (c£200k) for the Big Knowledge Partnership, a sub regional collaboration of five London boroughs; Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton, it draws on the resources of the six universities in that region – Kingston University, Roehampton University, Wimbledon College of Arts, St Marys University, London South Bank University and Sussex Innovation Centre. In addition, LSBU will submit a £5m ESF proposal to the GLA which aims to move people into higher-level skilled training, qualifications and occupations.

Student enterprise continues to deliver programmes virtually with 396 attendees joining 35 extra-curricular workshops for 2020/21. In addition, delivery within the curriculum has been positive with over 40 online sessions delivered across 6 schools reaching 1900 students to date. The team are now working to support LSBUs summer programme supporting graduates of 19/20 and 20/21 to develop critical enterprise and employability skills which will support them in entering an increasingly competitive employment market.

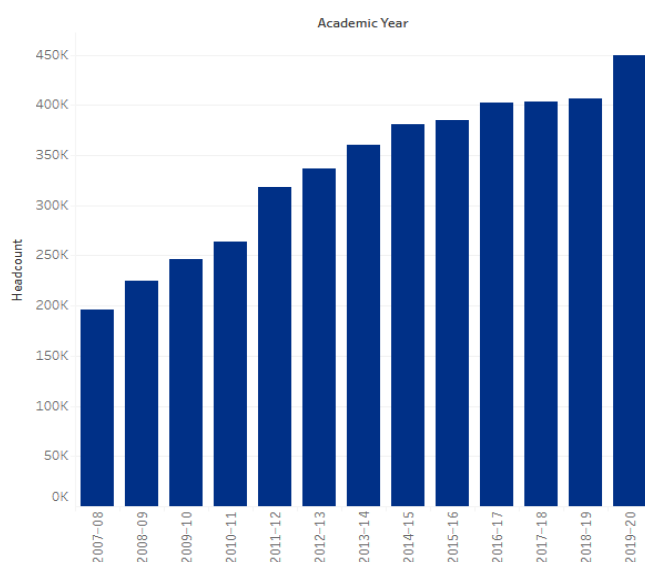
Income for tenancy expects to be reduced by approximately £177k for 20/21 due to the pandemic with occupancy at 65% in April. However new tenants the Rio Ferdinand Foundation, the National Centre for Universities and Business and Marshall ACM have successfully moved into the space and there is growing interest from businesses now seeking office space at LSBU. It is expected that levels of occupancy will return to normal over the course of the summer. The tenancy team

are also exploring new sites to host tenants including Caxton House, in addition to a flexible tenancy membership, which will offer members access across all sites.

2.2 Global Delivery

The most recent HESA data shows strong growth in TNE and LSBU Global is well placed to take advantage of this.

Number of UK HE TNE students, 2007-08 to 2019-20



New figures from HESA show that after the University of London and OU, LSBU Global is now 20th in the UK for TNE numbers. With the projected growth in the pipeline, top 10 within 5 years is achievable. 5 years ago, LSBU was 50th in the UK.

University of London (Institutes and activities)	37,390
The Open University in England	31,075
Coventry University	19,260
University of Nottingham	15,870
The University of Liverpool	15,390
The University of Greenwich	15,110
Heriot-Watt University	13,170
Middlesex University	11,190
Staffordshire University	9,835
University of South Wales	9,770
University of Bedfordshire	8,870
The University of Lancaster	8,710
Cardiff Metropolitan University	8,685
The University of Sunderland	7,630
University of the West of England, Bristol	7,125
London Metropolitan University	6,905
The University of Westminster	6,555
University of Hertfordshire	6,335
The University of Central Lancashire	6,245
Edinburgh Napier University	6,040

Queen Mary University of London	5,165
London South Bank University	5,035

The British University Egypt Board has approved its new President and our understanding is that the nominee has also been approved by the Minister of Education. There are still a number of checks required by the Egyptian government which are ongoing. All being well, a public announcement will be made in due course. The new President is expected to take up his position in July. The search for a Registrar is reaching a conclusion with the Provost search beginning in earnest in May. We will need to monitor how these changes impact on our relationship with BUE and we are strengthening our portfolio incase work in Egypt becomes constrained

At the Applied Science University in Bahrain Engineering and Business have been successfully validated for a proposed September 2021 start. The Law validation should be complete by the middle of May. These will complement the existing offer of Built Environment courses which will see the first LSBU cohort graduating this summer.

The new partnership in Tashkent with TEAM University should have the validation of its suite of Entrepreneurship degrees validated by the end of May. Preparations are underway to allow an LSBU delegation to visit Tashkent in the autumn to inaugurate the launch of the degree programmes, provided the courses are successfully validated and COVID permitting.

The LSBU Executive has recently supported further work for an online validation of an established German university. This will allow International University of Applied Sciences (Germany) (IU) and LSBU, two institutions with very similar pedigree, to run dual awarded programmes via IU's already successful QS 5 star online teaching platform. The LSBU validated awards will be delivered and assessed in English and the quality team are reviewing our regulations to ensure clarity around a framework linked to online provision.

IU will deliver dual German and UK degree programmes into countries where traditional TNE exercise have been fraught with difficulty. These include, but are not limited to, the Indian Sub-Continent and Sub- Sahara Africa. This partnership will provide a strong online presence for LSBU with limited risk. It also facilitates further collaborative activities between the two universities. It will be extremely helpful in increasing the capacity and knowledge of overseas online delivery.

The table below shows a summary of current activity. The TNE income will be above 19/20 at close to £2m but significant growth will begin to feed in from the new ventures and expansion of existing partners for 21/22.

Partner	Nos 19/20	Forecast Nos 20/21	Current 20/21	TNE Income	Forecast	Amend Forecast	Notes
				FY 19/20	Fee FY 20-21	TNE Income FY 20-21	
CEG	254	350	430	£190,500	£467,500	£254,525	Covid discount 50%
IGS Paris (ES Hotels)	24	30	43	£27,778	£25,000	£55,900	
FEI (Sweden)	40	18	34	£50,000	£175,000	£0	
BUE (Egypt)	4483	5000	5129	£1,628,180	£1,668,885	£1,808,525	PG outstanding
ASU (Bahrain)	98	150	120	£74,250	£153,795	£208,500	
Highlands College (Jersey)	44	50	47	£33,000	£37,500	£50,250	
Team University (Uzbekistan)	N/A	300 N/A*	N/A		£0	£70,000	Validation fees charge
IU (Germany)	N/A	0 N/A*	N/A		£0	£100,000	Validation fees charge
Total	4943	5898	5803	£2,003,708	£2,527,680	£2,547,700	

2.3 REF 2021

On 30 March 2021 LSBU submitted to REF2021. With 199 staff submitted, this is LSBU's largest REF submission to date, representing a >70% increase on its REF2014 submission (116 staff). This compares very favourably with the 46% increase in the number of staff submitted by UK universities overall but the increase from moderns is expected to be quite large hence relative improvements will be key. Key highlights from LSBU's REF2021 submission and advances from REF2014 include:

- a 31% increase in the number of REF impact case studies submitted (from 16 to 21) - an Impact case study describes and evidences how a piece of LSBU research yielded real world benefits;
- a 14% increase in the number of Unit of Assessment REF submissions (from 7 to 8);
- a 17% increase in the number of research outputs (journal papers, books etc.) submitted (from 400 to 467), despite the 38% reduction in the stipulated output quota from 4 outputs/1 FTE (REF2014) to 2.5 outputs/1 FTE (REF2021);
- a more than two-fold increase in research doctoral degree completions (from 95 to 205);
- a 27% reduction in the average length of time taken to complete a doctorate - from 6.1 years for students starting in 2008-2013 to 4.4 years for students starting in 2013-2018.

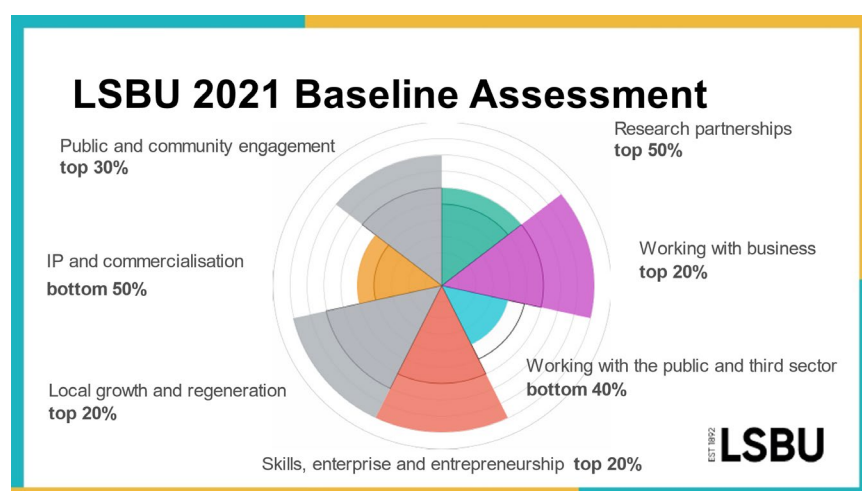
Work is now underway to prepare LSBU for the audit of the REF 2021 submission that Research England will undertake. This summer, the Research Office will undertake for the University Research Committee (URC), a full review of the REF 2021 submission preparations in order to: 1) ascertain and maintain the best practice that contributed to the success of LSBU's REF2021 submission; and 2) identify any elements of the REF preparations that may need further refining.

In tandem with the evaluation of the REF2021 submission preparations, a review will be undertaken of LSBU's Research Centres and Groups framework – the work of the Centres underpinned much of the REF 2021 submission – with the findings and the associated recommendations on how the framework can be optimised to be issued to the URC.

2.4 Knowledge Exchange Framework (KEF)

The first (baseline) KEF assessment is encouraging, indicating LSBU in the top 30% of all UK HEIS in 4 out of 7 performance areas, highest performing in our allocated cluster and only outperformed by three HEIs in another cluster hosting most of our competitors. LSBU has the same score as UCL (NB normalised on income), indicating that whilst a relatively small University (cf UCL), in terms of the KEF, LSBU is a well-balanced, focused and highly performing University. Areas for improvement are research, IP and commercialisation, and public sector engagement. To build and meet the challenge of the 2025 Corporate Strategy the need is to:

- Grow research & enterprise income to circa 20% of total income.
- More effective B2B engagement and circa 10 strategic partners.
- Capitalise enterprise portfolio – risk capital and investment partners.
- Build on this baseline, re-position resources and transform our profile.



2.5 Times Higher Education Impact Rankings

The 2021 Times Higher Education Impact rankings of global universities was published on 23rd April. The 2025 Group Corporate Plan includes our ambition to achieve a Top 100 position in this ranking which aims to assess universities against the United Nations' Sustainable Development Goals (SDGs) across four broad areas: research, stewardship, outreach and teaching. This is the third iteration of the THE Impact ranking and it continues to become more high profile with the number of ranked institutions in the overall table increasing this year by 45% to 1115. LSBU has maintained its position in the 101-200 banding despite the significant increase in the number of ranked universities. Within individual SDGs, LSBU's Top 100 ranks are #17 in SDG5: Gender Equality and #25 in SDG10: Reduced Inequalities

The number of UK participants has increased this year from 34 to 50, with Manchester University topping the overall table for the first time. The majority of UK institutions that featured in the prior year have declined in rank in 2021. Five of the 17 first-time entrants went straight into the Top 100: Plymouth, Sussex, Exeter, Manchester Metropolitan and Liverpool. LSBU ranks in the same 101-200 banding

as the following London Moderns: East London, Greenwich, Middlesex and Westminster.

3.0 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.

3.1 Recruitment

The sector has received 2.8m UCAS applications to date (up 7.5% year-on-year), while applications at our London Competitor Group have grown 5.5% year-on-year. At LSBU, our applications are up 5.6% from 20.0k to 21.1k year-on-year with growth mainly in Health courses. Our Croydon campus has generated 650 applications to date with the majority of these in Health areas as well. The Croydon campus is unlikely meet its initial target of 300-students based on these applications alone, but processes are in place to offer applicants on our over-subscribed Southwark nursing courses places there instead, to boost the intake at the new campus. Despite the cyber-incident, application processing is on track with teams processing a similar number of offers year-on-year (13.0k versus 13.8k). At present we have recruited 1.2k Firm Accepts (down -27.8% compared to 1.7k last year) and this is largely driven by changes in the UCAS cycle, which means we are no longer comparing like-for-like points in the year. This is evident through our offer replies: we have received less than 37% or 4.8k replies out of the 13.0k offers we have made to date. By this time last year, we had received 50% or 6.2k replies against 13.8k offers-made. The upcoming early June UCAS offer-reply deadline will provide more clarity about our recruitment position; a variety of activities and conversion campaigns are in place to support recruitment over this key period including peer-to-peer chat through Unibuddy, timely SMS prompts, student-led call-backs and a series of webinars aimed at highlighting key areas of strength for LSBU, including our employment and student wellbeing services. An academic callback campaign will also support conversion nearer the deadline, which will give students an opportunity to speak to their tutors.

3.1.1 EU

As reported previously, there has been a sharp but anticipated decline in demand from EU students across the sector and applications continue to track -41% nationally, -48% amongst competitors and -50% at LSBU. The fall in demand is attributed to the increase in tuition fees, as EU nationals will no longer be eligible for student loans starting from the 2021-22 academic year. At present, the number of EU firm accepts at LSBU on undergraduate full time courses number at 25 compared to 90. This measures at -72% year-on-year, compared to -76% across the sector (from 15.6k to 3.8k Firm Accepts) and -73% amongst competitors (786 to

213). Similar to the previous cycle, the anticipated loss of international entrants will likely increase competition for domestic students, particularly over the Clearing period.

3.2 Apprenticeships

The apprenticeship team is working closely with colleagues in Lambeth to realise the 2025 strategy and offer both businesses and learners apprenticeship options from level 2 to level 7. The business engagement team at LSBU will manage the relationships with employers for apprenticeships delivered at Lambeth.

For the second year running, LSBU has been shortlisted as one of the top 50 providers voted by apprentices. A more detailed assessment of progress will be provided in the next report once IT systems are fully functional again

4.0 Group Issues and Environment

4.1 South Bank Academies

Students at both SBA schools have returned to face-to-face learning following government guidance and are operating with Covid risk assessments in place. This continues to involve students learning in year group 'bubbles'. Leaders have finalised plans for arrangements in place of summer GCSE and A level examinations. Both schools continue to work to support strong enrolment numbers in September, particularly focusing on 6th form growth.

The SBA strategy has been agreed and published, heavily influenced by the vision and values outlined in the LSBU Group 2020-25 strategy. The SBA strategy articulates 'our vision is to provide excellent education for our learners in its widest sense, securing excellent outcomes, providing unrivalled care, advice and guidance and supporting high value pathways into higher education, employment or apprenticeships.' A number of distinctive features which mark our trust in contrast to others include unrivalled development of students' employability and technical skills, opportunities to be positive citizens and to develop social and cultural capital, for excellent advice, support and guidance to support high value destinations particularly into professional and technical careers. The SBA model is evidence-informed, innovative and collaborative, and benefits from the rich engagements and support from the wider LSBU Group.

Both schools are due an Ofsted inspection, so much work is being carried out to ensure readiness, particularly given changes to the inspection handbook in the wake of the pandemic. Trust development work continues including engaging with a wider network of employer partners and exploring growth opportunities.

