

## **Meeting of the Board of Governors**

**3.00pm\* on Thursday, 20 March 2014**  
**in 1B27, Technopark, London Road, London SE1**

\* Presentation on Developing our Structures by the Vice Chancellor at 2.30pm

An Appointments Committee (consisting of the Independent Governors) will be held immediately prior to the Board meeting

### **Agenda**

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		Chair
3.	<b>Chairman's Business</b>		
3.1	Minutes of previous meeting (for publication)	BG.01(14)	Chair
3.2	Board succession planning (to discuss and note)	BG.02(14)	Chair
3.3	Chair succession update (to discuss and note)	BG.03(14)	Chair of Chair Nom Com
4.	<b>Matters arising</b>		Chair
4.1	Excellent Student Experience project update	BG.04(14)	PVC(A)
5.	<b>University Strategy</b>		
5.1	Student recruitment, 2014/15 (to discuss and note)	BG.05(14)	PVC(E)
5.2	Project 16-20 report (to discuss and note)	BG.06(14)	PVC(E)
6.	<b>University Performance</b>		
6.1	Vice Chancellor's Report (to note)	BG.07(14)	VC
6.2	Management Accounts summary (to note)	BG.08(14)	CFO

**7. Committee Business**

- |     |                                                                                                                                                         |           |                  |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|
| 7.1 | Reports from committees (to note)                                                                                                                       | BG.09(14) | Committee chairs |
| 7.2 | London Pension Fund Authority 2013 Fund Valuation                                                                                                       | BG.10(14) | CFO              |
| 7.3 | Articles of Association (to approve) <ul style="list-style-type: none"><li>• <i>To approve the Articles of Association in General Meeting</i></li></ul> | BG.11(14) | Sec              |
| 7.4 | Senior Staff Disciplinary procedures (to approve)                                                                                                       | BG.12(14) | COO              |

**8. Governance**

- |     |                                                   |           |     |
|-----|---------------------------------------------------|-----------|-----|
| 8.1 | Governance effectiveness review plan (to approve) | BG.13(14) | Sec |
| 8.2 | Risk Register (to note)                           | BG.14(14) | CFO |
| 8.3 | Declarations of Interest (to authorise)           | BG.15(14) | Sec |

9. Date of next Board meeting: 4pm on Thursday 22 May 2013.

Please note that the annual meeting of the University Court will take place at 5.30pm in the Clarence Centre for Enterprise and Innovation, following today's meeting.

Members: David Longbottom (Chair), Dame Sarah Mullally (Vice Chair), Prof David Phoenix (Vice Chancellor), Barbara Ahland, Steve Balmont, Douglas Denham St Pinnock, Ken Dytor, Louisa Nyandey, Mee Ling Ng, Hilary McCallion, Anne Montgomery, Andrew Owen, Diana Parker, Shushma Patel, James Smith and Jon Warwick.

With: Pro Vice Chancellor (Academic), Pro Vice Chancellor (External), Chief Financial Officer, University Secretary, Chief Operating Officer (for item 7.4) and Governance Officer.

# An enterprising civic university addressing real world challenges

Prof David Phoenix OBE, AcSS, DUniv,  
DSc, FRSC, FSB, FIMA SFHEA

# The Perfect Storm



REDUCED  
HEFCE  
INCOME

REDUCED  
NHS  
INCOME?

REDUCED  
TEACHER  
TRAINING  
INCOME?

RESEARCH  
CONCENTRATION

INTERNATIONAL  
COMPETITION

UK  
COMPETITION

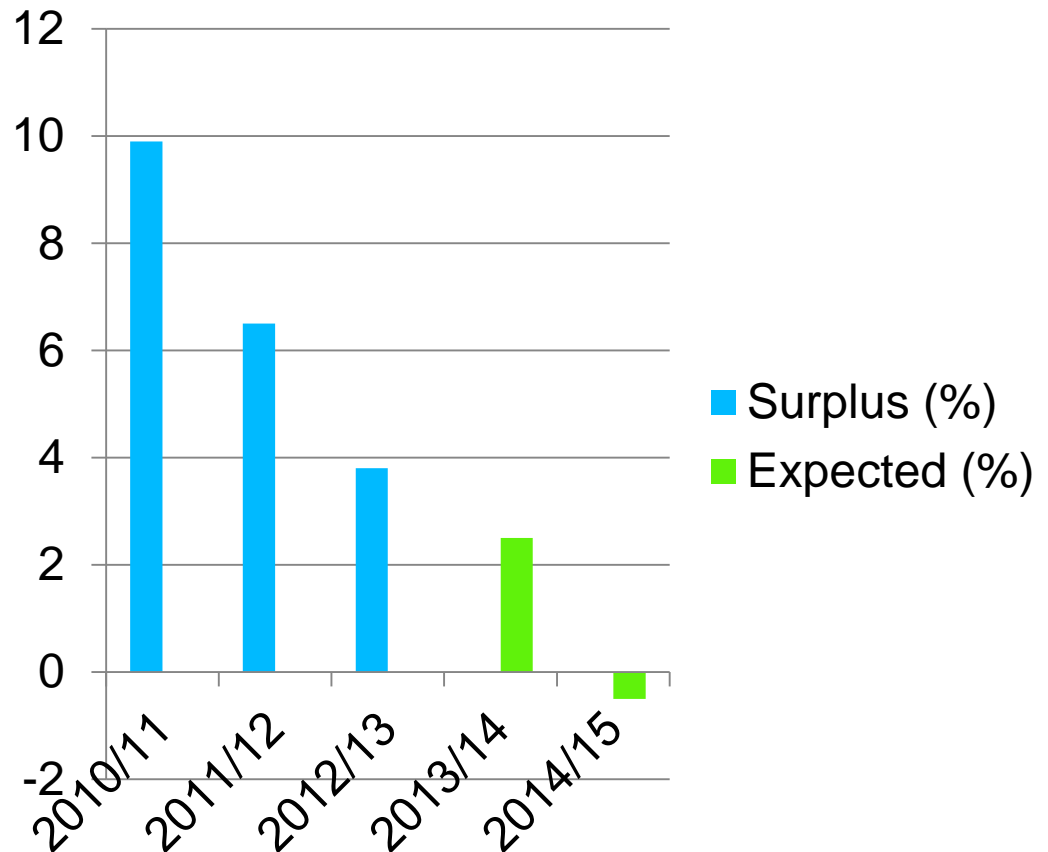
LOAN  
SYSTEM  
AND  
STUDENTS

THE DIGITAL AGE

KEY  
INFORMATION  
SETS

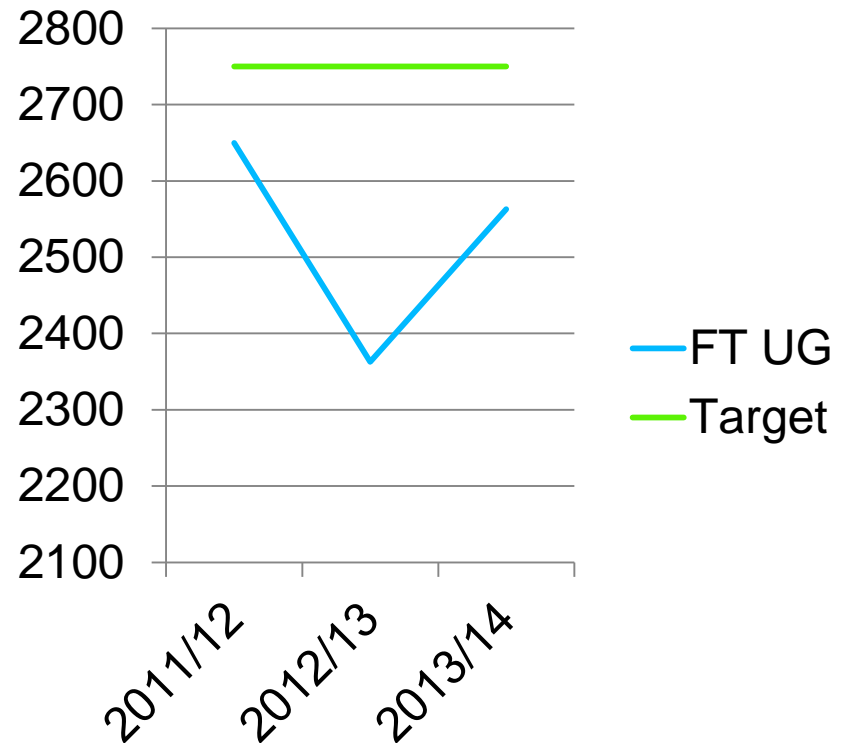
## Income and 'Surplus'

- Falling income: Income for 2010/11 was £145M, for 2011/12 and 12/13 was £138M
- Falling surplus : surplus has fallen over recent years
- Expectation is income will grow as of 2015/16 BUT depends on:
  - Recruitment
  - Retention
  - Growth in research, enterprise and international activity



