

**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.