4.2 South Bank Colleges

The Summer term is underway with all students now back on campus with a combination of face to face and online learning. The focus is on ensuring students

achieve their qualifications which will be through a range of assessment methods, for the majority of courses this will be through teacher assessed grades (TAGs), with face to face exams in functional skills and ESOL and similarly so for 'license to practice' type qualifications in disciplines such as plumbing, electrical and hair and beauty.

The college financial situation remains challenging and work continues to ensure that we reach a break-even budget in line with the transition agreement. Detailed work is being undertaken using Tribal benchmarking analysis, and a review of curriculum planning and delivery. Business planning meetings have been held with all Heads of Faculties and Departments and savings being identified. The college has to have a break-even budget in a place for the 23/24 academic year.

The College has opened a new Youth Hub in partnership with Lambeth Council funded by the DWP, the hub has already supported over 100 19-24 year olds with employability skills, training and progression to employment. A short video on the Hub can be seen here. <https://vimeo.com/530302521>

Detailed work is underway in preparing to open the first of the 3 buildings at the new technical college at Vauxhall. Following a range of workshops, it has been decided to name the new technical college London South Bank Technical College (LSBTC), drawing on our central London location and clearly aligning us with the LSBU Group. LSBTC will sit alongside Lambeth College (with its gateway offer) under the South Bank Colleges governance structure. The LSBTC Project Director is working with curriculum teams, the estates teams and colleagues from across the university supporting the design of the new curriculum and the learning spaces. There is a focus on developing a digitally rich offer, new provision at level 4 and preparation for the introduction to T levels. The curriculum design being developed, is based on the LSBU Group strategy, with a focus on professional and technical education, with enterprise and interdisciplinary project work as part of the unique offer. We will be launching the new technical college in October when we will start recruitment for the first cohort of students for September 2022.

The College has been shortlisted for two TES FE awards; Best teaching and learning initiative and support for learners. The winners will be announced on the 28th May.

4.3 Croydon Campus

Campus development is progressing well – with the programme on time for completion at the end of July and within budget. Current focus is on establishing the JISC connection for the campus and selecting the supplier for the furniture tender. At this stage all looks on track for the first cohort of students in September. The campus will need to go into clearing in order to hit the target of 300 students for September. We believe Adult Nursing and Mental Health Nursing will fill to target based on the applications we have in the pipeline at all campuses and processes are in place to offer applicants on our over-subscribed Southwark nursing courses places at Croydon. Our other courses will rely on Clearing, with a target of 50 across the 2

Business courses and Chiropractic. The challenge is to now look at broadening the curriculum offer for September 2022.

We have had an initial meeting with stakeholders to start delivery on the £300k grant awarded by the ESF to LSBU Croydon and have submitted another bid for the Digital Skills Bootcamp fund in collaboration with Croydon College and John Ruskin College. Colleagues in REI are in the process of pulling together another bid for £2.5m of additional funding for the Higher Level Skills fund. Colleagues in Engineering are also looking to launch a new Innovation Centre in Croydon that will seek to undertake translational research with business investment.

4.4 LSBU Institute of Health & Social Care

Our NIHR-funded PHIRST (Public Health Interventions Research Studies Team) programme has evaluated well at its first review and has been extended from 3 years to 5 years on the basis of this. There is a strong chance that this will be extended further, keeping LSBU in a leading position for public health intervention research in London.

We are delivering London's post-doctoral clinical academic fellowship training programme following a successful tender to HEE. Our first 16 post-doctoral fellows have commenced on this course, and we were in fact over-subscribed. The contract is for an initial intake and we are bidding again now for this to become recurrent as part of a 5-year contract.

We will be interviewing at the end of May for our joint professor in primary and community care with Central London Community Health NHS Trust. This post will link into our public health research team at LSBU and support an ambitious joint research strategy between LSBU and CLCH.

5.0 Strategic Enablers

5.1 ICT Incident

We are now in the final stages of the IT recovery. The majority of systems have been restored and the remaining few are in progress. Wired and wireless connectivity has been available on campus for some time and printing has also been restored to all buildings. The replacement of legacy PCs on campus is continuing alongside the deployment of LSBU laptops to staff.

Plans are underway to move from the temporary leased infrastructure and onto the rebuilt permanent structure in the next two weeks.

5.2 Return to Campus

From 4 January to 6 May, the LSBU covid test centre has undertaken 5251 tests, out of which only 14 have been positive. (0.3%). This figure of 14 positives has not changed for many weeks. On 30 April, LSBU signed an updated DHSC contract to

also enable the test centre to distribute home test kits to staff and students. This will be implemented as soon as DHSC rolls out supplies, in addition to continuing the onsite testing programme.

As of 7 May, we are expecting to receive further sector guidance from the Government regarding the wider return to campus. The new Operations Board will be regularly monitoring project planning workstreams, so that we are prepared to respond to the continued stages of the government roadmap out of lockdown and move towards increased campus activity, particularly for the new academic year. We are hoping that whilst face-to-face activity will be undertaken as of May, colleagues not required on site will be able to be visiting between July and September. Post Sept, subject to guidance, we are expecting people on site as the business requires.

5.3 Campus Development Southwark

Work continues to London Road (LR). Due to delays caused by unforeseen work and some issues with the supply of essential materials, Willmott Dixon Interiors (WDI) has now advised a revised completion date to 21st October 2021. The building will, unfortunately, not be ready for occupation until the beginning of Semester 2. WDI are looking at the possibility of completing the self-contained LSBU Active facilities for September 2021 but this is still to be confirmed.

Until the London Road re-opening, the Perry library will remain open and the move to London Road will take place over the Christmas/New Year period. The two portakabins will be retained until December 2020 - K3 to provide large flat floor teaching space and the Rotary Building for either continued use as the Testing Facility or as additional teaching space.

Cost pressures continue to be a challenge due to a number of issues with the building which have arisen since the work began - both of which have had a profound affect on the cost and the programme. As previously reported, LSBU felt there was no option but to take the advice of Eversheds (Legal Advisors) and take the disputed issue of the screed replacement (cost £1.4m) to adjudication. Unfortunately, the adjudicator did not find in LSBU's favour. Following receipt of the decision, an independent quantity surveyor was employed to review the cost of a number of the additional claims made by WDI. The results are being considered by both LSBU and WDI at a number of workshops in an attempt to agree costs. The EAE Senior Team are meeting regularly with the WDI Directors and WDI has undertaken to provide a final contract sum by the end of May for consideration. It is expected that extensive negotiation will be required once this has been received to agree a mutually acceptable sum. A report seeking the additional funding required to complete the project will be submitted for consideration once the sum due has been agreed.

5.3.1 Perry Library

The issue holding back development of the Perry Library site has been Southwark's

unique (within London) planning rules, in particular the issue of providing social housing within a student accommodation scheme. This is a significant barrier to development and although a way forward has not been found, the desire to find a solution between LSBU and LBS is evident and meetings continue. The valuations of land occupied by the Perry Library and the LBS hostel was discussed and colleagues are starting a dialogue with LBS with a view to determining a sale price for the hostel which if possible would simplify any development by LSBU. Finally it appears to be the case that the location for the 'Primary care hospital' originally suggested for this site may go elsewhere, which again simplifies development.

5.4 Lambeth College Campus Development

The dispute regarding the party wall issue with the adjacent Mount Anvil Estates, has been resolved. The final settlement of £50,000, negotiated down from £200,000 has been processed accordingly. Demolition works have re-commenced.

Following signature of the Deed of Consent and the Section 106 agreement by the Secretary of State and Lambeth Council, a formal contract was issued to Graham Construction for the construction of the NESC at Vauxhall. Despite the fact that Graham moved on site in February, the commencement of the start of the construction work has been delayed due to Lambeth Council Planners failing to approve the completion of the pre-commencement conditions in a timely manner. The approval was finally received on 23rd April 2021 and the piling work can now commence.

Delays in the signing of the Deed of Consent have affected the completion date of the NESC building with a likely delay of 8 weeks. Discussions are currently taking place with Graham Construction to revisit the programme with a view to the delivery of the building on the original date.

Despite the fact that the GLA have increased their grant funding rate from 46% to 100%, with the overall delay in progress, the grant funding spend has, unfortunately, once again, fallen considerably short of GLA expectations for the year 2020/21.

On 13th April, SBC and LSBU Board Members, together with the LSBU Group Executive, received a presentation from London Realty outlining their proposal for the purchase of both the Clapham site and the Block C site at Vauxhall. In addition to a cash offer of £77.4m, London Realty have undertaken to provide a 6000sqm purpose built Gateway Centre on the Clapham site which they would gift back to SBC on a freehold basis. The offer has the potential to cover the cost of the development of Blocks B and D at Vauxhall and reduce overall development time. The presentation included a draft Heads of Terms which covered the programme and the timing and frequency of payments. A due diligence exercise has been undertaken by Avison Young and covers London Realty and the three funding partners concerned - M and G, Optivo Housing and Parkside Clapham Holdings and the final report is imminent. SBC Board and MPIC have given agreement, in principle only at this stage, to partner with London Realty and a response from DfE is

awaited. The sale of land and the provision of new buildings from which to deliver the SBC curriculum are in line with the aspirations included the SBC Estate Strategy Addendum November 2019 previously agreed by the DfE and have not changed. A further report seeking final approval to the proposal will be submitted to the SBC Board in June 2021.

5.5 Public Affairs

On 4 March HEPI published my paper on a new Social Mobility Index for English Higher Education (entitled “Designing an English Higher Education Social Mobility Index”). This was created at LSBU as part of the development of our KPIs for the 2020-25 Group Corporate Plan. It received significant and positive feedback and was followed by an online event run by HEPI which over 130 people attended. Iain Mansfield, Special Advisor to the Secretary of State for Education Gavin Williamson, was enthusiastic and offered his assistance in securing some of the data which we believe would improve the Index. There was support the creation of a website for the report with the aim of updating it on an annual basis and whenever more valuable data becomes available. The Irish Higher Education Authority have made contact for some insight and are now planning to build an Irish HE Social Mobility Index on the basis of our model.

Our paper on Technical Universities (circulated previously) entitled “Truly Modern Technical Education – unleashing the potential of universities of technology to really level up” was published on 10 May. It has been created in conjunction with Aston University and Public First.

The Office for Students has been consulting on changes to grant and capital funding for universities and we have expressed our opposition to the removal of London weighting for both of these. We are also opposing the proposed move to use a bidding exercise for capital funding.

We have revised our MOU with Southwark (first signed in 2014) and I am meeting with the Leader, Cllr Williams, to sign the new document in coming months. We are in the process of organising a series of workshops with the Council to cope out new potential areas for collaboration.

5.6 New JNCHES 2020-21

UCEA is not in a position to offer an uplift in pay for 2020-21, this proposal has been rejected by both UCU and UNISON. Employers have therefore been advised to continue with their budgets for a freeze on pay spine values for the current academic year and this has been communicated to staff. UCEA have suggested joint work in relation to issues below highlighted by UCU.

- Living wage and pay spine compression
- Casualisation
- Workload

- Pay gaps
- Career development
- National framework for a 35-hour working week

5.6.1 USS

We currently have 40 staff or 2.5% of the workforce enrolled in the USS Scheme. We are expecting the USS to set out revised contribution rates later in the year which are likely to increase costs for both employers and employee and we are in the process of modelling the potential impact. There is also the potential for a request to provide security which we will consider when further details are provided.

5.6.2 Portfolio and Curriculum Project

The Portfolio and Curriculum Project will be a priority across the P&OD team. Informal briefing sessions with TU's have now taken place and formal consultation with affected staff will start in September 2021 with changes coming into effect the following academic year. The vast majority of changes are expected for September 2022. UCU are currently opposing both the changes and approach to curriculum review. There are some valid points being raised on communication and workload which we are seeking to mitigate by release of additional resource and by use of external specialists to support in ACI and LSS which are the schools most impacted

It is the intention to commence a Voluntary Severance Scheme for Schools from May 2021. The business rationale is (1) uncertain financial outlook not driven primarily from having to make immediate cost savings, but from a need to “future proof” the organisation due to uncertainty created by COVID, (2) The changes in delivery models particularly within schools and the move to hybrid delivery and (3) size and shape considerations across schools. The ambition is to reinvest the savings in a way that aligns with future need. A similar exercise with Professional services is expected in Autumn.

5.6.3 Workforce Transformation

A Programme Board has been set up to provide governance and is now operational which will approve the direction of travel and provide insights on the emerging threads that will inform the proposals. The Programme Board is sponsored by the Chief People Officer and the Pro Vice Chancellor for Education. Current work is focused on:

- LSBU 2025 (the future operating model) is currently in Discovery phase which is moving at pace.
- Developing Design Principles to guide the organisation design of the system and macro and local level.
- Providing clarity on how to realise some of the shorter term benefits from LEAP and how this may be re-invested.

- Creating a comms plan that reflects the urgent need to update the organisation on LSBU 2025 programme

	CONFIDENTIAL
Paper title:	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting:	20 May 2021
Author:	Richard Flatman, Group Chief Financial Officer
Executive sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	To update the Board on financial matters.
Recommendation:	<p>The Board is requested to note the:</p> <ul style="list-style-type: none"> • progress on recovery of accounting records • current year financial performance • University's response to the recent funding consultation • progress on budget development (as reported to Board at the recent strategy day) • updated cashflow forecast and progress on completion of the AIB Revolving Credit Facility (RCF) • progress on Project LEAP • re-capitalisation of SBUEL, as approved by MPIC.

Attachments:

Appendix 1: Management accounts summary to 31 March 2021

Appendix 2: Response to OfS Recurrent Funding consultation

Appendix 3: 2021/22 LSBU budget scenarios

Report from the Chief Financial Officer: May 2021

1 Accounting records recovery

Agresso has been restored and staff are now able to use most functionality. Some interfaces are still not operational including those with QL, online payments and the accommodation system. SharePoint, which is used to process new supplier requests, has only recently been restored but is now operational.

Issues with new user accounts has meant that temporary staff brought in to help bring records up to date have not been able to access all systems, but this matter has now been resolved and will speed up the processing of remaining transactions.

Good progress is being made bringing accounting records up to date. Currently transactions that are still to process include

- supplier invoices dated from mid-March to the end of April
- invoices received from new suppliers
- supplier invoices where a PO has not been raised and the team need to investigate who should approve before payment. We are not relaxing our control processes to speed up processing as this could create further issues
- income and expenditure through the Accommodation system interface
- sales invoices through the QL interface where fee invoices have not been raised.

Supplier payments are now being made and the team are working through a backlog of around 2500 invoices.

March management accounts have been produced and April accounts will be produced and reported to Executive in mid-May. It had been estimated that it would be mid May before the team have caught up with financial processing but this is dependent on resolution of the remaining IT matters.

2 Financial performance

The Board level version of the Group management accounts as at the 31st March 2021 including both LSBU and Lambeth College have been included as Appendix 1. The detail is summarised below.

2.1 *LSBU*

The budget for 20/21 had a £2m surplus based on a roll over budget for 19/20 costs and reduced income due to the uncertainties caused by Covid19. The budget contained a £3.8m requirement for staff savings which was partially offset by £2.5m of contingency (included in exceptional items). The budget did not contain a £4m pension requirement that was communicated after the budget had been set.

Income is currently forecast to be £8.2m better than budget driven by 14% growth in student numbers which has resulted in higher tuition fees.