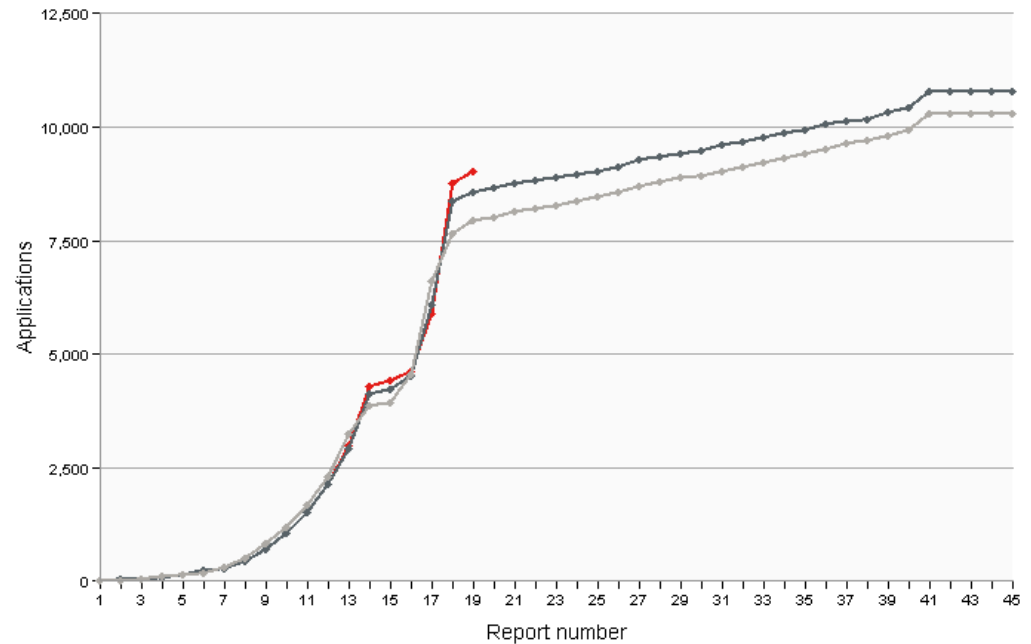
## FT UG Enrolments

- Plan requires 2750 p.a hence 7% below target as of Sept.
- Includes c60 ABB equivalents
- Reliant on clearing for c35% in 2013
- 1 in 5 applicants convert to enrolments
- Good growth potential in key areas (Creative Industry, Applied Science, Engineering)



## Application Data 27<sup>th</sup> January (Excluding HSC)

- c9000 applications to date
- 5.1% rise on 2013 compared to national rise of 4.3%



# Retention

## NSS

	2010	2011	2012	2013
<b>Overall Satisfaction</b>	80	77	80	82
<b>Teaching</b>	81	79	81	82
<b>Assessment and Feedback</b>	65	62	68	67
<b>Academic Support</b>	69	68	73	74
<b>Organisation and Management</b>	69	68	71	70
<b>Learning Resources</b>	79	77	78	80
<b>Personal Development</b>	80	79	81	82

## Progression

	10/11	11/12	12/13
Year 1 (L4) progression	60%	65%	64%

## OIA Complaints:

2011/12 – 81

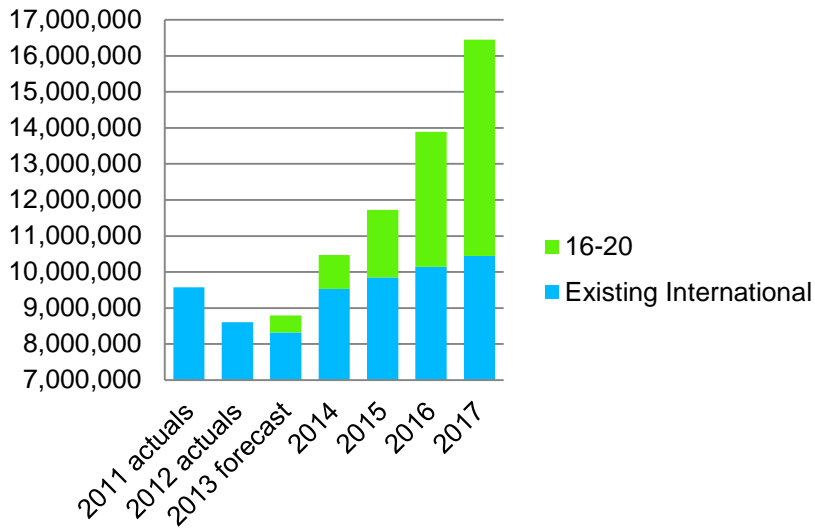
2012/13 - 124



# New Income

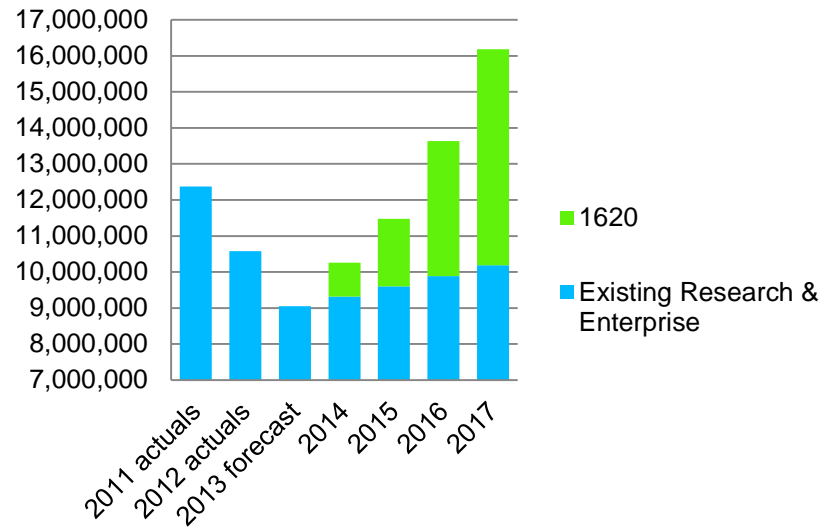
## Overseas activity

**International income per 5 year  
forecast**



## Research and enterprise

**Research & Enterprise income  
per 5 year forecast**



# An enterprising civic university addressing real world challenges

- Build on our reputation for professional, evidence based courses and applied research and enterprise
- Will need to be creative and entrepreneurial in all we do
- Builds on our history as an institution created for support of the local community

# Developing the strategy

- **Student Success:** Ensuring we are externally recognized for providing a personalised, high calibre education which equips graduates for employment and prepares them to make a positive contribution to society.
- **Real World Impact:** Ensuring we are seen to provide dynamic evidence based education which is underpinned by research and enterprise activity with real world impact.
- **Chosen Partner for Change:** Ensuring we are actively engaged with our communities and seen as a partner of choice by entrepreneurial organisations seeking to address current and future challenges facing society.