Staff costs are £12m higher than budget due to:

- the reversal of the £3.8m staff savings
- the £4m pension charge
- a combination of unwinding the vacancy factor due to low staff turnover in year and a small amount of investment to support the growth in student numbers.

To offset higher than expected staff costs we have been able to reduce our depreciation charge and our expected interest change which were both a little cautious in the budget.

Operating Expenses are forecast to be £0.6m better than budget and this was driven by a change in spending activity in the first semester.

Taking all of these changes into account we are forecasting a £2m surplus with an additional £2.2m headroom as contingency.

Although Agresso is now operating successfully, there is a backlog in terms of data entry which has affected the accuracy of Year to Date positions. We are confident in our overall forecast but there are risks that may become apparent as the data improves.

The cash position as at 31 March is £28.2m. This is a reduction of £11.7m as compared to February and compares to £50.9m at the comparable position in 19/20. It is however in accordance with plan and reflects the agreed investment in London Road and Project LEAP. The University has £30m available as the Revolving Credit Facility in place with Barclays to fund agreed cashflows (we have drawdown £10m in April which will be repaid in May when we receive the final tranche of the 2020/21 Tuition Fees from the Student Loan Company). We are also close to finalising a further £15m facility with Allied Irish Bank (AIB).

2.2 *Lambeth College/SBC*

March 2021 Management accounts are the first produced following the cyber-attack in December 2020. Although the Full Year Forecast is robust, the YTD position is still being updated on Agresso.

The impact of Covid-19 both on demand for Adult Education and 16-18 year old achievements continues for the College and more so since the further lockdown

announced in early January 2021 and ending late March 2021.

The ESFA have now confirmed their approach to claw-back of funding for 20/21 and have adopted a different stance to that taken in 19/20 following the outbreak of Covid. The threshold for claw-back of funding for achievement levels during 20/21 has been dropped from <97% to <90%, a higher level than sector had anticipated.

The GLA have now confirmed they will take the same approach as that announced by the ESFA, although they are offering some flexibility indicating they will allow business cases to be made. The FE sector has met these announcements with considerable concern and the Association of Colleges (AOC) has written an open letter to the PM and Education Secretary expressing their level of concern on this matter. As yet no adjustment has been made to revenue outcomes in this forecast in relation to delivery but Central Leadership Group (CLG) are actively reviewing this key risk area.

Staffing: an additional £50k of staffing expenditure to the previous forecast has been estimated. This relates to estimated expenditure on additional catch up sessions for students (£15k) employee settlement costs (£20k) and other (various+£20k)

Non-staff costs: Non staffing costs continue to require careful management and a fuller review will be carried out during April reporting. Year to date expenditure cannot be fully reported until processing has been fully brought up to date following systems recovery. An interim adjustment to forecast has now been made to recognise an estimated additional £63k of cleaning costs following reopening and to reflect the fact that assumed cost savings of £200k relating to the re-distribution of laptops within the group is becoming increasingly challenging and unlikely to be delivered.

As part of the work to deliver the cost saving strategies outlined in January 2021, work has been ongoing to proactively manage some larger contracts. A procurement exercise, with the support of the LSBU procurement team, has now been completed for both electricity and gas. Significant costs savings are expected to be fully realised from October 2021 onwards – (CCS illustrated savings at +£200k pa based on prior year usage rates). These contracts will also be 'greener energy' contracts, and reduce the College overall carbon footprint in line with Group strategy.

As a result of the above, the College is now forecasting income of £31.7m including the release of £4.4m of Transaction Unit grant, with staff costs £21.6m and other costs of £10.1m. The grant release is £1.7m higher than budget and the key reason for this is the additional pension costs in this year's staffing cost.

The cash position as at 31 March is £5.4m. This is an increase of £1.3m as compared to February. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital.

3 OfS Recurrent funding consultation

We have as yet not received our funding letter for 21/22.

The Board should be aware that due to the size of the Government grant to the OfS and the forecast increase in student numbers across the sector there is likely to be a reduction to the average funding that the OfS are able to provide per full-time equivalent student.

The statutory Guidance letter sets out a number of changes that the government would like to see in how the OfS distributes recurrent grant. The impact on the University is a reduction in funding of £2.8m, which has been accounted for in our budget scenarios.

The 3 key items that will affect the University are:-

- 1) A potential 13% increase to the funding distributed through the main high-cost subject funding method for subjects identified as supporting the NHS and wider Healthcare policy, high-cost science, technology, engineering and mathematics (STEM) subjects. These are subjects in Price group A, B and C1 (for courses in pre reg Nursing in computing and information technology)
- 2) A reduction by half to high cost subject funding for other price Group C1 subjects that is for courses in performing and creative arts, media studies and archaeology

The net effect of the above is an increase of £0.5m for LSBU

- 3) The withdrawal of the allocation and weightings that support the additional costs of London as compared to other regions – This will cost LSBU £3.3m

The OFS have recently launched a consultation to seek views on proposals about how they distribute recurrent funding for the academic year 21/22 and some proposed changes to the terms and conditions of funding for 2021-22.

Our detailed response is included as Appendix 2.

The key messages are as follows;

- 1) We are broadly comfortable with the proposal to distribute a greater proportion of funding to high-cost subjects. Funding for high-cost subjects is 17 per cent lower in real terms than in 2015-16. This creates significant challenges for providers (including LSBU) to maintain delivery of these subjects and disincentives providers to expand student numbers on existing courses or introduce new ones.
- 2) We tend to agree with the proposal to reduce the funding for some C1 subjects. While we do not in principle support the underfunding of such valuable subjects, we understand that the OfS must make strategic decisions about the limited pot of funding it is given. As the consultation recognises, health courses such as

nursing have high running costs due to the need, for example, for low student/staff ratios.

- 3) We strongly disagree with the proposal to remove London Weighting. London Weighting recognises the higher costs of operating in London. The Government recognises this cost itself by providing London and non-London salary bands for civil servants. It has even published evidence showing that higher education costs 14% more to deliver in London than on average. It has been well reported that this cut to funding would result in a £64 million cut for the capital's 69 higher education institutions, and LSBU alone would lose £3 million a year. Rather than 'levelling up', removing London weighting seems to be a deliberate step to 'level down' education and deny students in London an equal level of support.

The OfS is also consulting concurrently, but separately, on the approach to capital funding for financial year 2021-22 which will involve Universities bidding for Capital resources rather than being allocated capital expenditure based on student numbers.

4 Planning and budgeting

4.1 LSBU Planning & Budgeting

As part of the annual budget setting process, Finance has outlined some options for the shape of the University in 2021/22.

The budget starts with student numbers. Deans in the 6 Schools and the New Institute of Health and Social Care were asked for their recruitment aspirations on a course by course basis and to confirm the levels of progression and retention that they would expect from their student body. The apprenticeship team were subsequently asked for their aspirations on a school-by-school basis. The Marketing team gave their perspective in terms of recruitment aspirations and we have also modelled a baseline position which is equivalent to this year's level of recruitment.

We have proposed a number of scenarios that range in terms of optimism and risk. These were presented at the Strategy day and have not changed but are included here as Appendix 3 for completeness. Scenario 1 should be considered the most optimistic in terms of recruitment aspirations and the highest risk in terms of total income. Each subsequent scenario has a reduced level of recruitment optimism, a decreased level of income risk but increasing risk with regard to the staffing cost base.

The next stage in the Budget setting process for the year has 4 key steps:

- 1) Agreeing the level of Schools Investment and agreeing a process for the initial allocation of funds within the 6 Schools and the Institute of Health and Social Care.
- 2) Identifying the targeted level of Research and Enterprise activity and the level of direct funding required for each project to determine appropriate R&E project delivery budgets.

- 3) Using the Service Descriptions from the Align process linked to organisational priorities to:
 - a. Ring-fence the funding envelope for the Student Journey Directorate and agree a process for the initial allocation of funds within that Directorate
 - b. Prioritise funding allocation within the remaining Professional Functions
 - c. Prioritise and sequence additional Projects that are required to deliver the Corporate Strategy
- 4) Agreeing a capital roadmap for the next 3 to 5 years and agree the amounts that are required for investment in 2021/22.

Our expectation is that once we have a clear definition of the Services that are provided by different parts of the organisation we would agree which of the current services we would choose to fund and which services would need to be reduced in cost (or eliminated entirely) to generate funds for re-investment.

Our proposal is for a peer-reviewed process to encourage conversations across the University as to the range of services that we are proposing including those new projects that are designed to deliver the corporate strategy. Although in the future there may well be value in expanding this peer group, for the first year of this new process the peer group will be the Executive team with potentially wider Dean's involvement.

A budget for approval will be released to FPR and Board at the July meetings,

4.2 SBC Planning & Budgeting

The approach at SBC is slightly different.

The current year deficit after pension costs is £4.4m requiring equivalent release of transition unit grant. In order to develop improved financial performance and a sustainable financial framework, a 3 year strategic approach is being developed at Lambeth College.

5 Cashflow forecasts /RCF

5.1 Cashflow modelling

As part of the budget setting process we have also reforecast the likely impact on cash flows for the Group.

There are some key changes to the cashflow position that we reported to Board at the recent Strategy day and which we have also reported to the OFS:

- 1) We have included an estimated high end £8m overspend on London Road

which will require funding in 2021/22 (although we are working toward a hopefully lower level negotiated settlement)

- 2) GLA funding for the NESC has changed from an expected 50/50 Match Funding to GLA paying the first 50% and LC the second 50%. This means that less funds will be required immediately as the profile has shifted to spending in 2022/23.

The net impact of the above, and assuming that we drawdown the entire £30m Barclays facility, is that the group will always have at least £20m in working capital with a minimum cash balance of £23.2m at the end of 2022/23. The AIB facility is not included in these cash balances and will give us additional resilience and flexibility.

In addition to the Barclays RCF, we are about to finalise the RCF from AIB which gives us a further £15m headroom. The AIB RCF required an element of security and it has been agreed that we will continue to use Dante Road which is currently used as security against an existing, longstanding, AIB loan outstanding. The most recent valuation from Knight Frank has come in at £67m which provides more than adequate coverage on a loan to value threshold of 65%. We are close to completion subject to legal finalization.

6 Regulatory reporting

The timetable for 2020/21 regulatory returns to HESA and the OfS has been published. While the main HESA returns of Student and Staff data will proceed to the usual timelines, the OfS Finance return submission date has been extended by two months in line with this year's Covid-19 extension and is now due at the end of February 2022. The TRAC return deadline has also been extended and is due for submission in March 2022.

The most recent regulatory return submissions include TRAC (reviewed and approved by GARC) in March and the first Access & Participation Monitoring return under the new OfS process in April.

Finally, the University received 2 tranches of additional funding for Student hardship. An initial allocation of £225,514 for student hardship from a £20 million sector total announced in December 2020 and a further £513,673 from £50 million announced in February 2021. The requirement was that these funds would be distributed by March 31. A return is currently being made to the OfS detailing how we invested these funds.

With the initial allocation of funds in December 2020 we launched a Crisis Fund that was available for all LSBU students to apply for. Our assessment criteria prioritised those students in greatest need, taking into consideration exceptional circumstances that students found themselves in as a result of the pandemic, including issues around access to suitable technology to study remotely, additional caring responsibilities, having had to move location, and loss of part time work. We utilised our Student Advice team to complete assessments as they have experience of managing and assessing hardship applications. We issued awards at several levels of need with maximum awards between £600 and £1000. With the additional funds provided in February 2021 we developed a new fund in line with the guidance provided targeted at those students in private rented accommodation. Again we opened this fund to all LSBU students. Students were given a period of three weeks to complete and submit

an application for the Student Rent Support Fund. We developed accessible, simple application processes and communication approaches in consultation with our Students' Union to ensure that the application process itself was not a barrier to funds. We developed a criteria where all students who proved that they were in private rented accommodation were issued an award on a sliding scale, prioritising those students in greatest need. Those students with children, in their final year, with a disability or from a Care Leaver/Estranged background were given a higher priority rating and so awarded more funds. This was an effective way of helping a large amount of students, and we made over 1300 payments to students from this fund alone, and we continued to offer support via the Crisis Fund alongside the Rent Support Fund.

All funds were distributed directly to students to meet immediate need with the intention of supporting our students to continue in their studies and achieve successful outcomes. The government has announced a further £15 million of student hardship funding for the academic year 2020-21. As with previous funding, the April 2021 allocation is intended to support students facing continuing financial impacts as a result of the pandemic, such as additional accommodation and living costs and the costs of accessing remote learning. This allocation follows confirmation that all remaining higher education students will be able to return to in-person teaching from 17 May at the earliest. The allocation for London South Bank University is £169,171. Providers must distribute their allocation by 31 July 2021 to students facing hardship.

With the exception of the recurrent funding consultation, we understand that the OfS is pausing all existing consultations and routine information requests until further notice to help reduce the burden on providers as they deal with the Coronavirus pandemic. They are also not publishing any new consultations, unless they relate to the pandemic.

7 Audit matters

7.1 Year end Audit and Accounts:

A meeting to plan the 20/21 year end audit was held with KPMG and a draft audit plan will be presented to the Group Audit and Risk Committee in June. For a second year, much of the year end audit work will be done remotely and KPMG have already undertaken some of the planning work.

We are still expecting accounting records to be updated and to not impact on the year end process. KPMG have said that they will be undertaking more substantive testing as part of their year-end work as a result of the IT outage rather than reliance on data analytics or controls testing.

The Finance team are in the process of planning for the year end and will allow more time for review of the accounts and certain material accounting matters by both the Executive and GARC. This follows recommendations made by KPMG and feedback from GARC following last year's audit.

An audit-planning meeting has also been held with SBA's Auditors, Buzzacott, and their audit plan will be presented to the SBA Audit Committee in May.

7.2 Internal Audit:

There has been some rescheduling of reviews postponed as a result of the IT outage and BDO will undertake additional work on the process of recovering accounting records. It is still expected that the planned audit programme will be completed by the end of July 2021 to enable an audit opinion for the year.

8 Pension schemes

8.1 LPFA

A helpful meeting was recently held with the with the Employer Management Services team at LPFA. Following that meeting, we are considering options for the University to potentially provide security in order to reduce the level of cash contributions and to protect the University covenant with LPFA. We are awaiting illustrations as to what security and resulting contributions are likely to look like. We expect to bring proposals to FPR/Board later in the year depending on how those discussions progress.

8.2 New Defined Contribution Pension Scheme.

The new DC pension scheme with Aviva is now operational (from 1st April). Staff already employed by SBUEL and SW4 are now in this scheme and new professional services staff in all Group companies except SBA will join the new scheme going forward.

Additional benefits of group life cover and group income protection has been put in place with Canada Life. The cost is currently 0.92% of salary, below the 2% of salary budget envelope approved by the pensions sub-committee and respective company boards. This will be reviewed by Canada Life ahead of the renewal date in October.

9 Project LEAP

The LEAP Programme is running on schedule.

Release 1 of Salesforce, focusing on enquiry management, was deployed in November and Release 2 will be deployed in May giving the University additional functionality around wellbeing support, contact management and academic support. The final release in this environment is due to go live in autumn this year and will focus on pre application engagement, student communications as well as enhancing the functionality built to date.

Configuration of the student record system environment begins this month, with a view to go live in September 2022.

MPIC recently approved a programme budget increase of £500k to cover costs for the final release. The programme had already absorbed an additional £660K incurred as a direct result of the IT outage some of which we hope to recover through insurance, thereby taking us back closer to budget.

10 SBUEL recapitalisation

In order for SBUEL to continue making Gift Aid payments to LSBU (the Parent), it has been necessary to recapitalise the SBUEL balance sheet in order to create distributable reserves. It was proposed that the Company capitalise some of its debt to the Parent by the issue of new shares to the Parent at a share premium followed by a capital reduction.

It was agreed in principle between the Company and the Parent that the Parent would accept the issue, credited as fully paid, of 5 ordinary shares of £1 each in the capital of the Company (issued at a premium of £500k) (“the Shares”) in full and final satisfaction of the Company’s obligations in respect of an equivalent amount of the debt.

The transaction was approved by SBUEL Board and by MPIC on behalf of LSBU. The transaction has been effected and the gift aid payment made in advance of the 30 April deadline.

MAR-21 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of London South Bank University as at 31st March 2020.

1) RAG Status

Income Growth FYF v 19/20 outturn	2.8%	Staff Cost % excluding restructuring	60.0%	FYF Surplus (Contribution %)	1.2%
Opex Growth	-17.1%	Staff Cost Growth excluding restructuring	9.8%	EBITDA	9.6%

2) Summary

Contribution Budgeted at £2m The budget for 20/21 had a £2m surplus based on a roll over budget for 19/20 costs and reduced income due to the uncertainties caused by Covid19. The budget contained a £3.8m requirement for staff savings which was offset by £2.5m of contingency in Exceptional items. The budget did not contain a £4m pension requirement that was communicated after the budget had been set. For the current position, Income is currently forecast to be £8.2m better than budget driven by 14% growth in student numbers which has resulted in higher tuition fees. Staff costs are £12m higher than budget due to the reversal of the £3.8m staff savings, the £4m pension charge, the unwinding of the vacancy factor due to low staff turnover and investments to support the growth in student numbers. We have reduced our depreciation charge and our expected interest change which were both a little cautious. Operating Expenses are forecast to be £0.6m better than budget and this was driven by a change in spending activity in the first semester. These have enabled the University to be able to forecast a £2m surplus with an additional £2.2m headroom in Exceptional Items.

Agresso and QL are not up to date Although Agresso is now operating successfully there is a backlog in terms of data entry which has affected the accuracy of Year to Date positions. We are confident in our overall forecast but there are risks that may become apparent as the data improves. Due to the link with Trent our HR system. Staffing costs are fully up to date, as is the Cash position, however Operating Expenses and Third Party Staff costs are likely to increase as requisitions, purchase orders and invoices are loaded onto the system. There has also been a delay in creating sales invoices for Research and Enterprise activity. There is no link to QL for student data or Tuition Fee income and so we do not have a strong view yet on the overall Financial impact of Semester 2 recruitment or re-enrolment or the level of fee refunds required due to withdrawals and interruptions. We have contextual data which would suggest recruitment and retention is going well but the position will become clearer as Agresso is updated and the link with QL our student record system is restored.

Staff costs forecast raised by £11.6m The key movement this month is the change in Exceptional items to fund an additional £11.6m of Staff costs in the forecast. There are 3 key changes to the forecast, firstly the budget was set as a roll over budget in terms of staffing and the intention was to judge the impact of Covid before making any significant changes to the cost base. Due to the caution in the tuition fee forecasts and because of the overall head room in the budget we started the year with a requirement for £3.8m of savings to balance the budget, This has now been reversed while we consider the long term shape of the University. The University was also notified of a £4m pension cost charge after the budget was set and this month we have included that charge in our staffing forecast, we have also unwound some of the vacancy factor within our forecasts due to the low staff turnover, we have made investments in both academic staff to support student number growth and in third party staff as a result of the cyber incident. Our total staffing forecast is now forecast to be £12m over budget. This would represent staff cost growth of 9.8%.

Other costs reduced by £3.5m The University was cautious with regard to the budgeted depreciation charge and the level of interest payments that would be required to fund the Revolving Credit Facility and so this month we have been able to reduce the forecast for these 2 items by £2.8m. We have also reduced our OPEX forecast by £0.7m due to the change in spending patterns. We are currently £8.6m behind in terms of YTD Opex spend and the position will become clearer as Agresso is updated.

Exceptional items reduced by £7.5m The university originally budgeted £3m in exceptional items to provide a buffer in this year against the potential staff cost gap. The university has currently allocated £450K and so there was £2.55m remaining. In November we increased the contingency by £7.2m to reflect the additional Tuition Fee income at the University, this month we have released £7.5m of contingency to fund the staffing forecast and have £2.2m remaining.

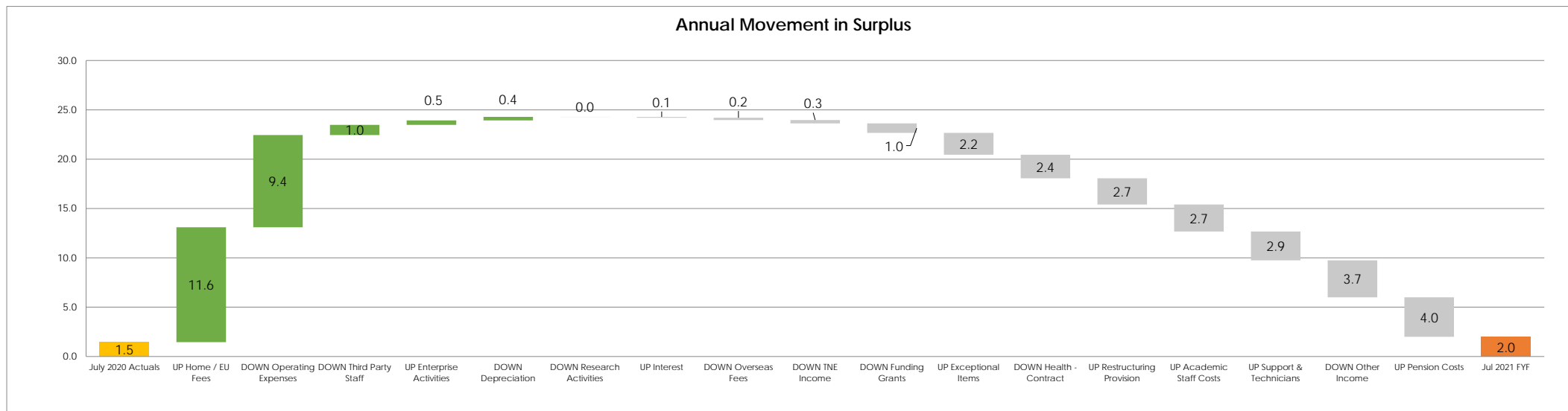
Cash position = £28.2m The cash position as at 31 March is £28.2m, this is a reduction of £11.7m as compared to February and compares to £50.9m at the comparable position in 19/20. The University has a further £30m available due to the Revolving Credit Facility in place with Barclays to fund the developments in the LSBU Estate and we expect to drawdown £10m in April. This will then be repaid in May when we receive the final tranche of the 2020/21 Tuition Fees from the Student Loan Company

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Nov 20/21 Forecast Outturn	Monthly move	Mar 20/21 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	14.4	13.5	-1.0	-7%	13.5	0.0	13.5	0.0		9.3	9.3	0.0	0%
Health - Contract	2.9	0.6	-2.4	-81%	0.6	0.0	0.6	0.0		2.5	0.6	-1.8	-74%
Home / EU UG Fees	86.2	85.7	-0.5	-1%	94.8	2.4	97.2	11.5	13%	86.6	98.1	11.6	13%
Home / EU PG Fees	12.6	12.6	-0.0	-0%	13.2	0.0	13.2	0.6	5%	12.5	13.2	0.7	5%
Overseas Tuition Fees	15.1	14.3	-0.8	-5%	14.7	0.1	14.8	0.5	4%	15.0	12.0	-3.1	-21%
TNE Income	1.9	1.6	-0.3	-18%	1.6	0.0	1.6	0.0		1.7	0.1	-1.6	-96%
Research Activities	6.3	6.1	-0.3	-4%	6.4	-0.1	6.3	0.3	4%	4.2	4.2	-0.1	-2%
Enterprise Activities	7.0	9.3	2.3	33%	9.0	-1.6	7.5	-1.8	-20%	5.3	3.3	-2.0	-37%
Student Related Income	8.6	9.6	1.0	12%	6.9	-0.1	6.8	-2.8	-29%	7.1	4.4	-2.7	-38%
Other Operating Income	1.7	0.0	-1.7	-100%	0.0	-0.0	0.0	0.0	-86%	0.2	0.3	0.0	20%
Endowments & Interest	0.3	0.1	-0.2	-63%	0.1	-0.0	0.1	-0.0	-36%	0.2	0.0	-0.2	-84%
Income	157.1	153.3	-3.8	-2%	160.9	0.6	161.5	8.2	5%	144.7	145.5	0.8	1%
Academic Staff Costs	43.0	42.1	-0.9	-2%	42.0	3.7	45.7	3.6	9%	28.0	29.4	1.4	5%
Support & Technicians	41.6	44.6	3.0	7%	44.7	3.9	48.6	3.9	9%	27.5	29.2	1.7	6%
Third Party Staff	3.6	1.9	-1.7	-46%	2.3	0.3	2.6	0.6	32%	2.4	2.1	-0.4	-15%
Restructuring	1.1	-2.3	-1.1	99%	-2.3	3.8	1.5	3.8	-167%	0.3	0.1	-0.1	-47%
Depreciation	9.4	10.5	1.1	12%	10.5	-1.5	9.0	-1.5	-14%	5.7	6.9	1.3	22%
Operating Expenses	54.8	46.0	-8.7	-16%	46.1	-0.7	45.4	-0.6	-1%	29.8	21.2	-8.6	-29%
Interest Payable	4.4	5.8	1.4	31%	5.8	-1.3	4.5	-1.3	-22%	3.0	2.8	-0.2	-7%
Exceptional Items	0.0	2.5	2.5		9.7	-7.5	2.2	-0.3	-13%	0.0	0.0	0.0	
Expenditure	155.6	151.3	-4.4	-3%	158.8	0.6	159.5	8.2	5%	96.7	91.8	-4.9	-5%
Surplus for the year	1.5	2.0	0.6	38%	2.0	0.0	2.0	0.0	-1%	48.0	53.8	5.8	12%
Surplus as % of income	0.9%	1.3%	41%		1.3%		1.2%			33.2%	36.9%	11%	
Staff costs as % of income	55.4%	56.3%	2%		53.9%		60.9%			40.2%	41.8%	4%	

4) Forecast Summary

The key movements in the forecast as compared to the 19/20 final outturn are the £11.6m additional tuition fees due to the year on year 14% growth in student FTEs. The University has also reduced its operating expenses by a total of £9.4m, £6.2m of which relates to assets that were charged to the P&L at year end, our forecast on 3rd Party staff is £1m less than 2019/20, we have £0.5m more Enterprise activity and are forecasting a slight year on year decline in depreciation due to the assets that were written off. This has enabled us to absorb a reduction of £0.5m in International Fees and £1m in Funding grants. We have added £2.2m to Exceptional Items and £2.7m to our restructuring provision. Although Health Contract income is down year on year by £2.4m as these students move to Tuition Fees, we have been able to invest £2.7m in Academic staff, 2.9m in support staff and fund the £4m pension increase. Our other income has slipped and this is primarily due to the reduction in Halls activity



5) Contribution Analysis

Contribution is on budget

In total the Schools have delivered their Full Year Income Forecast and are currently forecast to deliver £6.7m more than budget

Contribution per School across Teaching, Research and Enterprise activities

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF	19/20 Actual	Mar 20/21 FYF
Income	£11.2	£12.8	£11.6	£11.0	£20.5	£21.1	£24.6	£25.3	£19.0	£20.9	£36.9	£37.8	£16.3	£17.7	£139.9	£146.7
Expenditure before space charge	£5.3	£5.7	£5.5	£5.3	£6.6	£8.0	£8.5	£8.6	£9.7	£10.4	£16.8	£18.2	£6.3	£7.0	£58.7	£63.2
Contribution	£5.9	£7.0	£6.0	£5.8	£13.9	£13.2	£16.1	£16.7	£9.3	£10.5	£20.0	£19.6	£9.9	£10.7	£81.2	£83.4
Contribution %age	52.7%	54.9%	52.2%	52.3%	67.9%	62.3%	65.5%	65.9%	49.1%	50.4%	54.4%	51.8%	61.0%	60.4%	58.1%	56.9%

The 7 schools have different levels of Research and Enterprise activities which can mask differences in Staff / Student ratios and contribution and so the teaching only levels of contribution is shown below.

£'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF	19/20 Actuals	Mar 20/21 FYF
Teaching Income	£10.3	£11.7	£10.9	£10.3	£19.6	£20.2	£23.9	£24.9	£15.0	£16.5	£33.7	£36.2	£15.6	£17.3	£129.2	£137.1
Teaching Staff	£3.9	£4.3	£3.3	£3.6	£5.2	£5.8	£5.1	£5.5	£5.0	£5.2	£12.9	£14.1	£5.3	£5.8	£40.7	£44.3
Teaching Expenditure (excl space charge)	£0.7	£0.4	£1.6	£0.8	£0.8	£0.9	£3.1	£2.9	£0.9	£0.8	£2.0	£1.7	£0.8	£0.8	£9.9	£8.4
Teaching Contribution	£5.7	£7.0	£6.0	£5.9	£13.6	£13.5	£15.7	£16.6	£9.1	£10.5	£18.9	£20.4	£9.6	£10.7	£78.6	£84.4
Staff cost as %age of income	37.7%	36.9%	29.8%	34.7%	25.8%	28.8%	20.9%	22.1%	32.4%	31.7%	38.1%	38.9%	33.4%	33.3%	41.0%	32.3%
Contribution %	55.4%	59.3%	54.1%	57.6%	67.9%	66.6%	64.4%	66.4%	58.5%	63.4%	55.9%	56.2%	60.6%	61.9%	60.0%	61.6%

Return on Academic Investment	146.9%	160.5%	181.8%	165.7%	262.6%	231.3%	308.2%	300.7%	180.5%	200.4%	146.8%	144.5%	181.3%	185.9%	193.3%	190.6%
Full Year Student FTE	1,007	1,003	1,189	1,112	1,879	2,041	2,096	2,411	1,380	1,411	3,961	3,656	1,546	1,706	13,058	13,340
Expenditure per FTE	£4,543	£4,757	£4,119	£3,935	£3,203	£3,315	£3,900	£3,471	£4,322	£4,268	£3,754	£4,333	£3,922	£3,854	£3,872	£3,952
Contribution per Stud FTE	£5,700	£6,900	£5,100	£5,300	£7,200	£6,600	£7,500	£6,900	£6,600	£7,400	£4,800	£5,600	£6,200	£6,300	£6,000	£6,300

The Schools Teaching budget was set using Staff / Student ratios and with a standard investment in Operating Expenses per student. Schools predominately offering courses categorised as "high-cost subjects" by the OfS receive more funding per student to compensate for the cost of providing specialised laboratory space and technical support. It is consistent with expectations that those Schools delivering a portfolio of courses biased towards "high-cost subjects" would have a higher contribution to cover the costs incurred by Estates and Technicians required to support delivery.