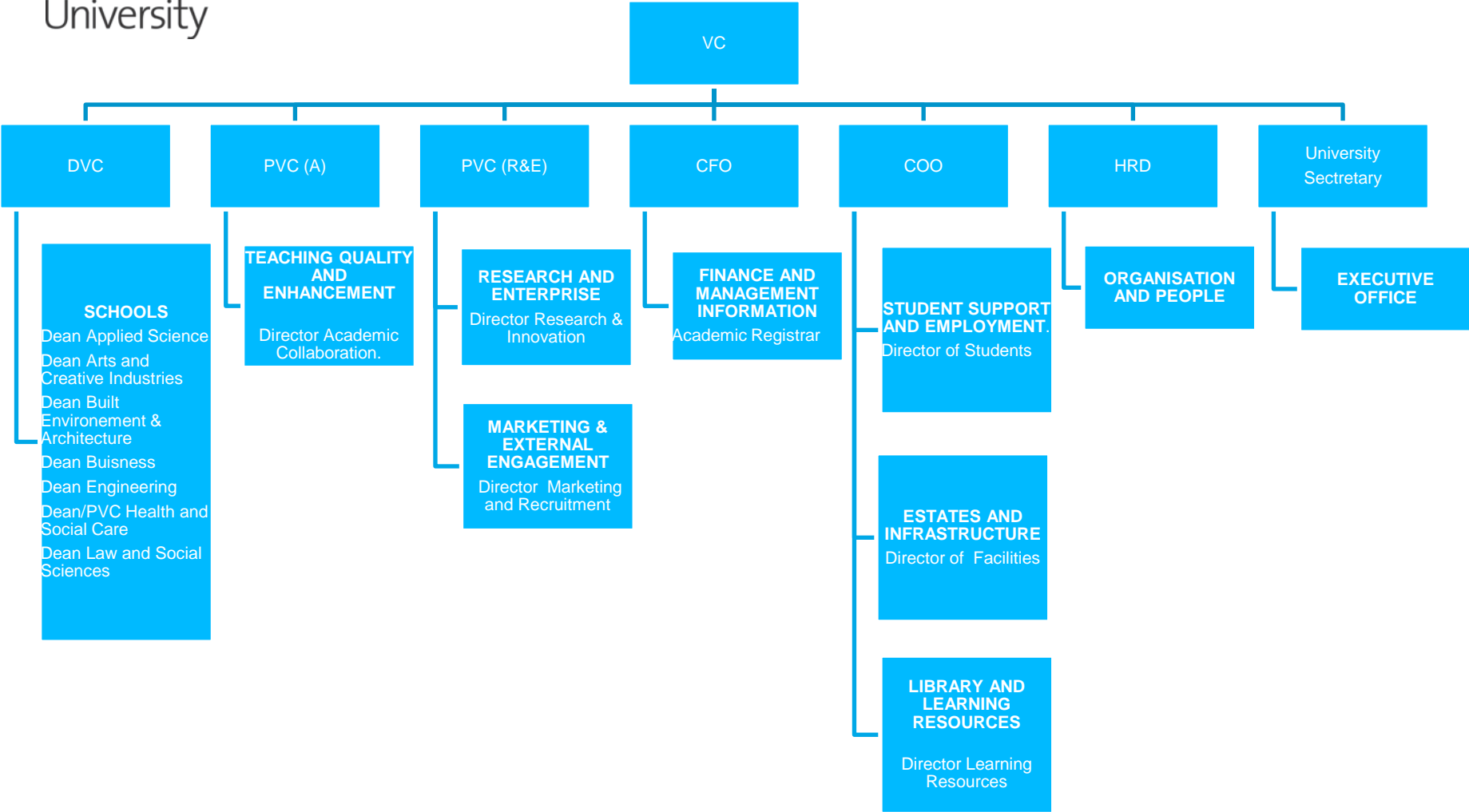
# New Schools

School	Composition
<b>Business</b>	Accounting and Finance Business Studies Informatics Management
<b>Arts and Creative Industries</b>	Arts and Media Culture, Writing and Performance
<b>Law and Social Sciences</b>	Law Social Sciences Urban Environment and Leisure Studies Education
<b>Engineering</b>	Engineering and Design Chemical and Petroleum Engineering (from Applied Science)
<b>Built Environment and Architecture</b>	Built Environment (which currently includes Architecture) Urban Engineering
<b>Applied Science</b>	Applied Science Department excluding Chemical and Petroleum Engineering Psychology National Bakery School
<b>Health and Social Care</b>	Adult and Midwifery Allied Health Sciences Childrens' Nursing Institute of Vocational Learning Mental Health and Learning Disabilities Primary and Social Care

# London South Bank University

Service Group	Purpose
Teaching Quality and Enhancement	Maintain the academic integrity, lead on the technology enhanced learning and curriculum development.
Student Support and Employment	To deliver consistent information, support and services to LSBU students from enrolment to employment
Research and Enterprise	To support the engagement of staff and students in Research and Enterprise activity to build reputation and enable the diversification of the University's income streams
Marketing and External Engagement	To enable sustainable recruitment of new students nationally or internationally. To support, activities which will enhance the reputation of LSBU
Finance and Management information	To facilitate the University's business planning and performance and provide a central source of consistent financial and non-financial information
Organisation and People	The key interface with staff to deliver consistent information, support and services
Estates and Infrastructure	To ensure the creation of an environment, both physical and digital, that can meet the demands of the current and future cohorts of staff and students.
Library and Learning Resources	To provide staff and students with access to and support in using a wide range of academic information, resources and specialist facilities
Executive Office	To uphold the university's legal rights, oversee governance arrangements and provide independent assurance on the provision of information to external stakeholders.

# London South Bank University



## Next steps

- Appoint Deputy Vice Chancellor then Deans;
- Bring Faculty Offices in current form under one line manager;
- Appoint Programme Director and put change programme in place;
- Finalise strategy

# Questions



Appendix to the pack – BIS Funding Letter, 2014-15

Included in the pack for information



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for Business  
Innovation & Skills

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Tim Melville-Ross  
Chair  
HEFCE

Email: [t.melville-ross@hefce.ac.uk](mailto:t.melville-ross@hefce.ac.uk)

10 February 2014

Dear Tim,

## **HIGHER EDUCATION FUNDING 2014-15**

We are writing with details of the allocations we will make to the Funding Council for 2014-15 under section 68 of the Further and Higher Education Act 1992 and the priorities we wish to set the Council for that year.

The progressive implementation of our higher education reforms has put the system on a sound foundation. Combining HEFCE recurrent grant for teaching and estimated fee income from students subject to regulated fees, the resource for teaching rose from around £7.9bn in 2011-12 to almost £8.5bn in 2013-14. The Chancellor's Autumn Statement provided further funding to enable an expansion of higher education places and to increase levels of resource for the teaching of high cost subjects such as science and engineering.


However, in the context of stretched public finances, it has been necessary to make reductions to the indicative recurrent teaching budget for 14-15. Further recurrent savings will be required in 15-16. It is for you to take decisions on how you allocate your budgets. But you should deliver savings in ways that protect as far as possible high cost subjects (including STEM), widening participation and small and specialist institutions.

Set against these reductions in recurrent teaching grant, we are increasing Government investment in teaching capital in both years. This includes a £200m investment in STEM capital to ensure cutting edge teaching facilities. Research capital spend is also increasing, and research resource spend is being maintained. This will enable you to deliver our agenda for research and economic growth.

Finally, we think the sector needs to make greater progress in delivering efficiencies. Students will rightly expect value for the fees they pay. We would like HEFCE to work with BIS and Treasury Ministers, the Research Councils and Vice Chancellors to build on the Diamond and Wakeham reviews to drive further and faster improvements. There are excellent examples of good practice to build on. We are very concerned about the substantial upward drift of salaries of some top management. We want to see leaders in the sector exercise much greater restraint as part of continuing to hold down increases in pay generally.


The annexes to this letter set out the funding figures for 2014-15 and indicative figures for 2015-16, the priorities we want you to address when allocating this funding and the conditions of grant.

This letter is being copied to Madeleine Atkins.

A handwritten signature in blue ink, appearing to read 'Vince Cable', with a large, sweeping flourish at the end.

**THE RT HON VINCE CABLE MP**

Secretary of State for  
Business, Innovation and Skills

A handwritten signature in black ink, reading 'David Willetts', in a cursive style.

**THE RT HON DAVID WILLETTS MP**

Minister of State for  
Universities and Science

## **Annex 1: Funding Priorities**

### **Introduction**

1. The Chancellor's Autumn Statement provided some positive outcomes for higher education. But public finances remain stretched and there is an increasing need to deliver efficiencies. BIS must continue to contribute to overall savings across Government and Higher Education, like other areas of public spending, has to take its share of savings.

2. The financial table (annex 2) sets out the funding figures for 2014-15 and indicative allocations for 2015-16. The pressures on BIS mean that it has been necessary to make reductions to the recurrent teaching grant budget in 2014-15 and in 2015-16. To give HEFCE as much flexibility as possible in managing these reductions we are mainstreaming into HEFCE budgets, government contributions of £62m to access and student success in 2014-15. After accounting for this mainstreaming and funding provided at the Autumn Statement for additional student places, there is a net reduction of £45m on the indicative 14-15 allocation for recurrent teaching grant in last year's grant letter. £20m of this will be compensated with extra capital funding. We are making £185m available, over four years, from 2015-16, to allow HEFCE to increase the unit of funding, supporting institutions to deliver high quality STEM provision. It is for you to take decisions on how you allocate the revised figures. But you should deliver savings in ways that protect as far as possible, high cost subjects (including STEM), widening participation and small and specialist institutions.

3. In September, we announced a new, £200 million, capital investment in 2015-16 fund for high cost subjects like Science Engineering and Technology. Matched by equal investment from institutions, this will invest some £400m in the creation and upgrading of teaching facilities to ensure students receive a high quality HE experience that fully equips them for the economy of the future. We will look to the Council to administer this fund and will write to you separately to provide further detail of the approach we want you to follow.

### **Social Mobility**

4. Government remains committed to improving access to higher education through a new framework that places increased responsibility on institutions to widen participation. We continue to support the Council's joint work with OFFA to help focus activity and funding where the evidence of positive impact is greatest. This includes HEFCE support for the development of a country-wide collaborative outreach network (for which we have provided funding, refocused from the National Scholarship Programme). However, in view of the forthcoming changes to student number controls (set out in the paragraph below), and evidence from recent application and admission data, you may wish to reconsider what you require from institutions by way of their widening participation strategies in 2014/15 and 2015/16.

5. The new funding system places greater responsibility on institutions to fund access and retention activities, including supporting students in cases of hardship. Spending by institutions with access agreements over the next two years is planned to exceed £680m and £690m consecutively. We expect the Council to continue to use the

best available evidence to maximise the impact of its funding and to simplify funding streams where they seek to deliver a similar objective. We therefore want you to bring together funding which supports student retention and success, specifically the Student Opportunity fund and the Access to Learning Fund. As you continue to support institutions to improve access for students with disabilities we want you to work with the Department in 2014-15 to review the way in which they use disability funding.