6) Student Number Analysis

Enrolment FTE up 13.9% year-on-year There has been no update from QL since December and so there has been no change to the student number forecast since then. At that time, the total number of enrolled students was 14,363. This was 13.9% higher than at the comparable position in 19/20 and compares to a budget target of 13,774 for Semester 1. The key driver for the increase in student numbers is due to the numbers of continuing students. This is significantly greater than the 19/20 position.

[----- New -----]				
School	Dec '19	Dec'20	Change	% Change
ASC	533	644	111	20.8%
ACI	405	429	24	5.9%
BEA	907	719	-188	-20.7%
BUS	1,159	919	-240	-20.7%
ENG	693	694	1	0.1%
HSC	1,547	1,776	229	14.8%
LSS	905	870	-35	-3.9%
YTD Total	6,149	6,051	-98	-1.6%

[----- Continuing -----]				
School	Dec '19	Dec'20	Change	% Change
ASC	519	615	96	18.5%
ACI	661	655	-6	-0.9%
BEA	1,159	1,429	270	23.3%
BUS	921	1,779	858	93.2%
ENG	749	965	216	28.8%
HSC	1,875	2,179	304	16.2%
LSS	819	1,065	246	30.0%
YTD Total	6,703	8,687	1,984	29.6%

[----- TOTAL -----]				
School	Dec '19	Dec'20	Change	% Change
ASC	1,052	1,259	207	19.7%
ACI	1,066	1,084	18	1.7%
BEA	2,066	2,148	82	4.0%
BUS	2,080	2,698	618	29.7%
ENG	1,442	1,659	217	15.0%
HSC	3,422	3,955	533	15.6%
LSS	1,724	1,935	211	12.2%
YTD Total	12,852	14,738	1,886	14.7%

7) Student Withdrawal Analysis

Summary The University typically withdraws or Interrupts over 1,000 students in year. Analysis would suggest that Students who rely on SFE Funding for Tuition Fees and Students grants but who ultimately are not eligible, have only a 50% chance of successfully passing Year 1. Our focus on ensuring Funding is in place for all but the 'riskiest' categories of students should drive down the number of students who have to withdraw for financial reason and the amount of lost income.

The university has not updated the student withdrawal figures since December. The number of students withdrawing would appear to be similar to previous years and we will have a better understanding of the impact on the fee income when QL is restored.

8) YTD Income Analysis

Total income ahead of budget In terms of Income, we have currently billed £145.5m. This is a 1 % improvement on the £144.7m we had generated last year and this month we have increased our total income forecast by £0.6m. We have increased our Tuition Fee income forecast by £2.4m to reflect the strength of Semester 2 recruitment and to reduce the amount that we put aside for in year drop outs. There is a delay, particularly in terms of billing International and TNE income and this position will become clearer as QL is updated. We have currently billed £4.2m of Research and Enterprise income as compared to £4.2m in 19/20 and now expect to deliver ahead of budget. In terms of Enterprise income there is a shortfall in Cpd activity which totals £1.5m and so this month we have reduced our total enterprise forecast from £9m to £7.5m to reflect this. This income level would still represent growth as compared to 19/20. As previously mentioned in early summaries, there remains a shortfall in Other Student related income due to the reduction in occupancy of our Halls of Residences and reduced Food sales due to low footfall in the campus and this month we have lowered the forecast by additional £0.1m.

Home & EU tuition fees = 112% of budget The university has billed £98.1m in Home / EU Tuition Fees and we have recognised £97.2m in the forecast. We have reduced our drop out forecast to £4.5m and there may be further upside from Semester 2 recruitment. In terms of Home / EU PG Fees we have currently billed £13.2m which is £0.6m ahead of budget. Apprenticeship income is currently £4.5m behind the YTD budget and this is caused by a delay in billings.

Overseas tuition fees = 84% of budget YTD Overseas Tuition Fees are currently at £12.0m and so we billed just £0.5m since December. There will be a significant increase in Overseas income once we have completed Semester 2 Billing.

67% of Research income Budget achieved The University has currently delivered £4.2m of Research income against a budget target of £6.m representing 67% of the full year forecast. This is slightly down as compared to the budgeted YTD position of £4.5m and is due to delays in billings for research projects. We are currently forecasting that Research Income will be % ahead of budget by year end

34% of Enterprise income budget achieved YTD The University has currently delivered £3.3m of income against a budget target of £9.3m representing 34% of the full year forecast. This compares unfavourably to the £5.3m delivered at this time in 19/20. There is a significant reduction in CPD activity and so we have reduced the overall forecast this month by £1.5m. We continue to monitor enterprise activity but this may need to be reduced further.

9) YTD Staff Cost Analysis

YTD Staff costs have increased by £2.7m

Staff costs are one of the key risks to our performance in 20/21. The Scenario 2 budget assumed a rollover position for 20/21 in terms of posts but with staff saving required of £3.8m in the November budget review to balance the forecast reduction in income. There were also a number of Academic posts that were recruited to ensure capacity in stretched Academic areas. These posts were to be funded through reduced Opex if the income was not delivered and so have not been included in the staff budget to avoid double counting. This month the University has recognised the cost of these academic posts and has released the staff saving requirement. As compared to the 2019/20 YTD position we have invested an additional 5% in Academic Staff and 6% in Professional Staff. The year to date spend on Third party staff is £0.4m lower than 2019/20 although this is expected to increase due to additional investments to support students and to fund the IT recovery.

10) YTD Operating Expense Analysis

YTD Opex are £8.2m better than budget

In the scenario 2b budget all areas with Operating expenses had their budget reduced by an average of 2%. YTD operating expenses currently stand at £21.2m as compared to a budget of £30.4m and comparable spend of £29.8m at the comparable period in 19/20. The key areas of Underspend remain in staff related expenditure which may be impacted by the degree of remote working and in student related expenditure particularly with regard to student consumables. The YTD position will change as Agresso is brought up to date and we will have a clearer position as to the potential level of headroom caused by the underspend in Opex at the end of April

11) Interest Payable

Budget is overstated

In the scenario 2b budget we have assumed £5.8m of Interest expenses. This was calculated as £1m existing loans, £2.4m FRS102 Interest and £2.4m interest on new loans/overdraft. The current forecast is that the Revolving Credit Facility may not be needed until April and certainly not in its entirety and so this month the forecast was reduced by £1.3m

12) Exceptional Items

Exceptional items forecast at £2.2m

The University created £4.5m of 'headroom' in the scenario 2b budget with a proposed £2m surplus and £2.5m of Exceptional items. Due to the changes in our staffing forecast we now have £2.2m funds in Exceptional Items and £2m in contingency. The university was holding funds back as we the debate over the level of Tuition Fees intensifies but some of these funds may be required as part of the IT Recovery operation

13) Cash Position

Barclays RCF will be drawn down in April

The cash position as at 31 March is £28.2m, this is a reduction of £11.7m as compared to February and compares to £50.9m at the comparable position in 19/20. The University has a further £30m available due to the Revolving Credit Facility in place with Barclays to fund the developments in the LSBU Estate and we expect to drawdown £10m in April. This will then be repaid in May when we receive the final tranche of the 2020/21 Tuition Fees from the Student Loan Company

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2020 To The End Of March 2021

SMT Area: All

Cost Centre: %



REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
					2020 Forecast (£)	2020 Budget (£)	Variance - Forecast to Budget (£) %		Note	2020 Actuals (£)	2020 Budget (£)	Variance - Actuals to Budget (£) %		Note	
-157,062,747	-144,688,657	Total Income			-161,477,917	-153,264,959	8,212,958	5%		-145,508,642	-140,345,286	5,163,356	4%		-15,969,276
87,056,752	58,215,594	Total Staff Costs			98,333,617	86,360,728	(11,972,889)	(14%)		60,786,079	59,106,137	(1,679,942)	(3%)		37,547,538
9,354,506	5,669,601	Total Depreciation			9,000,000	10,500,000	1,500,000	14%		6,926,891	5,946,943	(979,948)	(16%)		2,073,109
54,774,900	29,787,761	Total Other Operating Expenses			45,420,489	46,040,444	619,954	1%		21,228,616	30,428,166	9,199,550	30%		24,191,874
4,416,903	3,012,722	Total Interest Payable			4,499,998	5,799,998	1,300,000	22%		2,811,747	2,313,708	(498,039)	(22%)		1,688,251
		Total Exceptional Items			2,221,946	2,549,400	327,454	13%							2,221,946
	3,027	Total Internal Allocations													
-1,459,686	-47,999,953	Contribution			-2,001,866	-2,014,389	(12,523)	(1%)		-53,755,309	-42,550,331	11,204,977	26%		51,753,442
55.4%		Staff costs as % of income			60.9%	56.3%				41.8%	42.1%				
.9%		Contribution %			1.2%	1.3%				36.9%	30.3%				

MAR-21 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of Lambeth College as at 31 March 2021.

1) RAG Status

Income Growth FYF v 19/20 outturn	9.6%
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Staff Cost % excluding restructuring	57.0%
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FYF Surplus (Contribution %)	0.0%
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2) Summary

Opex Growth	3.8%
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Staff Cost Growth	11.0%
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EBITDA	6.7%
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Budgeted Contribution at £0 This is the second year that the deficit at Lambeth College will be funded through the release of deferred income received from the ESFA as part of the transaction to acquire Lambeth College. The original budget assumed £2.7m of income release to deliver a neutral position. (this is the £1.7m operating deficit plus £1m of Novated loan costs). We are currently forecasting a grant release of £4.4m primarily due to increased Pension costs at the college.

Funding Grants may be overstated Grant income includes £1.4 m of additional programme funding reported in November 2020. Senior leadership has this area under review as if we can not deliver this activities in year we can not recognise the revenue. A downward adjustment of (-£474k) of AEB income is likely, following indications from the GLA that deferral of delivery into 21/22 may be agreed due to the impact of the lockdown measures introduced in Jan 21. An adjustment to contribution has been made within staffing costs; revenue will be adjusted once this is confirmed and will be reflected in the next set of management accounts.

Fee income : A re-forecast for the likely full year out turn informed by take up for the 8 month period, has not been possible due to the cyber incident. April Management accounts will need to revise both tuition fee income and learner loan income Vs budget. It is expected that forecast revenue for the full year will need to be revised down, and currently it is assumed this is to a large degree reflecting the impact of the current pandemic in addition to a high threshold of budget set.

Staff costs are ahead of Budget Staffing costs are currently reported as +£483k under expected profiled expenditure. Once adjusted for subcontracting costs, (<£793k under budget profile), they then indicate £310k ahead of budget profile. This adjusted position supports the overall full year forecast which expects additional staffing expenditure to budget. Work continues to secure the savings outlined in the strategies identified for budget management in December 2020. Note: annual pay increases have not been implemented YTD nor are included in full year forecast as reported to the Board in Jan 2021 - any decision to award will further affect full year financial outturn although proactive work continues to help manage expenditure in this key budget area.

Opex are under review Non staffing costs continue to require careful management and a fuller review will be carried out during April reporting. Year to date expenditure cannot be fully reported until processing has been fully brought up to date following systems recovery. Work has been ongoing to proactively manage some larger contracts. Procurement exercises have been completed for both Electricity and Gas, with significant costs savings expected to be fully realised from October 2021 onwards. In additional photocopier contracts have been re-negotiated and a fleet of new devices are due to be delivered end of April 21. New contracts will delivery enhanced service support and expect 10% year-on-year savings.

Cash position = £4.2m The cash position as at 31 March is £5.4m, this is an increase of £1.3m as compared to February. The intention is to keep this balance in excess of £1.5m to provide the college with sufficient working capital

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	19/20 Actuals	20/21 Budget	Change to 19/20	Change %	Nov 20/21 Forecast Outturn	Monthly move	Mar 20/21 Forecast Outturn	Variance to 20/21 Budget	Budget variance %	19/20 Actuals	20/21 Actuals	Change to 19/20	Change %
Funding Grants	22.3	21.9	-0.4	-2%	21.8	2.1	23.9	2.0	9%	14.6	14.4	-0.3	-2%
Transaction Unit Grant	4.9	2.7	-2.2	-45%	4.4	0.0	4.4	1.7	63%	0.0	0.0		
Fees - Home & EU UG	0.6	2.1	1.6	283%	2.2	0.0	2.3	0.1	6%	0.5	0.4	-0.1	-22%
Enterprise Activities	0.2	0.1	-0.1	-49%	0.1	0.0	0.1	0.0		0.1	0.0	-0.1	-94%
Student Related Income	0.0	0.0	0.0	28%	0.0	0.0	0.0	0.0		0.0	0.0	-0.0	-90%
Other Operating Income	0.9	1.0	0.1	8%	1.0	0.1	1.1	0.1	6%	1.6	2.0	0.4	27%
Endowments & Interest	0.0	0.0	-0.0	-100%	0.0	-0.0	0.0	0.0		0.0	0.0	-0.0	-100%
Income	28.9	27.8	-1.1	-4%	29.5	2.2	31.7	3.9	14%	16.9	16.8	-0.1	-1%
Academic Staff Costs	9.5	9.5	0.1	1%	9.8	-0.2	9.6	0.1	1%	6.3	6.2	-0.1	-1%
Support & Technicians	4.6	5.5	1.0	21%	5.5	0.0	5.5	0.0		3.2	3.1	-0.1	-2%
Third Party Staff	3.7	2.9	-0.7	-20%	2.9	0.0	2.9	0.0		2.0	1.7	-0.3	-17%
Restructuring / Pension Costs	1.7	-0.3	-2.0	-117%	1.6	1.9	3.5	3.8	-1305%	0.2	0.3	0.1	49%
Depreciation	1.3	1.4	0.1	10%	1.4	-0.1	1.3	-0.1	-9%	0.0	0.8	0.8	
Operating Expenses	7.7	7.8	0.0	1%	7.8	0.2	8.0	0.2	3%	4.6	4.8	0.2	5%
Interest Payable	0.5	1.0	0.5	96%	0.4	0.4	0.9	-0.1	-12%	0.6	0.9	0.3	43%
Exceptional Items	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	
Expenditure	28.9	27.8	-1.1	-4%	29.5	2.2	31.7	3.9	14%	16.9	17.8	1.0	6%
Surplus for the year	0.0	0.0	-0.0	-100%	0.0	0.0	0.0	0.0		0.1	1.0	-1.1	-1916%
Surplus as % of income	0.0%	0.0%	-100%		0.0%		0.0%			0.3%	-6.0%	-1929%	
Staff costs as % of income	67.2%	63.6%	-5%		67.5%		68.1%			68.9%	67.0%	-3%	

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
					2020 Forecast (£)	2020 Budget (£)	Variance - Forecast to Budget (£) %		Note	2020 Actuals (£)	2020 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(28,936,878)	(16,915,677)	Total Income			(31,729,873)	(27,843,000)	3,886,873	14%		(16,802,679)	(15,843,186)	959,493	6%		(14,927,194)
19,458,003	11,679,862	Total Staff Costs			21,594,453	17,707,917	(3,886,536)	(22%)		11,516,243	11,999,009	482,766	4%		10,078,210
1,272,961		Total Depreciation			1,274,135	1,400,000	125,865	9%		849,423	933,333	83,910	9%		424,712
7,702,441	4,576,482	Total Other Operating Expenses			7,995,828	7,750,083	(245,745)	(3%)		4,808,862	5,254,560	445,698	8%		3,186,966
503,286	623,078	Total Interest Payable			865,457	985,000	119,543	12%		889,638		(889,638)	(1,482,729,833%)		(24,181)
(187)	(36,255)	Contribution					()			1,261,487	2,343,717	1,082,229	46%		(1,261,487)
		Contribution %			(0.0)%	-				(7.5)%	(14.8)%				

Office for Students

Consultation on recurrent funding for 2021-22

Question 1: To what extent do you agree with the proposal to distribute a greater proportion of OfS recurrent grant through the main high-cost subject funding method? (See paragraphs 15 to 36)

Strongly Agree.