6. In 2015/16 government will invest an additional £50 million (refocused from the National Scholarship Programme as announced in the Spending Review) to help remove barriers to participation in postgraduate education. We want HEFCE to direct and administer this investment. We have agreed in principle that HEFCE will also assume responsibility for Professional and Career Development Loans subject to the outcome of due diligence activity from January 2014. Depending on the outcome of this work, the Council should work closely with the Skills Funding Agency and BIS to agree the date to take control of the scheme and develop options for managing this activity in future.

### **Teaching Quality and Enhancing the Student Experience**

7. Students clearly have the right to expect the highest quality learning opportunities. We want the Council to develop mechanisms that protect and assure the quality of the academic student experience when we remove student number controls in 2015/16.

8. The Council's review of public information on higher education should consider whether there are better indicators, such as measures of student engagement, to provide information on what a high quality student experience looks like. We expect the Council to continue to identify improvements through pilot studies over the coming year as well as setting in train longer term improvements for the benefit of future cohorts. The work should include providing students with greater transparency on how institutions use income and how we can maximise the impact of the QAA's guidance to institutions on publishing staff teaching qualifications, student evaluations, class size and student workload.

### **Science and Research**

9. The ring fenced settlement for Science and Research resource means that we can continue to support research and related training through to 2015-16 through the Dual Support framework. You should continue to work with the Research Councils to sustain the international competitiveness of the UK research base, to ensure that the overall impact agenda is delivered coherently. You should work with Research Councils and the National Academies to address collectively issues such as health of disciplines and research careers. Funding allocations for HEFCE for research, knowledge exchange and research capital for 2014-2015 and 2015-2016 are set out in the attached finance table.

10. You should continue to take forward funding both for research and for support for the next generation of researchers, by selectively funding on the basis of only internationally excellent research, and protecting funding leveraged from external sources such as the charitable and business sectors.

11. We are providing further allocations for the UK Research Partnership Investment

Fund of £100million pa for years 2015-16 and 2016-17 to support major research infrastructure projects in universities and colleges undertaking world-leading research and stimulating university/business collaboration in key industries. You should ensure that research projects supported must lever committed private co-investment amounting to at least £2 for every £1 from the Fund.

### **Progress on Research Excellence and Knowledge Exchange**

12. The Government is committed to providing incentives which enhance the economic and social impact of research and looks forward to the publication of the outcomes of the Research Excellence Framework 2014 by the end of 2014. You should use these outcomes to inform research allocations from 2015 onwards. Increasing Open Access (OA) to research outputs is a key Government objective which should be supported by research assessment methodology and by the QR research funding stream in due course.

13. University collaboration with industry provides a notable competitive advantage for the UK. The Government is committed to a long-term and fully rounded approach to funding all forms of knowledge exchange with all forms of partner through HEIF. In this context, the Council has committed to continue to support Knowledge Exchange funding through HEIF, for which £113m pa is specifically included from within the Science and Research budget, and to provide additional support for high knowledge exchange performance through HEIF where affordable. In allocating these funds, the Council should consider the issues raised in Sir Andrew Witty's review of Universities and Growth and should balance as far as possible our key priorities. These are:

- To make sure that the system of allocation is reasonably dynamic and rewards up-to-date performance
- To incentivise and give additional reward for measurable performance with SMEs
- To have an element of long-term predictability in the funding, including a de minimis cut-off at an appropriate level.

14. The Council is funding and supporting the development of the National Centre for Universities and Business (NCUB) which we see as a key driver of enhanced university/business activity, for example through its work to investigate improved brokerage services between business (especially SMEs) and universities.

15. Building on the work which HEFCE has done with TSB, RCUK and UUK we want HEFCE to further support universities engagement with Local Enterprise Partnerships and Local Authorities, particularly taking account of smart specialisation priorities where universities can make a distinctive contribution.

### **Efficiency**

16. There is an onus on institutions to demonstrate that they offer value for the fees students pay. At the same time, there remains a cross Government imperative to ensure that public money is spent efficiently. We are concerned about the substantial upward drift of salaries of some top management. We want to see leaders in the sector exercise much greater restraint here as part of continuing to hold down increases in pay generally. On research, you should deliver efficiency savings from Quality Related (QR)

recurrent research funding of at least £238 million over the period 2011-15 to be reinvested within QR. You should continue to work with the Research Councils to ensure that institutions take forward actions recommended by the Wakeham review to reduce indirect costs associated with research and related postgraduate training. In achieving these efficiencies you should encourage HEIs to collaborate, this includes through greater sharing of research equipment and infrastructure. We note your contributions to the work of the sector in implementing the recommendations of the Diamond review. We think it essential that the sector makes greater progress. So we would like the Council to work with BIS and Treasury Ministers, the Research Councils and Vice Chancellors to build on the Diamond and Wakeham reviews to drive further and faster improvements in efficiency, for example, considering pension costs and ways to reduce regulatory and bureaucratic burden. Ministers from this Department and HM Treasury have also asked Professor Sir Ian Diamond to carry out a further review of efficiency in Higher Education Institutions. We want the Council to work with Professor Diamond's review, which aims to produce an interim report in Summer and present final conclusions by February 2015.

## **Regulation**

17. The sector has a long tradition of independent regulation and co-regulation. Before introducing new regulations the Government wants HEFCE to continue working with sector representative bodies to develop a regulatory agreement that the sector will consult on shortly. We will ask HEFCE to monitor compliance with this agreement on behalf of Government, and expect you to act in a proportionate manner in promoting adherence to the agreement. If the sector embraces the agreement the new regulations may prove unnecessary.

## **Funding and Student Numbers**

18. The Chancellor announced in the Autumn Statement that Government will provide a maximum of 30,000 additional full-time student places in 2014/15 for HEFCE funded institutions and remove student number controls altogether in 2015/16 for publicly funded institutions. The Autumn Statement provided additional grant funding to ensure that institutions choosing to expand can maintain the quality of their provision for high cost subjects, and can continue to support widening participation and retention. In allocating student places in 2014/15, the Council should retain our high grades policy and the new flexibilities described in the outcomes of your consultation on student number controls for 2014/15 and beyond, which you published in September. In particular, we endorse your proposals to give greater flexibility to institutions which demonstrated strong recruitment in 2013/14. We want all popular universities and colleges to be able to expand and would like to see institutions in franchising arrangements allowing their FE partners to expand their provision to meet demand. We do not expect you to continue to monitor average fees at institutions which gained places from the core and margin process, though the Council should assure itself that those institutions are meeting their commitments in relation to the fees being charged to the relevant cohorts of students from 2012/13 and 2013/14. To support the removal of student number controls in 2015/16, the Council should develop mechanisms and corrective actions to ensure institutions maintain the quality of the student experience even when the size of their student population changes rapidly.

19. We remain committed to supporting high quality alternative providers in the HE

sector. We have made clear our intention to introduce student number controls for alternative providers in 2014/15, based on 2012/13 recruitment levels overall and reasonable, evidenced expansion plans. Our policy intent from 2015/16 is to replicate, as far as possible, for alternative providers, the arrangements for HEFCE funded institutions but we will retain controls for high risk providers.

20. We are removing student number controls to promote individual opportunity, support long term economic growth and promote social mobility. However, there remains a need to ensure that public funds are spent effectively and we continue to look to the Council to take action, where necessary, to ensure this. So, we are asking the Council to recoup unanticipated student support costs from over recruitment, in 2013/14, by publicly funded institutions. As we set out in our last grant letter to the Council, we would like this to be on the basis of cost recovery in 2013/14. To achieve this, grant adjustments should reflect both the average life time and the upfront outlay cost to Government of providing student support, recognising this latter is particularly influenced by the different fees institutions charge. So, we are asking you to make adjustments to institutions' allocations for each full time under-graduate and PGCE student recruited above the permitted level in 2013/14 as follows:

- a. by £5,000 for institutions charging average fees after fee waivers of up to £6,000; and
- b. by £1,000 less than the average fee after fee waivers charged by institutions that, on the basis of an OFFA Access Agreement, make an average charge exceeding £6,000.

The arrangements for recouping grant for unanticipated student support costs from previous years remain unchanged. We will confirm the arrangements for over recruitment should it occur in 2014/15, in the normal way, in our grant letter to the Council for 2015-16. But, you should plan on the basis that our approach will be similar to that set out above.

21. At this point we wish to retain intake targets for undergraduate courses in medicine and dentistry, reflecting the need to manage the supply of newly qualified doctors and dentists and the high costs of their training. It remains important that institutions do not exceed their intake targets to these courses and we therefore ask the Council to impose further sanctions on institutions that continue to over-recruit, including reductions to grant that reflect the cost to Government of providing student support for the excess numbers recruited (set out in paragraph above).