We agree with the proposal to distribute a greater proportion of funding to high-cost subjects. As the consultation notes, funding for high-cost subjects is 17 per cent lower in real terms than in 2015-16. This creates significant challenges for providers (including LSBU) to maintain delivery of these subjects and disincentivises providers to expand student numbers on existing courses or introduce new ones.

The insufficient funding for technical education also creates a perverse incentive for universities to cross subsidise strategic STEM subjects with those that are more cost effective to run (e.g. some humanities courses). This, in turn, causes an inevitable reduction in focus on technical subjects, despite the renewed priority of government to increase STEM graduates.

Research from the Russell Group shows an ever-widening gap in funding for undergraduate courses, particularly in high-cost subjects such as STEM and medical education. This puts both the quality of provision and the range of choices available to students at risk, as well as impacting on the ability of the UK to train the next generation of skilled workers, including scientists, engineers, public servants, medics and nurses.

Question 2: To what extent do you agree with the proposal to split price group C1 in order to implement a reduction of 50 per cent to the high-cost subject funding allocated to subjects in the performing arts; creative arts; media studies and archaeology? (See paragraphs 15 to 26)

Tend to agree.

The consultation notes the importance of the C1.2 subjects to society and the individuals who study them as well as the high proportion of students reporting a disability that study on courses in design; creative and performing arts; media; journalism; and communications courses. However, while we do not in principle support the underfunding of such valuable subjects, we understand that the OfS must make strategic decisions about the limited pot of funding it is given. The pandemic has both shown in stark terms the importance of professions such as nursing and seen a significant increase in applications to these courses. As the consultation recognises, health courses such as nursing have high running costs due to the need, for example, for low student/staff ratios. On this basis, we tend to agree that the OfS should prioritise increasing the subject rate for C1.1 subjects.

Question 3: Notwithstanding your answer to question 2, if we were to split price group C1 as proposed, to what extent do you agree with our approach to implementing this? (See paragraphs 27 to 28 and Annex B)

Tend to Agree. Using HECoS subject codes to determine how subjects should be grouped seems the most appropriate method for the OfS to use.

Question 4: To what extent do you agree with our approach to counting students from the Crown Dependencies in our funding allocations for 2021-22? (See paragraphs 34 and 35)

Tend to Agree. We see no issue with the inclusion of students from the Crown Dependencies in the new funding allocations.

Question 5: To what extent do you agree with the proposed approach to remove the targeted allocation for students attending courses in London? (See paragraphs 37 to 48)

Strongly disagree. The London weighting recognises the higher costs of operating in London. The Government recognises this cost itself by providing London and non-London salary bands for civil servants. It has even published evidence showing that higher education costs 14% more to deliver in London than on average.

It has been well reported that this cut to funding would result in a £64 million cut for the capital's 69 higher education institutions, and LSBU alone would lose £3 million a year. Rather than 'levelling up', removing London weighting seems to be a deliberate step to 'level down' education and deny students in London an equal level of support.

Universities in London (including LSBU which is the top provider of nursing qualifiers in the capital) train a significant proportion of the country's key workers with just under half (43 per cent) of all students studying Medicine and Dentistry in England doing so in London and almost one-fifth (18 per cent) of the country's nurses and other allied health professionals.

Health related courses have high running costs (which this consultation recognises through proposing to increase subject-funding). These high costs are further increased through merit of teaching them in the capital. Nursing for example, requires a high intensity of contact hours and low student/staff ratios. This translates into high staffing costs. As the cost of living is higher in London these staffing costs are significantly higher than they are in other parts of the country. Given the high proportion of health-related teaching within the Capital, the removal of the London weighting seems to contradict the Government's desire to increase funding for these courses.

If the assumption is that London Universities would be able to make up for this shortfall by recruiting more international students, this misunderstands the diversity of institutions within London. LSBU, for example, educates mostly local learners. This is in line with the founding mission of the University to be a Civic Institution.

Question 6: To what extent do you agree with the proposed approach to remove London weighting from the formula-based student premium allocations? (See paragraphs 37 to 48)

Strongly disagree. Paragraph 48 of the consultation recognises that London has a significantly greater proportion of students from black, Asian and minority ethnic backgrounds studying at its universities, which could be severely impacted should funding be entirely directed elsewhere. Of course, the challenges faced in other areas of the country should be addressed, but this needn't be at the expense of London-based students. Furthermore, some universities, such as LSBU, play a vital role in providing education and employment for people in the local area. One issue with removing London weighting from the formula-based student premium allocations is that it may result in universities being less well equipped to support students who require additional costs in their studies; for example,

assistive technology for disabled students, or tutoring for a student from a less-academic background.

Question 7: To what extent do you agree with the proposal to provide £40 million to support Uni Connect activities in 2021-22? (See paragraphs 59 to 63)

Strongly disagree. Universities will have to make up the shortfall in funding from their own very stretched budgets in order to maintain the current level of Uni Connect activity and staffing. If they can't afford to do so then some of the existing Uni Connect programmes will close as the staff who run them who are paid from the Uni Connect budget will not be kept on, nor will the resources for projects be funded.

Question 8: To what extent do you agree with the proposal to distribute an additional £5 million through the existing student premiums in the proportions shown in paragraph 65, and to earmark this £5 million to be spent on student hardship?

Tend to agree.

Question 9: To what extent do you agree with the proposals to distribute £15 million to address student transition and mental health, through a combination of competition and a new formula-based student premium? (See paragraphs 67 to 71)

Tend to agree. We would welcome the proposal to allocate an additional £15 million to support student transition and mental health, especially considering the impact that the past year has had upon students. The proposals for the mental health funding competition seem fair and it is good that it is taking an intersectional approach. However, £1 million of investment may not be enough to develop practical solutions to mental health support. Furthermore, transition work is important and could be incorporated into the existing Uni Connect activity so it is delivered by professionals who are already running programmes that can be widened to include transition, rather than starting from scratch.

Question 10: To what extent do you agree with the proposal to maintain in cash terms the rate of funding for the nursing, midwifery and allied health supplement, which will increase the total budget to £27 million? (See paragraphs 74 to 75)

Strongly Agree. We agree it would be undesirable to counterbalance the increases to the high-cost subject funding by decreasing the supplement and therefore support its maintenance in cash terms.

Question 11: To what extent do you agree with the proposal to maintain in cash terms the rate of funding for overseas study programmes, but base the allocation on the higher of relevant student numbers in either 2019-20 or 2020-21? (See paragraphs 76 to 78)

Tend to Agree: We welcome the development of the Turing Scheme.

Question 12: To what extent do you agree with the proposal to maintain in cash terms the budgets for other targeted allocation as proposed in paragraph 79?

Tend to Agree.

Question 13: Do you have any comments about any unintended consequences of these proposals, for example, for particular types of provider or for particular types of student?

Cutting resource from creative arts, London universities and Uni Connect is likely to have a significant impact on social mobility across the UK.

As the recent research from London Higher points out, typical 'keyworker' courses such as teacher training, social care and medical staff, have a high Home undergraduate intake. For London especially, this means that these students are more likely to be commuters who travel from their family home into the city. Furthermore, the research shows that being a commuter student often intersects with being more likely to be the first in their families to go to university, more likely to be from lower socio-economic areas, and more likely to be from a Black or Minority Ethnic background.

Question 14: Do you have any comments about the potential impact of these proposals on individuals on the basis of their protected characteristics?

As mentioned in our answer to question 13, it is possible that removing London weighting could have an impact upon the most disadvantaged students attending universities in the capital.

Question 15: To what extent do you agree with the proposed changes to terms and conditions of grant for 2021-22? (See paragraph 97)

Tend to agree.

Question 16: Do you have any other comments on the proposals in this document?

No further comments to add.

Appendix 3: 2021/22 LSBU budget scenarios

	20/21 Forecast	21/22 Scenario 1	21/22 Scenario 2	21/22 Scenario 3	
	£'000	£'000	£'000	£'000	
		Schools + Apprentices hips aspirations	No growth in NEW students	Marketing cautious view	
INCOME					
Funding Grants	13,451	10,556	10,556	10,556	
Health - Contract	556				Reduction in London Weighting. Risk around TCIF £1,084k NHS contracts funding model ended
Fees - New UG FT	38,227	41,433	38,067	36,117	
Fees - New UG PT	775	1,117	669	1,117	
Fees - New PG FT	11,699	11,035	11,683	10,179	
Fees - New PG PT	1,319	815	1,273	815	Includes £4.9m provision for dropouts 3.8% of total student fee income
Fees - Top-up, Cont, Cont RYA UG FT	58,215	58,268	58,268	58,268	
Fees - Top-up, Cont, Cont RYA UG PT	3,756	3,747	3,747	3,747	
Fees - Top-up, Cont, Cont RYA PG FT	3,967	2,719	2,719	2,719	
Fees - Top-up, Cont, Cont RYA PG PT	1,707	1,138	1,138	1,138	
Apprenticeships	6,136	7,097	7,097	7,097	
Overseas Partnerships	1,550	1,550	1,550	1,550	
Research - Funding Grants	2,425	2,342	2,342	2,342	Reduction of £83k re GCRF
Research - Grants	3,850	3,850	3,850	3,850	
Research - Collaborations	125	125	125	125	
Research - Studentships	271	271	271	271	
Enterprise - Funding Grants	717	717	717	717	
Enterprise - Research Related Activities	552	552	552	552	
Enterprise - University Fees	571	2,171	2,171	2,171	HSC CPPD restored
Enterprise - Other	6,022	5,703	5,703	5,703	
Other - Student Related Income	6,443	9,635	9,635	9,635	Term-time lettings and Summer schools restored
Other - Operating Income	8	8	8	8	
Endowment Income & Interest Receivable	110	110	110	110	
TOTAL INCOME	162,451	164,960	162,250	158,788	
EXPENDITURE					
Staff costs - Schools Teaching and Other support costs	45,295	48,990	47,288	46,448	Based on SSR of 24:1
Staff costs - Schools Research and Enterprise	5,122	5,300	5,300	5,300	
Staff costs - PSGs	46,340	47,045	46,037	43,416	
Staff costs - FUNI	33				
Fundamental restructuring costs	1,500	1,500	1,500	1,500	
Other operating expenses	45,425	45,425	45,425	45,425	
Investment pot	3,422	1,000	1,000	1,000	
Depreciation	9,000	10,000	10,000	10,000	
Interest and other finance costs	4,300	3,700	3,700	3,700	
TOTAL EXPENDITURE	160,437	162,960	160,250	156,789	
Surplus/(deficit)	2,014	2,000	2,000	2,000	
Staff costs as %age of income	59.6%	61.4%	60.8%	59.9%	
Contribution %age	1.2%	1.2%	1.2%	1.3%	
OPEX as %age of Income	28%	28%	28%	29%	
Staff cost challenge		685	1,693	4,314	
%age PSF staff challenge		1.5%	3.7%	9.3%	
Proportion School + Research / PSF	52%	54%	53%	54%	
Earned Research	4,246	4,246	4,246	4,246	
Research grants	2,425	2,342	2,342	2,342	
Total Research Income	6,671	6,588	6,588	6,588	
Earned Enterprise	7,145	8,426	8,426	8,426	
Enterprise grants	717	717	717	717	
Total Enterprise Income	7,862	9,143	9,143	9,143	

	CONFIDENTIAL
Paper title:	LSBU Hub construction: delegation of authority
Board/Committee:	Board of Governors
Date of meeting:	20 May 2021
Author(s):	Professor Paul Ivey – Deputy Vice Chancellor and Chief Business Officer
Sponsor(s):	Professor Paul Ivey – Deputy Vice Chancellor and Chief Business Officer
Purpose:	For Approval
Recommendation:	Due to the need to act between Board meetings, the Board is requested to delegate authority to MPIC to approve additional unbudgeted expenditure of up to £8m to accommodate cost overruns with the LSBU Hub refurbishment project.

Executive Summary

The time and cost challenge in completing the LSBU Hub project have been tabled at Executive and MPIC. Included with this cover sheet is the MPIC paper discussed on 6 May 2021. Detailed discussions have been in place for a little while with Wilmott Dixon Interiors, and colleagues are working with the construction company to agree a date and cost for final completion. This has been promised in time for the next project board on the 24th May 2021, but confidence is not high that this will be met. The project is continuing throughout this process.

Although it is not possible at this time to be certain of the full exposure the project consultants have worked independently to anticipate future costs. The likely range is large: Fulkers as the project QS consultants estimate the cost of the work tabled by the WDI at £4M, WDI are seeking £9.4M and the best- and worst-case negotiation positions are estimated at £4.6M and £8.0M, respectively. It is probably prudent at this stage to seek permission at the upper end of these numbers.

Any cost overrun will be treated as capital expenditure and will impact cashflow and the cost of future depreciation however it will not impact the immediate operating performance of the University. The anticipated upper limit of £8m has already been

built into the latest (assumed worst case) cashflow forecast. In the unlikely case that we were liable for the full £9.4m that WDI are seeking, this could be covered within our existing cash reserves and borrowings whilst still maintaining a minimum £20m working capital buffer. The University may have access to additional borrowing once the AIB RCF is closed or if the London Realty deal is successful and these would give us additional headroom in our cash flow forecasts.

Recommendation

Due to the need to act between Board meetings, the Board is requested to delegate authority to MPIC to approve additional unbudgeted expenditure of up to £8m to accommodate cost overruns with the LSBU Hub refurbishment project.

Introduction

This short paper is to set out the time and cost challenge in completing the LSBU Hub project. This is a refurbishment project and, unlike a new build construction, does not benefit from a fixed price cost basis. Whilst professional concerns that the contractor Willmott Dixon Interiors (WDI) had not appreciated the scale of the project grew gradually from the middle of last year, it was in the last quarter of the year that matters escalated when an unprecedented series of cost claims were tabled. The basis of these claims is currently not fully supported by the project consultants.

The project team have taken the rare action to seek external adjudication on a technical point of one of these claims, and in addition (with agreement from WDI) brought in an independent assessor to look at a wider set of disputed work packages. According to WDI, this is the first time a client has taken such a robust response on these matters.

Time and Cost history

Whilst reporting since the middle of last year indicated completion dates potentially slipping and increasing costs challenged the scope for repeated value engineering and contingencies to balance, it was from September onwards that stronger concerns emerged. In September, the cost was some £57K over budget including full deployment of the project contingency, in October this figure was £227K and by November £1M. By this time, the completion date had slipped from May to July 2021. Further in February 2021 in replying to a direct question WDI indicated a completion date of 21st October without offering project planning evidence to justify.

After November financial reporting was not possible (IT outage in December). It was during this period and into early 2021 that WDI made a series of claims for time and cost overruns which together total some £3.3M. Time overruns later into 2021 incur additional cost not directly associated with construction (fees, insurances, parking closures etc.) which is estimated to further inflate this number by £1M.