### **Condition of Grant on Regulated Fees**

22. In accordance with the Secretary of State's duty under Section 23 of the Higher Education Act 2004, the Secretary of State is hereby imposing a condition on this grant to HEFCE for the Academic Year 2014/15, requiring them in turn to impose a condition, in accordance with section 24, on financial support given to the governing body of a relevant institution. The details of this condition of grant are set out in annex 3 attached.





**Annex 2: Funding for the HE sector via HEFCE and tuition fee income for 2014-15 and 2015-16**

<b>All figures in £m</b>	This table shows the funding allocations for the HE sector for 2014-15 and Science and Research funding allocations for period up to 2015-16	<b>Baseline</b>	<b>Budget</b>	<i><b>Indicative allocations except for Research which are funding figures</b></i>
		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>a</b>	Recurrent grant for Teaching	2,861	1,915	1,669
<b>b</b>	Recurrent grant for Research	1,573	1,573	1,573
<b>c</b>	Recurrent Grants sub-total for HE (a+b)	4,434	3,488	3,242
<b>d</b>	HEIF	113	113	113
<b>e</b>	Total recurrent grant for English HEIs (c+d)	4,547	3,601	3,355

<b>Additional Funding</b>				
<b>f</b>	Access to Learning Fund	37	-	-
<b>g</b>	National Scholarship Programme	100	50	-
<b>h</b>	Postgraduate Provision	-	-	50

<b>Capital funding to HEIs</b>				
<b>i</b>	Teaching capital	79	154	300
<b>j</b>	Research Capital	251	286	303
<b>k</b>	Total Capital Grants (i+j)	330	440	603

<b>l</b>	Total funding for HE via HEFCE (e+f+g+h+k)	5,014	4,091	4,008
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<b>Estimated fee income</b>				
<b>m</b>	Estimate of fee income from students subject to regulated fees	5,600	7,000	8,200
<b>Total</b>				
<b>n</b>	Total of HEFCE funding plus estimated fee income (l+m)	10,600	11,100	12,200

**Notes**

1) The amounts set out above are the Council's resource and capital budgets. They represent the maximum amount of resource and capital that the Council may consume in pursuance of the priorities agreed with the Department for the Spending Review

period. Figures may not sum due to rounding. Funding must not be moved between the recurrent, capital and non-cash resource lines, without explicit agreement from BIS. If the department's level of overall funding is decreased due to wider events or in order to cover other unavoidable financial pressures, the Department may, within the framework set by Parliament and the courts, need to make in year adjustments to allocations to our Partner Organisations in order to meet budget reductions.

2) The figures at 'a' in the above annex include £28m per year for the inherited staff liability. This amount represents the cash utilisation of HEFCE's provision and the charge against programme resource DEL: it does not include the unwinding, release, or revaluation of provision, all of which are charged against AME with budget amounts confirmed outside of this grant letter.

3) HEFCE will receive a separate letter detailing their administrative budget for 2014-15, but they should expect to make further contributions in 2015-16 to the Department's overall real terms reductions in administrative budgets. As in previous years, HEFCE will receive a separate letter confirming their finalised 2014-15 unrounded resource and capital budget totals.

4) Figures at 'a' include from 14-15 the government contribution (BIS and DoH) to the Access to Learning Fund and funding to pump prime a new national network supporting outreach activity, refocused from savings already announced to the National Scholarship Programme

5) Last year, Government announced £75 million postgraduate support funding. In December 2013, HEFCE announced the 20 recipients of the £25 million PSS funding, who will run a range of pilot projects to test options for finance and activity aimed at stimulating progression into taught postgraduate education, particularly among the under-represented groups and in areas that support the Government's ambitions for economic growth. After evaluating the success of these projects, a further one-off £50 million will be invested in 2015/16 to support students by removing barriers to participate in postgraduate education. Evidence from this investment will also help shape government policy beyond 2015/16.

6) Although it is not part of the Council's settlement, the figures also show the anticipated level of fee income from UK/EU undergraduates subject to regulated tuition fees in each of the financial years in question from both student loans and up-front payments. These figures include the estimated fee income from increased student entrants, announced in the Autumn Statement.

7) The table below shows allocations for Science and Research for the remainder of the current Spending Review period plus those for 2015-16. This includes an additional capital allocation for the UK Research Partnership Investment Fund which HEFCE is administering, working in collaboration with Devolved HE funding bodies.

<b>£ Millions</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Total</b>
Science and Research Funding	1,937	1,973	1,989	5,899
o/w Recurrent grant for Research	1,573	1,573	1,573	4,719
o/w HEIF	113	113	113	339
o/w Research Capital England	67	55	117	239
o/w HEI Research Capital England	64	72	86	222
o/w UK-RPIF	120	160	100	380

8) Recurrent teaching grant for 13-14 and 14-15 has been adjusted by £2m in each year to reflect the transfer of specific funding from BIS to DELNI.



### **Annex 3: Conditions of Grant on Regulated Fees**

1. In accordance with the Secretary of State's duty under Section 23 of the Higher Education Act 2004, the Secretary of State is hereby imposing a condition on this grant to HEFCE for the Academic Year 2014/15, requiring them in turn to impose a condition, in accordance with section 24, on financial support given to the governing body of a relevant institution.

2. The condition that HEFCE must impose on the governing body of every relevant institution is that:-

- a) where an institution has an approved plan ("the plan") by the Director for Fair Access ("the Director") applying to students studying in the academic year 2014/15, its governing body must secure that in respect of that academic year the fees payable by a qualifying person in connection with his undertaking a qualifying course do not exceed the limit provided for that course in the plan for that academic year, and,
- b) the governing body must comply with the general provisions of the plan;
- c) where an institution does not have an approved plan for a student cohort in the academic year 2014/15, its governing body must secure that in respect of that academic year the fees payable by a qualifying person in connection with his undertaking a qualifying course do not exceed the basic fee cap.

3. Fees has the meaning set out in Section 41 of the Higher Education Act 2004 and in the Education (Student Fees) (Exceptions) (England) Regulations 1999 (Statutory Instrument 1999 No. 2265), which continue to apply.

Qualifying courses and persons have the meaning prescribed in the Student Fees (Qualifying Courses and Persons) (England) Regulations 2007, as amended<sup>1</sup>.

4. For students whose full-time courses started before 1 September 2012, the basic and higher amounts for the 2014/15 Academic Year are specified in the Student Fees (Amounts) (England) Regulations 2004 as amended by the Student Fees (Basic and Higher Amounts) (Approved plans)(England)(Amendment) Regulations 2012. For these courses, the basic amount will be £1,380, or £680 where regulation 5 of the 2004 Regulations applies, and the higher amount, £3,465, or £1,725 where regulation 5 of the 2004 Regulations applies.

5. For students whose full-time courses started on or after 1 September 2012<sup>2</sup>, for

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<sup>1</sup> Statutory Instrument 2007/778, as amended by Statutory Instruments 2007/2263, 2008/1640, 2011/87 and 2012/1653.

<sup>2</sup> Certain students are treated differently and the details are set out in regulation 3 of the Higher Education (Higher Amount) (England) Regulations 2010 as amended by the Student Fees (Basic and Higher Amounts) (Approved Plans) (England)(Amendment) Regulations 2012, and regulation 3 of the Higher

the academic year 2014/15, the basic amount under the Higher Education (Basic Amount) (England) Regulations 2010 is £6,000. The higher amount under the Higher Education (Higher Amount) Regulations 2010 is £9,000.

6. For students whose full-time courses started on or after 1 September 2012<sup>3</sup>, for the academic year 2014/15, the basic amount under the Higher Education (Basic Amount) (England) Regulations 2010 as amended by the Education (Fees and Student Support)(Amendment) Regulations 2013 where Regulation 5(1)(a) applies is £3,000. The Higher Amount under the Higher Education (Higher Amount)(England) Regulations 2010 as amended by the Education (Fees and Student Support) (Amendment) Regulations 2013 where Regulation 5(1)(a) applies is £4,500.

7. For students whose full-time courses started on or after 1 September 2012<sup>4</sup>, for the academic year 2014/15, the basic amount under the Higher Education (Basic Amount) (England) Regulations 2010 as amended by the Education (Fees and Student Support)(Amendment) Regulations 2013 where Regulation 5(1)(b) applies is £1,200. The Higher Amount under the Higher Education (Higher Amount)(England) Regulations 2010 as amended by the Education (Fees and Student Support) (Amendment) Regulations 2013 where Regulation 5(1)(b) applies is £1,800.

8. For students whose full-time courses started on or after 1 September 2012<sup>5</sup>, for the academic year 2014/15, the basic amount under the Higher Education (Basic Amount) (England) Regulations 2010 as amended by the Education (Fees and Student Support)(Amendment) Regulations 2013 where Regulations 5 (1)(c) and 5(1)(d) apply is £900. The Higher Amount under the Higher Education (Higher Amount)(England) Regulations 2010 as amended by the Education (Fees and Student Support)(Amendment) Regulations 2013 where Regulations 5(1)(c) and 5(1)(d) apply is £1,350.

9. The basic and higher amounts for students with part-time courses starting on or after 1 September 2012<sup>6</sup>, £4,500 and £6,750 respectively, are specified by the Higher Education (Basic Amount) (England) Regulations 2010 as amended by the Student Fees (Basic and Higher Amounts)(Approved Plans)(England)(Amendment) Regulations 2012 and the Higher Education (Higher Amount) Regulations 2010 as amended by the Student Fees (Basic and Higher Amounts)(Approved Plans) (England)(Amendment) Regulations 2012.

#### *Financial requirements/penalties*

10. The condition that HEFCE must impose on the governing body of every relevant institution must include, in the event of a failure to comply with the condition, the financial requirements set out in paragraphs 11 to 14.

#### *Financial requirements/penalties to be imposed by the Director*

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Education (Basic Amount) (England) Regulations 2010 as amended by the Student Fees (Basic and Higher Amounts) (Approved Plans) (England)(Amendment) Regulations 2012.

3 see footnote 2

4 see footnote 2

5 see footnote 2

6 see footnote 2

11. Where there is a failure to comply with the condition under paragraph **2(a)**, the financial requirement in relation to fees charged which exceed those provided for in the plan but do not exceed the higher fee cap, will be that imposed by the Director in a direction made in accordance with the Student Fees (Approved Plans)(England) Regulations 2004 (“the Approved Plans Regulations”).

12. Where there is a failure to comply with the condition under paragraph **2(b)**, the financial requirement will be that imposed by the Director in a direction made in accordance with the Approved Plans Regulations.

*Financial requirements/penalties to be imposed by HEFCE*

13. Where there is a failure to comply with the condition under paragraph **2(a)**, and the fee payable exceeds the higher fee cap, the financial requirement will be that imposed under paragraph **11** and, in addition, the amount determined by HEFCE in accordance with the following principles:

- (a) an amount of the Teaching and Research Grant which in the opinion of HEFCE equals the amount each student on a course has been charged in excess of the relevant higher fee cap, multiplied by the number of students HEFCE believes to have been overcharged, and,
- (b) 10% of the amount calculated in sub-paragraph (a);
- (c) that the amount determined under sub-paragraphs (a) and (b) will be repaid by the institution to HEFCE, or withheld from grant, and retained until the institution has satisfied HEFCE that reasonable efforts have been made to repay the amount charged in excess of the higher fee cap, either to every qualifying person overcharged, or to the Student Loans Company, as the case may be. Once HEFCE is so satisfied by a date it determines, the amount retained, or a proportion of that amount, will be repaid or given in grant to the institution;
- (d) the following further principles also apply:
  - (i) where it appears to HEFCE that an institution does not intend to comply with the higher fee cap, an amount up to the maximum of the total Teaching and Research grant for the current or any future grant period may be withheld from grant,
  - (ii) where it appears to HEFCE that a breach of the higher fee cap is minor or accidental there will be no financial penalty additional to that set out in sub-paragraphs a-c, and
  - (iii) in any other circumstances, an amount in the current grant period HEFCE considers appropriate in view of the severity of the failure to comply with the higher fee cap, up to a maximum of £500,000 less any



amount already imposed by the Director under paragraph 11, to be repaid by the institution to HEFCE or withheld from grant;

- (e) an amount determined under sub-paragraph (d) must not exceed in any grant period the total amount received from HEFCE in that grant period, less any amount withheld under subparagraphs a-c and the amount of any financial requirement imposed by the Director in a direction. An amount determined under sub-paragraph (d) will not be paid or repaid to the institution.

14. Where there is a failure to comply with the condition under paragraph **2(c)**, the financial requirement will be the amount determined by HEFCE in accordance with the following principles;

- (a) an amount of the Teaching and Research Grant which in the opinion of HEFCE equals the amount each student on a course has been charged in excess of the basic fee cap, multiplied by the number of students the HEFCE believes to have been overcharged, and,
- (b) 10% of the amount calculated in sub-paragraph (a);
- (c) that the amount determined under sub-paragraphs (a) and (b) will be repaid by the institution to HEFCE, or withheld from grant, and retained until the institution has satisfied HEFCE that reasonable efforts have been made to repay the amount charged in excess of the basic fee cap, either to every qualifying person overcharged, or to the Student Loans Company, as the case may be. Once HEFCE is so satisfied by a date it determines, the amount retained, or a proportion of that amount, will be returned or given in grant to the institution;
- (d) the following further principles also apply:
  - (i) where it appears to HEFCE that an institution does not intend to comply with the basic fee cap, an amount up to the maximum of the total Teaching and Research grant for the current or any future grant period may be withheld from grant,
  - (ii) where it appears to HEFCE that a breach of the basic fee cap is minor or accidental there will be no financial penalty additional to that set out in sub-paragraphs a-c, and
  - (iii) in any other circumstances, an amount in the current grant period HEFCE considers appropriate in view of the severity of the failure to comply with the basic fee cap, up to a maximum of £500,000, to be repaid by the institution to HEFCE or withheld from grant.
- (e) An amount determined under sub-paragraph (d) must not

exceed in any grant period the total amount received from HEFCE in that grant period, less any amount withheld under subparagraphs a-c. An amount determined under subparagraph (d) will not be paid or repaid to the institution.

	PAPER NO: BG.01(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Minutes of the meeting of 21 November 2013	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	That the Board approves the minutes of its last meeting and the redactions for publication	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Published on the university's website	

### **Executive Summary**

The Board are requested to approve the minutes of the meeting of 21 November 2013 and the proposed redactions for publication.

Minutes of a Meeting of the Board of Governors  
held at 3.45pm on Thursday, 21 November 2013  
in room 1B27, Technopark, London Road, London SE1

**Present**

David Longbottom	Chairman
Dame Sarah Mullally	Vice Chair
Prof Martin Earwicker	Vice Chancellor and Chief Executive
Barbara Ahland	SU President ( <i>for minutes 3 - 44</i> )
Steve Balmont	
Douglas Denham St Pinnock	
Ken Dytor	
Prof Hilary McCallion	
Anne Montgomery	
Mee Ling Ng	
Louisa Nyandey	( <i>for minutes 3 - 44</i> )
Andrew Owen	
Diana Parker	
Prof Shushma Patel	( <i>for minutes 3 - 44</i> )
Prof Jon Warwick	( <i>for minutes 3 - 44</i> )

**With**

Prof David Phoenix	Vice Chancellor Designate
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**Apologies**

James Smith

**External Auditor**

David Barnes	Grant Thornton ( <i>for minutes 32 - 44</i> )
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**In attendance**

Prof Rao Bhamidimarri	Executive Dean, Faculty of Engineering, Science and the Built Environment ( <i>for minutes 25 – 27</i> )
Prof Phil Cardew	Pro Vice Chancellor (Academic) ( <i>for minutes 3 - 44</i> )
Richard Flatman	Executive Director of Finance ( <i>for minutes 3 - 44</i> )
Beverley Jullien	Pro Vice Chancellor (External) ( <i>for minutes 3 – 13</i> )
Ian Mehrtens	Executive Director of Corporate Services ( <i>for minutes 20 – 29</i> )
James Stevenson	University Secretary and Clerk to the Board of Governors
David Swayne	Chief Information Officer ( <i>for minutes 20 – 24</i> )
Michael Broadway	Governance Officer ( <i>for minutes 3 - 44</i> )

**Deputy Vice Chancellor**

1. In the absence of student and staff governors and other members of the Executive, the independent governors, the Vice Chancellor and Vice Chancellor Designate discussed a proposal by the Vice Chancellor Designate to create an additional senior post of Deputy Vice Chancellor (paper **BG.65A(13)**). The role would be a senior post holder and as such appointed by the Board.
2. The Vice Chancellor Designate reported that he would be consulting with members of the Executive on Friday 22<sup>nd</sup> November 2013 on the transition to Schools (previously approved by the Board) and the impact on the existing senior management structure.

*Barbara Ahland, Louisa Nyandey, Prof Shushma Patel, Prof Jon Warwick, Prof Phil Cardew, Richard Flatman, Beverley Jullien and Michael Broadway joined the meeting*

**Welcome and Apologies**

3. The Chairman welcomed the rest of the Board and members of the Executive to the meeting. The Chairman welcomed Professor Phoenix, Vice Chancellor Designate, to his first meeting as an observer.
4. Apologies for the meeting had been received from James Smith.

**Declaration of Interests**

5. Sarah Mullally declared an interest in paper BG.74(13). Her husband works for SAP, listed as a potential competitor to IBM for the project. The Board agreed that this was not a conflict of interest.
6. No other Board member declared an interest in any item on the agenda.

**Minutes of the previous meeting**

7. The Board approved the minutes of the Board meeting of 17<sup>th</sup> October 2013 subject to minute 17 reading “defined contribution scheme” rather than “defined benefit scheme”. The Board approved the proposed redactions for publication.