Although it is not possible at this time to be certain of the full exposure (see the way forward section below) the project consultants have worked independently to anticipate costs going forward given the information coming from WDI. The likely

range is large: Fulkers as the project QS consultants estimate the cost of the work tabled by WDI at £4M, WDI are seeking £9.4M and the best- and worst-case negotiation positions are estimated at £4.6M and £8.0M, respectively. The range in the table presented in the appendix reflects uncertainty in the WDI pricing, the justification for the works in the first place, and in some cases whether the work has been completed at all.

Contractor Meetings

The consultant teams have met with WDI constantly, architects and project managers have walked the floors weekly, QS consultants have dealt with project variations fortnightly, and EAE colleagues have met in advance of the monthly project boards. These meetings have throughout been very firm and at times confrontational and heated because of the issues raised have been very challenging. Whilst in construction this is not uncommon, I am told meetings have some of the most difficult (and upsetting) professional colleagues have experienced.

Following initiating the adjudication and receiving the outcome senior EAE colleagues met with WDI on the 19th March ostensibly to be given WDI's estimates for completing the project and the associated full and final cost. This cost would then have been scrutinised and challenged where necessary. WDI at this meeting did reconfirm 21st October for project completion (although the consultant team are still demanding to see the project plan evidence to support this) but did not suggest a settlement figure principally because they had removed the Director responsible for the project the day before. LSBU taking out an adjudication against WDI prompted the WDI MD (who was in the meeting) to examine their project performance. The new Director appointed to the project will be starting afresh.

The QS consultants are concerned that WDI are unduly claiming costs for the construction, time slippage and their own losses arising because of the project extension. Although not uncommon as a tactic, it is completely unacceptable and being challenged on every point. As stated, the evidence for this started to appear before and after Christmas as claims began to rise alarmingly and have accelerated since, although us extracting project management information from WDI (such as a project plan to confirm completion date) has always been an issue from the start.

Way Forward

WDI have indicated that they wish to re-start the relationship and this is necessary. To this end the EAE team have met with WDI and agreed jointly to hold to the following the following:

- WDI to issue time frame for agreement of all current outstanding cost issues. This is to be issued today and Fulkers QS's will respond by 7th April allocating sufficient resources to close down by beginning of May.
- Design Workshop to be held w/c 12th April with design teams / LSBU Team / WDI Team to identify any possible further variations.
- Main area of disagreement is over pricing of Carbon Fibre strengthening works and workshop is being arranged with WDI and Fulkers QS / PM teams together with Architect and Structural Engineers
- Variation workshops currently held every fortnight by WDI / Fulkers QS's will be increased as required.
- Independent QS findings are due to be issued next week after receipt of outstanding information from WDI and Fulkers QS Teams
- Further discussions to be held once variation account is completed on the loss and expense claims regarding delays. LSBU made it very clear that delays were not all attributed to the numerous variations / discoveries in the project but also WDI's lack of control, management, and sub-contractor issues. LSBU stated they would defend vigorously any attempt of WDI to push everything onto LSBU.
- Fortnightly discussions to be held between LSBU and WDI Operation and Finance Directors
- All parties working towards a mid-May completion of the exercise to report back to LSBU Campus Development Board on 24th May.

Summary

The LSBU Hub is a strategically important development delivering an enhanced learning resource with an AV enhanced approach to teaching, expanded exercise offers with nutrition / catering, initiatives for FabLab / Maker spaces, and specific approaches to the Learning Zone concept. However, it has been a significant challenge to maintain oversight with this project given WDI's poor (sometime non-

existent) information flows and abrasive interaction. Both our internal team and external consultants will maintain this oversight and provide project integrity.

After the huge effort and necessary expenditure (£9.2M from a total budget of £65M) to complete the enabling works in time for the start of 19/20, the QS advice was that the significant value engineering we put in place during the early phases of the rebuild was sufficient to balance the remaining sums available also noting the project contingency. Here and only in one sense, the adverse adjudication outcome is beneficial in highlighting the fundamental challenge with this project – the adjudicator found that even if the contractor had commissioned the surveys LSBU's consultant felt necessary, the true condition would not have been realised. The building was in a very poor condition not fully knowable to us or the contractor even after the generous 3 months of survey time allowed to WDI at the start of the project.

Notwithstanding BREXIT and COVID, had we known at the project start everything we know now about the condition of the building, with the budget available it would have been necessary to go beyond value engineering and reduce the refurbishment specification and take out at least pro rata some 10% - 15% of usage from before. This would have been a significant challenge because the LSBU Hub facility provided by the full refurbishment of London Road is essential for the LSBU group, although this is small comfort to alleviate the current financial pressure.

Everything has been done throughout this project to keep cost down, and this will also be the case as we negotiate the final settlement figure. The rigorous scrutiny of all extension of time claims, and the option of LEDs are on the table of course.

	INTERNAL
Paper title:	Corporate Risk Report
Board/Committee:	Board of Governors
Date of meeting:	20 May 2021
Author(s):	Karen McLernon, Head of Performance Analysis
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	The Board is requested to note the corporate risk register.

Executive summary

The Corporate Risk Register currently contains:

- Zero critical risks;
- Thirteen high risks;
- Sixteen medium risks;
- One low risk

Risks are reviewed on a monthly basis by the Senior Leadership Team (SLT). The most recent review took place in April 2021.

The only change resulting from the April review was to assign joint ownership for Risk 305 to the Chief Customer Officer and the Company Secretary. There have been no additions to the register or changes to risk severity categorisation since the Board update in March 2021 which reflected the in-depth review undertaken by the Vice Chancellor, Group CFO and Director of Strategy & Planning on 1st March 2021.

Corporate Risk Register as at 7 May 2021 (unchanged from 23 March 2021 Board paper)

Author: Karen McLernon, Head of Performance Analysis

Sponsor: Richard Flatman, Group CFO

Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (open)	(517) EU Referendum Impact on regulation & market (DP)	(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF) (638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (457) Anticipated international & EU student revenue unrealised (NL)	(3) Sustainability of current pension schemes (RF) (402) Income growth from Research & Enterprise unrealised (PI) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (634) Financial Impact of Covid-19 (student refunds/accommodation (RF)	
Legal / Compliance (Cautious)		(519) Negative Curriculum Assessment (DJ) (584) External incident compromises campus operations or access (JS)	(305) Data security and data protection (NL + JS)	
Academic Activity (Seek)		(628) Availability of NHS placements (PB) (495) Higher Apprenticeship degrees (FM) (398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (636) Blended Learning not implemented effectively, impacting student experience (DJ) (467) Progression rates don't increase (DJ) (627) Impact of new strategy upon organisational culture (MMJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (37) Affordability of Capital Expenditure investment plans (RF) (633) Unable to deliver recovery plan from Covid-19 (DP)	
Reputation (Open)		(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape including funding changes (DP) (635) League table rank deterioration / reputational impact (DJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	

Risk Exposure Matrix – Impact and Residual Likelihood

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>				
	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>	<p>(495) Higher Apprenticeship degrees (FM)</p> <p>(519) Negative Curriculum Assessment (DJ)</p> <p>(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF)</p> <p>(362) Low staff engagement impacts performance negatively (MMJ)</p> <p>(467) Progression rates don't increase (DJ)</p> <p>(457) Anticipated international & EU student revenue unrealised (NL)</p>	<p>(37) Affordability of Capital Expenditure investment plans (RF)</p> <p>(3) Sustainability of current pension schemes (RF)</p> <p>(633) Unable to deliver recovery plan from Covid-19 (DP)</p> <p>(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB)</p> <p>(632) Alignment of estate with sector requirements across the Group (PI)</p> <p>(1) Capability to respond to change in policy or competitive landscape including funding changes (DP)</p> <p>(305) Data security and data protection (NL + JS)</p> <p>(634) Financial Impact of Covid-19 (student refunds/accommodation (RF)</p> <p>(2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)</p>	<p>(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ)</p> <p>(402) Income growth from Research & Enterprise unrealised (PI)</p> <p>(637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)</p>	(635) League table rank deterioration / reputational impact (DJ)
	2 Medium <i>failure to meet operational objectives of the University</i>	(517) EU Referendum Impact on regulation & market (DP)	<p>(398) Academic programmes not engaged with technological and pedagogic developments (DJ)</p> <p>(494) Inconsistent delivery of Placement activity (NL)</p> <p>(518) Core student system inflexibility / failure (DJ)</p> <p>(627) Impact of new strategy upon organisational culture (MMJ)</p> <p>(638) Income, reputational and staff relation impact of Portfolio and Curriculum project (DJ)</p> <p>(630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ)</p> <p>(584) External incident compromises campus operations or access (JS)</p>	<p>(628) Availability of NHS placements (WT)</p> <p>(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)</p> <p>(636) Blended Learning not implemented effectively, impacting student experience (DJ)</p>	
	1 Low <i>little effect on operational objectives</i>				
		1 - Low	2 - Medium	3 - High	4 - Very High
	<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>	<i>The risk is likely to occur in the immediate term</i>	
Residual Likelihood					

	INTERNAL
Paper title:	Students' Union elections
Board/Committee:	Board of Governors
Date of meeting:	20 May 2021
Author(s):	Matt Myles-Brown, LSBSU Deputy Chief Executive
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Information
Recommendation:	The Board is requested to note the returning officer's report for the 2021 SU elections.

Executive summary

The Students' Union elections were undertaken from March to April 2021 and result in the successful election of its student officers and volunteers for the next academic year.

A total of 666 students voted in the elections, returned by the National Union of Students. The elections process was supported and promoted through internal staff at the SU, led by Matt Myles-Brown, the Deputy Chief Executive of LSBSU.

Under the Education Act 1994 the Board has a duty to take such steps as are reasonably practicable to ensure that appointments of the sabbatical officers should be by a fair and properly conducted election in a secret ballot in which all members are entitled to vote.

The Returning Officer's report is attached which confirms that the election was run in a fair and democratic manner.

LSBU Board of Governors

Meeting of 20 May 2021

Spring Elections Report

Author and Presenter: Matt Myles-Brown, Deputy Chief Executive

1 Summary

- 1.1 This report provides a review of the April 2021 elections. The election is signed off by the independent Returning Officer, Peter Robertson (NUS) as a fair and accurate account of the election and count process.
- 1.2 This was a well-spirited and fair election with a voter turnout that is low but aligns with the sector.

2 Recommendation

- 2.1 The Board of Governors are invited to NOTE this report.

3 Background

- 3.1 Under the Education Act 1994 requires all students' unions to run cross campus elections for the positions of major office holders. Each year in the Spring, the SU runs elections for 4 Sabbatical Officer positions, 12 Part-Time Officer positions and 5 Student Forum Chairs. In the Autumn the SU runs elections for any vacant Student Trustee positions and NUS Delegates.
- 3.2 This report references the Spring Elections 2021.

4 Key Roles

- 4.1 A number of staff are involved in the administration of the elections each year. This year the elections project team included Amy Eden, Matt Myles-Brown, Andrew Quick and Kat Hackshaw.
- 4.2 Matthew Myles-Brown acted as Deputy Returning Officer for this election and Peter Robertson (NUS) was the appointed independent Returning Officer.

5 Election Timeline

- 5.1 In line with the election regulations set out in the Constitution, the following timeline was agreed by the Returning Officer and was implemented by the Deputy Returning Officer and Elections Team:

Event	Date	Completed?
Nominations open	18 March 2021	Completed
Nominations close	5 April 2021	Completed
Candidate Training	7-9 April 2021	Completed
Manifesto deadline	14 April 2021	Completed
Publicity Deadline	15 April 2021	Completed
Campaigning opens	19 April 2021	Completed

Candidate Question Time	19 April 2021	Completed
Voting opens	20 April 2021	Completed
Voting closes	23 April 2021	Completed
Complaints Deadline	23 April 2021	Completed
Results Announced	23 April 2021	Completed

6 Voting Process & Ballot Security

- 6.1 To ensure our elections are secure and accessible we used an online voting system, this year provided by Membership Solutions Ltd (MSL, our website provider). This online system is used by around 50 SUs across the country and is well-established.
- 6.2 The online voting system is linked to the University's student database to ensure that only currently enrolled students who have not opted out of the SU could vote.
- 6.3 The count was conducted electronically via the online voting system.

7 Election Results

- 7.1 The final voter count was 666 unique voters which equates to just under 5% of our membership. This is lower than usual, but is to be expected given campaigning activity was almost entirely online. This final turnout aligns with other unions across London.
- 7.2 The winners were:

President	Max Smith
VP Education	Md Rabbi Fazle
VP Welfare & Equality	Jannatul Ferdous
VP Activities & Employability	Joel Langston
BAME Students' Officer	Orsi Itoya
Course Representative Forum Chair	Xander Prelea
Ethical & Environmental Officer	Ahana Ogle
Nursing Students Officer	Sabrina Magic Tiberi
LGBTQ+ Officer	Greyson Askew
International Officer	Akshitha Nanavala
Mature Students Officer	Richard Mead
EU Students Officer	Sabrina Popescu
Postgraduate Officer	Yousha Adib
RAG Chair	Amber Sams
Societies Guild Chair	Gautam Lalwani
Chair of Union Council	Ruchika Kumar
Womens' Officer	Leila Touilzak

- 7.3 There were no eligible candidates for the Part-Time Officer, Disabilities Officer, Sports Forum Chair and Student Media Chair positions. These roles will be filled by a by-election in the Autumn.

8 Conduct, complaints and issues

- 8.1 All complaints were dealt with through the elections@southbank.su email address and were heard initially by Matthew Myles-Brown, the Deputy Returning Officer, with the assistance of Andrew Quick. All complaints were minor in this election.
- 8.2 There were a total of 9 minor complaints in this election of which 6 were upheld but only two resulting in a formal warning. None were deemed to have had an impact on the fairness of the election.

8.3 There were a total of 16 students contacting the Union with reports of voting system issues, all of which were resolved.

8.4 All complaints and issues were resolved before the elections count.

9 Candidate Demographics

9.1 Candidates were invited to provide equality monitoring information at the point of nomination. There were 31 candidates in total, of which there were:

- 15 mature students (1/2 respondents);
- 10 students with disabilities (1/3 respondents);
- 21 BAME students (just over 2/3 respondents);
- 13 women and one transgender man (just under 1/2 respondents);
- 2 bisexual, 1 pansexual, 1 queer-identifying, 2 homosexual women and 3 preferring not to disclose, with 21 identifying as heterosexual and one non-respondent
- 10 international and 6 EU students with 15 identifying as home students
- 2 FE, 23 HE and 6 PG students

9.2 Whilst this is a diverse candidate pool, the nominations for Sabbatical Officer roles were not as gender diverse as hoped (4 women, 10 men) and this is reflected in the elected sabbatical team.

Matt Myles-Brown
Deputy CEO
May 2021

Returning Officer Report

London South Bank Students' Union

Returning Officer	Peter Robertson (NUS Charity Director)
Deputy Returning Officer	Matt Myles-Brown (Deputy CEO)

Election Details

Dates of Nominations:	18/03/21 – 05/04/21
Number of Candidates:	31
Dates of Voting:	20/04/21 – 23/04/21
Number of Votes:	8329
Number of Voters:	666
Number of Complaints/Appeals:	9 / 0
Number of Complaints/Appeals Upheld:	6 / 0

Returning Officer Comments/Recommendations

No further comments or recommendations.

Confirmation of Fair Election

I hereby declare that this election was run in a fair and democratic manner which satisfies the stipulations as laid out within the 1994 Education Act.