**Re-election of Vice Chair**

8. As required by the Articles, the Board re-elected Dame Sarah Mullally to serve for a further year as Vice Chair of the Board (paper **BG.66(13)**).

**Chair succession update**

9. The Board noted an update on Chair succession (paper **BG.67(13)**). Odgers Berndtson had been appointed to lead the search and would report to the Chair Nomination Committee with a shortlist at the beginning of February 2014.

**Matters arising**

10. The Board approved Professor Phoenix as an authorised signatory of the University effective from 1<sup>st</sup> January 2014 (tabled paper). The Board approved the removal of Professor Earwicker as an authorised signatory effective from 1<sup>st</sup> January 2014. The current authorised signatories are: the Vice Chancellor; the two Pro Vice Chancellors; the Executive Director of Finance; and the University Secretary.

**October strategy day summary**

11. The Board noted a summary of the Board strategy day of 23<sup>rd</sup> October 2013 (paper **BG.68(13)**).

**Project “16-20” update**

12. The Board noted an update on project “16-20” (paper **BG.72(13)**). The Board requested an in-depth review of project “16-20” at its meeting of 20<sup>th</sup> March 2014.

**Student recruitment**

13. The Board noted a summary on recruitment for 2012/13 and learnings from the cycle (paper **BG.77(13)**). Overall, recruitment was broadly in line with budget and c.10% ahead of the previous year.

*Beverley Jullien left the meeting*

**Vice Chancellor's report**

14. The Board noted the Vice Chancellor's report (paper **BG.70(13)**). It was reported that the new external website had been launched on 5<sup>th</sup> November 2013 and had been completely redeveloped and redesigned from a user perspective.
15. The Board noted the final key performance indicators (KPI's) for 2012/13. Financial performance for the year had been strong and there was steady progress on improving academic outcomes. The Board was keen to see the percentage of students graduating in intended period improve from the current level of 51%.
16. The Board requested more detailed explanations for the current performance of the individual KPI's.

**Key performance indicator targets and ranking criteria, 2013/14**

17. The Board discussed the proposed KPI targets and ranking criteria for 2013/14 (paper **BG.71(13)**). Three new measures had been included for 2013/14: i) percentage of firm acceptances against enrolment target from full time undergraduate students prior to clearing; ii) number of placement, volunteer and mentor opportunities for students; iii) staff turnover rate. The Board requested indicative scores for previous years for the new measures to enable comparison.
18. The Board approved the KPI targets and ranking criteria for 2013/14.

**Reports from committee meetings**

19. The Board noted the reports from committee meetings (paper **BG.72(13)**).

**Business cases relating to LSBU / IBM strategic partnership**

*Ian Mehrtens and David Swayne entered the meeting*

20. The Board discussed the business cases relating to the LSBU / IBM strategic partnership (paper **BG.73(13)**). The partnership would cover three separate strands: i) delivering an exceptional student experience; ii) outsourcing the data centres; and iii) replacing the identity and access management system. The rationale for the proposals had been discussed at the board strategy day of 23 October 2013 and the Policy and Resources committee on 12<sup>th</sup> November 2013.

21. In response to concerns around future support for the software for the exceptional student experience project, it was reported that the software was strategically important to IBM and that they hoped to sell it across the sector.
22. The exceptional student experience project would form part of the Technology Enhanced Learning Strategy. The project would transform the quality of engagement with students. The investment objectives were: to increase progression from Level 4 to Level 5 from the current target of 65% to 69% by 2015; to increase progression from Level 5 to Level 6 from the current target of 80% to 82% by 2016; to increase standard graduation from 1 in 2 (52%) to 5 in 9 (56%) by 2017; to increase Guardian league table value add score from 4.1 in 2014 to 5.0 by 2017; to reduce the debt burden on non-graduating students from £10M to £8.5M (assuming 2,750 cohort) by 2017; and to increase revenue from non-progressing students by £1.9M (assuming 2,750 cohort) by 2016.
23. The Board approved the business cases for the exceptional student experience project and outsourcing the data centres. The Board requested post investment reviews of the project to be undertaken one year and two years after delivery.
24. The Board authorised a sub-group of the Board consisting of the Chairman, Andrew Owen and Douglas Denham St Pinnock to give final approval for legal completion following procurement due process.

*David Swayne left the meeting*

### **National Bakery School redevelopment**

*Prof Bhamidimarri entered the meeting*

25. The Board discussed the business case for the proposed redevelopment of the National Bakery School to meet the demands of higher education teaching and professional development training (paper **BG.74(13)**). The School had established close links with industry and retailers and had engaged extensively on the redevelopment. Over £600,000 of cash and gifts in kind had been pledged to the redevelopment of the School. The redevelopment required £1m capital expenditure by the University with a further £500,000 from expected fundraising underwritten by the University. It was reported that the £500,000 from further fundraising was an achievable target.
26. It was reported that the proposal fitted in with the estates vision of enhancing the public realm and increasing the visibility of the university's activities.



27. The Board approved the business case and agreed that this was an exemplar for future investment.

*Prof Rao Bhamidimarri left the meeting*

### **Equality Act 2010 assurance**

28. The Board discussed an update on how the University complies with its public sector equality duty under the Equality Act 2010 (paper **BG.75(13)**). The Board noted an analysis of the protected characteristics in relation to students and staff. The Board requested future reports to provide a breakdown of the protected characteristics by the grade of staff. The Human Resources Committee would monitor the progress of the Equality, Diversity and Inclusion action plan.
29. The Board approved the Equality, Inclusion and Diversity Policy, subject to some minor amendments.

*Ian Mehrrens left the meeting*

### **Corporate risk register**

30. The Board noted the corporate risk register, which had been reviewed in detail at its last meeting (paper **BG.76(13)**). No substantive changes to the register had been made since the last meeting.

### **Annual declarations of interest**

31. The Board authorised the declared interests of its members, under section 175 of the Companies Act 2006, as set out in paper **BG.77(13)**. The Board authorised publication of the register.

### **Audit committee annual report**

*David Barnes entered the meeting*

32. The Board noted the Audit Committee's annual report for 2012/13 (paper **BG.78(13)**).

### **Report of the Policy and Resources committee on the accounts**

33. The Board noted the report of the Policy and Resources committee on the accounts (paper **BG.79(13)**).

### **Audit findings**

34. The Board noted Grant Thornton's audit findings report which had been discussed in detail by the Audit Committee (paper **BG.82(13)**).

### **External audit letter of representation**

35. The Board noted the letter of representation to the external auditors (paper **BG.83(13)**). It was noted that there were no representations specific to LSBU. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.
36. The Board approved the letter and authorised the Chairman to sign the letter on behalf of the Board.

### **Annual report and financial statements for year ended 31<sup>st</sup> July 2013**

37. The Board discussed the annual report and financial statements for year ended 31<sup>st</sup> July 2013 (paper **BG.84(13)**), which had been reviewed by the Audit committee and the Policy and Resources committee. An operating surplus of £6.1m was reported which was ahead of the budget target of £2.5m. The Board noted assurances from the Executive that the report and accounts were accurate and should be signed.
38. After careful consideration, the Board approved the annual report and financial statements for the year ended 31<sup>st</sup> July 2013 and authorised signature by the Chairman and Vice Chancellor on behalf of the Board.

### **Students' Union financial statements for year ended 31<sup>st</sup> July 2013**

39. The Board noted the financial statements for the Students' Union (SU) for year ended 31<sup>st</sup> July 2013 (paper **BG.85(13)**). As a separate charity, the SU accounts were no longer consolidated into the university accounts.

### **HEFCE annual accountability return**

40. The Board discussed the components of the HEFCE annual accountability return which had not already been approved (paper **BG.86(13)**). It was reported that a potential fraud by a course administrator in the Faculty of Engineering, Science and the Built Environment had been uncovered since the last Audit committee meeting. This had been reported to HEFCE and the Board could therefore still approve the annual accountability return.

41. The police had been informed and they were investigating any criminal activity. A press statement had been prepared in case of media interest. A full report would be made to the Audit Committee.
42. The Board approved the annual accountability return for submission to HEFCE.

**Any other business**

43. The Board noted that this was Prof Earwicker's final Board meeting prior to retirement as Vice Chancellor on 31<sup>st</sup> December 2013. The Board sincerely thanked Prof Earwicker for his significant contribution to the Board and the University. Prof Earwicker warmly thanked the Board and the Chairman for their support during his term as Vice Chancellor. Further speeches would follow at the Board dinner after the meeting.

**Date of next meeting**

44. The next meeting will be held at 3pm on Thursday 20<sup>th</sup> March 2014, to be followed by the annual meeting of the University Court.

The Chairman closed the meeting. The forty-third annual general meeting then followed.