Returning Officer Signature and Date

Date: 26/04/21	Signature: Peter Robertson <i>NUS Charity Director & National Returning Officer</i>
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	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	20 May 2021
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	The Board is requested to note the report on decisions of committees and subsidiary boards.

Executive summary

A summary of committee and subsidiary board decisions is provided for information. Minutes and papers will be available on modern.gov once access to the system has been restored following the IT outage.

The draft group equality statement, as approved by the Finance, Planning and Resources Committee, is included for information.

Other relevant papers are included separately as agenda items.

South Bank Academies Board – 18 March 2021

The Board discussed:

- The proposed strategy for SBA, including the proposed name change for UAE
- Discussion of the UTC's Year 14 HNC offer and how it will be linked to courses at LSBU and higher level apprenticeships
- January 2021 management accounts, with a balance before depreciation of £200K surplus
- Capital spending programme which requires further clarification, particularly in relation with IT spending
- The appointment of the new link trustee for safeguarding and the approval of the new trust-wide safeguarding policy
- Report on OFSTED preparedness
- The appropriate risk appetite of the trust which was agreed as follows:
Financial – cautious, Legal and compliance – minimal, Academic delivery – open, Reputational – cautious

Academic Board – Exceptional meeting on 14 April 2021

The Board approved:

- The Board approved the LSBU Curriculum Framework for 2021/22, subject to a number of amendments discussed and agreed during the meeting.

Finance, Planning and Resources – 27 April 2021

The committee approved:

- Draft Group equality statement, as authorised by the Board at its meeting of 25 March 2021.

The committee discussed:

- Management accounts to 31 March 2021 – full year forecast was trending towards a surplus of £2m, with an additional £2.2m headroom;
- Student recruitment and retention update – the admissions team were working through the backlog from the IT outage, with 1,500 offers to be processed in the next fortnight. Home UG applications through UCAS were up 10% on last year, including 650 applications for the new Croydon campus;
- Group roadmap and KPI targets 2020-25 and regulatory metrics;
- Infrastructure strategic update – included an update on campus infrastructure and IT infrastructure;
- Strategic People & Organisational Development report – update on progress to date on the People and Culture strategy, and the response to current workforce challenges.

The committee noted:

- Key performance indicators – final 2019/20 scores.
- Treasury management report.

Enterprise Advisory Board – 21 April 2021

The Committee discussed:

- Research and enterprise activities for the 2020/2021 academic year to date, including income data, research and enterprise bids won, and a breakdown of bid values.
- The development of LSBU Global's online study offer, initially to be delivered through a partnership with IUBH Applied Science University in Germany and the Cambridge Education Group. The committee also noted the current validations taking place at ASU Bahrain and TEAM University Tashkent and new partnership projects in the pipeline. The Committee refined the reporting it would like to receive from LSBU Global going forward.
- Three business plans for 2021/22 outlining the main opportunities, deliverables and resource requirements for Health and STEM, Inclusive Growth, and Operations teams.

The Committee noted:

- An update on research and enterprise income forecast for 2021/22 and the progress of budget planning for 2022/23.
- A proposal for future reporting of R&E activity.

South Bank Colleges Board – 4 May 2021

The Board discussed:

- an EDI update, work being undertaken by the College.
- the Executive Principal's report including; update on the College situation in regard to Covid19, DfE requirements for awarding qualifications for 2020/21, Student achievement and Planning for 2021/22.
- an update on the development of the NESC Vauxhall site.
- an update on the financial matters at Lambeth College; update on 2020/21 Budget Performance, Budget Planning 2021/22 onwards and the development of a 3-year financial sustainability strategy.
- the annual group health, safety and wellbeing report 2019/20.

The Board discussed and approved:

- a preferred disposal approach to SBC estate disposal and development and agreed in principle only at this stage, to partner with London Realty.
- the 5-year KPI dashboard linked to SBC strategic plan and fits in with the Group framework and would enable the delivery of the overarching goals.
- the College's careers strategy.

- the declared interests of Steve Balmont, LSBU nominee trustee.

The Board noted:

- the Board Effectiveness Review Action Plan.

Group Audit and Risk Committee –6 May 2021

The committee discussed

- IT restoration update – GARC discussed in detail the progress made against the restoration and recovery plan following the cyber incident of December 2020. Noted that almost all systems now restored, with the remainder due to be restored within the next week. Improvements to security had been made where possible.
- Finance systems restoration update – Agresso had been restored, and good progress made on bringing accounting records up to date. Noted upcoming BDO report on the finance recovery process.

Major Projects and Investment Committee – 6 May 2021

The committee approved:

- SBC estate disposal and development – MPIC approved the preferred disposal approach and gave consent on behalf of LSBU, in principle, to contract with London Realty;
- Project LEAP – noted the update on WP6.0 and approved the additional unbudgeted expenditure of £0.5m, required in order to deliver all core functionality.

The committee discussed:

- Update on London Road construction – noted the time and cost challenges in constructing the LSBU Hub, and supported the Executive’s approach.

The committee noted:

- An update on progress of the LSBU major capital development programme and relevant estate-related issues;
- An update on the Nine Elms STEAM Centre (NESC).

	INTERNAL
Paper title:	LSBU Group Draft Statement on Equality
Board/Committee:	Finance, Planning and Resources Committee
Date of meeting:	27 April 2021
Author(s):	Sanchia Alasia, Head of EDI
Sponsor(s):	Nicole Louis, CCO Marcelle Moncrieffe-Johnson, CPO
Purpose:	For approval
Recommendation:	The committee is asked to review and approve the draft equality statement for internal and external publication.

Executive Summary

A broad statement on equality has been drafted by an action group, following a recommendation from the EDI steering group meeting in November 2020. The action group comprised members of the EDI team, EquiNet steering group, campus trades unions and the students' union.

The statement is intended to be group wide and apply to all LSBU institutions. Following feedback from the Group Executive, the proposal is to ratify the equality statement with the Board of Governors. Any revisions following Board input will be actioned before making the statement public.

This statement would apply to the University, SBA and SBC. Communication channels would be internal extranet, external facing website, social media channels etc.

The statement is recommended for approval.

Rationale of the Working Group's position

The Working Group believes that LSBU should adopt a strong equality statement, implement anti-discrimination policies and work to build antiracist solidarities and practices across LSBU.

The Working Group advocated for the adoption of a strong equality statement, the implementation of robust anti-discrimination policies and for LSBU to work with the trades unions, staff networks, EDI and the students' union to build antiracist solidarities and practices across LSBU.

LSBU Statement on Equality

The LSBU Group is a place where equality, diversity and inclusion are embedded within our thinking and organisational model and are reflected in everything that we do. We believe in fair and equitable outcomes for our staff and for our students, and that all individuals have the right to be protected from harassment, discrimination and victimisation on the grounds of their perceived, or actual connection to a protected characteristic. We are committed to eliminating discrimination of all types and for this reason, our Group Executive has decided to adopt the following statement on equality after reviewing the findings of the working group set up by the EDI Steering committee.

EDI Statement

We are clear that we must be an inclusive and welcoming Group, committed to eliminating all forms of discrimination. We are committed to eliminating discrimination based on age, race, religion/belief, sex, disability, sexual orientation, gender reassignment, marriage/civil partnership, pregnancy/maternity, caring status and social class. This means that we will pro-actively work to eliminate individual, institutional, and systemic inequalities that currently exist within the University and Group. We will strive to influence the wider world and to positively impact on the society around us. We believe that it is not enough just to eliminate discrimination but that we must speak out and act against inequalities wherever and whenever they occur.

We will take guidance from the IHRA definition when investigating incidents of anti-semitism.

Our vision is to transform lives, communities, businesses and society through education and insight.

We will not achieve our vision without being inclusive and while much has been achieved, there is still more to do. We know that with the whole LSBU Group working together, we can achieve this.

LSBU Group Commitment to Action

Our statement on equality will be underpinned by clear actions including in our inclusion strategy. We will continue to listen to the voices of our staff and students to ensure that we truly understand their lived experience within our community, and in wider society. We are committed to both supporting and empowering our people, to breaking down barriers and to enabling social equality. We will challenge ourselves to ensure that our actions truly address and remedy inequalities experienced within the LSBU community as we work towards levelling the field for all.

	CONFIDENTIAL
Paper title:	Board Strategy Day notes 22 April 2021
Board/Committee:	Board of Governors
Date of meeting:	20 May 2021
Author(s):	Michael Broadway, Deputy University Secretary Kerry Johnson, Governance Officer
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Board is requested to note the Board strategy day report from 22 April 2021.

Executive Summary

The Board is requested to note the Board strategy day report from the event held remotely on 22 April 2021.

Notes of the Board strategy day
Held at 10am on Thursday 22 April 2021
Via MS Teams

Present: Jerry Cope (Chair), Michael Cutbill (Vice-Chair), David Phoenix (Vice Chancellor & CEO), Duncan Brown, John Cole, Peter Fidler, Mark Lemmon, Nicki Martin, Jeremy Parr, Rashda Rana, Tony Roberts, Deepa Shah, Vinay Tanna and Hattie Tollerson

Apologies: Maureen Dalziel, Marcelle Moncrieffe-Johnson and Maxwell Smith

Observer: Kate Stanton-Davis and Rob Orr (from KEF session)

In attendance: Pat Bailey, Michael Broadway, Tara Dean, Richard Flatman, Paul Ivey, Kerry Johnson, Deborah Johnston, Nicole Louis, Fiona Morey (from KEF session), Ralph Sanders, James Stevenson and Warren Turner

Welcome

The Chair welcomed governors to the meeting. The Chair welcomed Prof Tara Dean, the Provost designate, to the meeting.

Higher Education environment

The Vice Chancellor updated the Board on the challenges and opportunities for the university and group.

The Board had been provided with 'Truly Modern Technical Education: Unleashing the potential of Technical Universities to really level up', a joint report by LSBU and Aston University as background reading.

The vision for the university is to be a technical university delivering applied, career-focused education as part of a range of education pathways for learners within the LSBU Group.

The 2020-25 strategy envisages group income growth to £250m by 2025. The aim is to grow LSBU income through improved student retention, additional recruitment at level 5 (second year of an undergraduate degree) through an associate college network that is being developed, growth in research and enterprise, growth in postgraduate recruitment and growth in apprenticeships.

The Vice Chancellor updated the Board on government policy following the release of a White Paper in January 2021, 'Skills for jobs: lifelong learning for opportunity

and growth'. The LSBU Group vision is broadly in line with the White Paper and presented more opportunities than threats.

The Board noted some challenges from the White Paper including:

- government consultation on the RAB (Resource Accounting and Budgeting) charge for student loans;
- an expectation in the sector that the government may bring in measures to constrain recruitment, for example by bringing in gateway qualifications or trying to reduce the number of 'low quality' courses by setting subject-level thresholds; and
- a growing interest in reviewing how universities are funded. A government consultation was expected in summer 2021.

The Board emphasised the importance of keeping focused on the student experience, building reputation and ensuring that all parts of the group are sustainable.

The Board continued to support the group strategy and was more optimistic than pessimistic about the future.

Finance update

The CFO updated the Board on the financial position of the university, budget planning for 2021/22 and cashflow.

Following the recent IT incident, accounting records were being brought up-to-date. Management accounts for March 2021 had been produced. The university was in a stable position financially.

Budget planning for 2021/22 had begun. The Executive is planning the budget based on:

- broadly steady-state student recruitment for undergraduate and postgraduate with growth in apprenticeships;
- broadly steady-state re-enrolment;
- no increase in operating expenditure; and
- an assumed staff cost uplift (including incremental drift and annual pay increase).

The Executive expects that 2021/22 will be challenging financially.

The Board noted an update on the cash flow position. Key changes to the cashflow position that the University had previously reported to the OFS are:

- an estimated £8m overspend on London Road redevelopment which will require funds in 2021/22; and
- GLA funding for the Nine Elms Skills Centre (NESC) has changed from 50/50 match-funding to GLA initially paying the first 50% and then Lambeth College the second 50%. This means that less funding will be required immediately as the profile has shifted forward into 2022/23.

A £15m revolving credit facility with AIB is being negotiated which will give an additional level of contingency along with the £30m RCF agreed with Barclays. The Board noted that the cash flow risk has moved forward into 2022/23.

Research Excellence Framework (REF) update

With Patrick Callaghan, Dean of the School of Applied Sciences and Chair of the Research Committee, Peter Doyle, Head of Research Office and Karl Smith, Research Impact Manager and REF Coordinator

The Board received an update on LSBU's 2021 REF submission. The REF validates the quality and impact of research in all UK HEIs. It is used to inform the allocation of public funding to university research (approximately £2billion per annum).

The Board noted that in the 2021 submission LSBU had:

- submitted more staff to the REF than before (187FTE up from 102 in 2014);
- submitted to more units of assessment than before (8 up from 7 in 2014); and
- returned more outputs to REF than before (467 up from 400 in 2014).

Following its 2021 submission, LSBU expects to increase its grade point average (a measure of the overall or average quality of research) from 2.52 (2014) to in the region of 2.80.

The REF submission is a result of a more ambitious research strategy. All academic staff are now expected to be engaged in research or enterprise. LSBU's aim is to be in the top 60 universities in the UK and in the top 500 internationally for research.

Knowledge Exchange Framework (KEF) update

The Chief Business Officer updated the Board on the 2021 KEF assessment. The KEF is intended to provide universities with a useful source of data on their knowledge exchange activities, and to provide this information to businesses and other potential stakeholders.

The Board noted that LSBU is included in cluster J, made up of universities of a medium size, with a portfolio in STEM and non-STEM, and a limited level of research.

The Board noted the 2021 baseline assessment, which showed that LSBU was:

- In the top 50% of its cluster for research partnerships;
- In the top 20% for working with business, enterprise and entrepreneurship, and local growth and regeneration;
- In the bottom 40% for working with the public and third sector

The Board noted that, overall, LSBU scored highest in cluster J, and also higher than most of the institutions in cluster E.

The Board noted the work to do in relation to the KEF, including the need to grow research and enterprise income and build more effective 'B2B' engagement.

Transformational growth was required within REI in order to meet the targets set out in the 2025 Strategy.

Delivery in a professional and technical university

The Board received an update on the employability and skills challenge for LSBU, and the step change required for work-based placements and learning, in order to improve graduate outcomes (GO).

The Board noted the government drive to remove courses perceived to be of 'low quality'. GO would be one of the main metrics used to determine course quality. Broadly, LSBU performs better than average in the modern university sector, though there were variations between subject areas. The importance of GO in league table placement was also noted.

The Board noted the strategic and tactical interventions planned for improving LSBU's graduate outcomes as a whole, including:

- skills development to be embedded in every module; and
- co-curricular events involving employers/alumni and linked to curriculum and industry.

The Board noted the new curriculum framework had been approved by the Academic Board, subject to minor amendments.

The Board noted that there was a funding gap of roughly £1m required to deliver the new skills framework. The Executive would continue to work on the funding model

and portfolio review. It was important to promote the benefits to employers of the review.

The Board noted the importance of engagement with businesses to support this work and ensure that an appropriate number of work placements could be offered to students.

Concluding points

The Board noted the importance of effective partnerships with business and with other Higher Education providers. The CBO confirmed that LSBU continued to collaborate on research and enterprise matters with other universities across London.

The Board noted the need for continued investment in staff development and engagement to enable the University and the group to deliver on the 2025 Strategy. The Board is keen for the group's improving reputation to be promoted where possible.

The Chair thanked participants for their input and engagement throughout the day.