**Confirmed as a true record:**

..... (Chairman)



# Committee Action Points

13 March 2014

13:28:22

Committee	Date	Minute	Action	Person Res	Status	
Board	21/11/2013	7	Publication of minutes	Secretary		<input checked="" type="checkbox"/> Completed
Board	21/11/2013	12	In depth review of project "16-20" at meeting of 20th March 2013	PVC - E	On forward plan. In depth review deferred to May meeting due to the planned changes to professional service groups.	<input type="checkbox"/> Completed
Board	21/11/2013	24	Subgroup to approve and sign exceptional student experience contract	Secretary	Sub committee met on 7 February 2014 and approved the business case. Legal completion was on 14 February 2014	<input checked="" type="checkbox"/> Completed

	PAPER NO: BG.02(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Board Succession update	
Author:	James Stevenson, University Secretary and Clerk to the Board	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	That the Board note the update	
Matter previously considered by:	Chair Nomination Committee	On: 4 March 2014
Further approval required?	No	N/A
Communications – who should be made aware of the decision?	Independent governors	

### **Executive Summary**

The Nomination Committee met on 4 March 2014 to discuss succession planning for independent governors. Five independent governors including the Chairman are due to retire from the Board in July 2015. All five governors chair key committees and are members of the Policy and Resources Committee.

The Chairman will provide an update at the meeting.

**Board and Committee Composition, 2014 update**

This paper provides an update on Board and committee composition as at March 2014.

**Current Board composition and membership**

The Board is composed of up to 13 independent governors, the Vice Chancellor, 2 student governors and 2 staff governors. Its current membership is:

*Independent Governors*

David Longbottom                      Chairman of the Board  
Sarah Mullally                      Vice Chair of the Board  
Steve Balmont  
Douglas Denham St Pinnock  
Ken Dytor  
Hilary McCallion  
Anne Montgomery  
Mee Ling Ng  
Andrew Owen  
Diana Parker  
James Smith  
*Vacancy 1: held for ex-VC*  
*Vacancy 2: held for chair succession*

*Vice Chancellor*

Prof David Phoenix

*Student Governors*

Barbara Ahland                      SU President  
Louisa Nyandey

*Staff Governors*

Prof Shushma Patel  
Prof Jon Warwick

**Current committee membership**

Vacancies on committees have been addressed as follows:

<b>Committee</b>	<b>Previous Vacancies</b>	<b>Actions</b>
Audit	1 independent	Audit committee have requested a member with experience of the sector.
Policy and Resources	1 independent  1 staff	To be filled by the Chair elect. The Chair elect will be asked to Chair P&R for a year before chairing the Board.  This vacancy has been removed, reducing the number of staff governors on the committee from two to one. This is in line with the reduction of staff governors on the Board from four to two.
Human Resources	1 independent	Filled by Hilary McCallion
Property	1 independent	To be filled by the Chair elect
Educational Character	None but rotation of membership requested	Steve Balmont has stepped down as Chair but remains a committee member for 2013/14. Douglas Denham St Pinnock now chairs the committee. Andrew Owen has stepped down from the committee. Mee Ling has joined the committee.

# London South Bank University

Current membership of the committees is as follows (changes in red):

<b>Committee</b>	<b>Chair</b>	<b>Other Members</b>
Audit	Andrew Owen	Steve Balmont Douglas Denham St Pinnock Mee Ling Ng Shachi Patel (co-opted member)
Policy & Resources	Sarah Mullally	David Longbottom Prof David Phoenix Barbara Ahland Ken Dytor Prof Hilary McCallion Anne Montgomery Diana Parker Prof Jon Warwick
Educational Character	Douglas Denham St Pinnock	Steve Balmont Barbara Ahland Hilary McCallion Mee Ling Ng
Human Resources	Anne Montgomery	Prof David Phoenix Steve Balmont Prof Hilary McCallion Mee Ling Ng Prof Jon Warwick (staff observer)
Property	Ken Dytor	David Longbottom Sarah Mullally Prof David Phoenix Barbara Ahland Andrew Owen Prof Shushma Patel
Remuneration	Diana Parker	David Longbottom Sarah Mullally Anne Montgomery
Honorary Awards	David Longbottom	Prof David Phoenix Barbara Ahland Diana Parker James Stevenson



**London South Bank**  
University

Prof Shushma Patel  
Prof Jon Warwick

Nominations  
Committee

David Longbottom

Prof David Phoenix  
Sarah Mullally  
Anne Montgomery

Chair Nomination  
Committee

Andrew Owen

Steve Balmont  
Douglas Denham St Pinnock  
Hilary McCallion  
Mee Ling Ng  
James Smith

	PAPER NO: BG.03(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Chair Succession update	
Author:	James Stevenson, University Secretary and Clerk to the Board	
Board sponsor:	Andrew Owen, Chairman of the Chair Nomination Committee	
<b>Recommendation:</b>	That the Board note the update	
Matter previously considered by:	Chair Nomination Committee	On:
Further approval required?		On:
Communications – who should be made aware of the decision?		

### **Executive Summary**

1. The current Chairman is due to retire from the Board in July 2015 and the search for his successor is underway. Odgers Berndston have been appointed as recruitment consultants to search for the successor to the current Chairman in January
2. The Chair Nomination Committee met on 6 February 2014 to consider a longlist of ten names. The committee agreed that there were four key areas upon which to base their selection of the candidates:
  - a. their executive career
  - b. their non-executive and chair experience
  - c. their experience in education
  - d. government interface
3. Members of the committee have met the six shortlisted candidates and a selection meeting is planned for 14<sup>th</sup> March 2014 to decide which candidates to invite for final interviews. Final interviews are scheduled for the week commencing 24 March 2014.

4. The Board is requested to note this update. The Chairman of the Chair Nomination Committee will provide a verbal update at the meeting.

	PAPER NO: BG.04(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Excellent Student Experience Project update	
Author:	David Swayne, Chief Information Officer	
Executive sponsor:	Phil Cardew, Pro Vice Chancellor (Academic) and Ian Mehrtens, Chief Operating Officer	
<b>Recommendation by the Executive:</b>	<p>The Executive recommends that the Board:</p> <ol style="list-style-type: none"> <li>i. notes progress made to-date;</li> <li>ii. notes the financial summary;</li> <li>iii. reviews the risks, issues and mitigating actions;</li> <li>iv. notes the summary benefits / measures of success;</li> <li>v. approves the minutes of the sub-committee meeting held on 7<sup>th</sup> February 2014 to give final approval for legal completion</li> </ol>	
Aspect of the Corporate Plan to which this will help deliver?	<ul style="list-style-type: none"> <li>• Student success must be the University's overriding aim. We want to give opportunity to all who can benefit and our success has to be measured by their success in graduating and finding employment.</li> <li>• It is unacceptable to recruit students who do not have a reasonably good chance of succeeding, either for them or the University.</li> <li>• Our competitive position rests strongly on the delivery of value for money education that enhances career success for our students.</li> <li>• Creating an environment in which excellence can thrive.</li> <li>• Financial sustainability.</li> </ul>	
Matter previously considered by:	<p>ICT Advisory Board</p> <p>Executive</p> <p>Policy and Resources Committee</p> <p>Board of Governors</p> <p>Board of Governors Sub Committee</p>	<p>On: 13<sup>th</sup> September 2013</p> <p>On: 17<sup>th</sup> September 2013 &amp; 5<sup>th</sup> November 2013</p> <p>On: 24<sup>th</sup> September 2013</p> <p>Strategy Day and meeting on 21<sup>st</sup> November</p> <p>On 7<sup>th</sup> February 2014</p>

Further approval required?	No	N/A
Communications – who should be made aware of the decision?	Executive, ICT Advisory Board, ICT	

### **Executive Summary**

Good progress has been made on the IBM programmes and currently all are proceeding to plan with respect to time, quality and cost. The following major risks have been identified:

1. The overall budget of £15.8m is significant expenditure – there is a risk of overspend against budget and negation of business benefits. The following mitigations are in place:
  - £1.3m contingency available in budget
  - Fixed price for data centre migration
  - Capped price to be agreed for each phase of Excellent Student Experience (ESE) and Identity and Access Management (IAM) work, payable on acceptance of that phase
  - LSBU involved in design and estimating and able to influence capped price
  - Internal controls in place to ensure change to estimated phase budgets needs formal approval through change control
  - 10% Services fee retention until Acceptance
  
2. The Data Centre is unavailable and LSBU core systems are not there to support the business. To mitigate this risk, the revised Data Centre Outsource (DCO) solution mirrors data and backups in 2 data centres and the LSBU core systems can be restored within 24 hours. This approach was tested in the DCO proof of concept. The programme governance will ensure that the planned solution is delivered and tested.
  
3. There is an urgent need to change the identity management system and the urgency to do this may be lost if IAM is part of the ESE project. To mitigate this risk, the identity management project has been contracted separately and will be governed separately to the ESE project. The clearly communicated first deliverable is to replace the existing system and process to rectify the identified deficiencies.
  
4. Programme benefits are not achieved. To mitigate this risk, the benefits are clearly defined and communicated to Programme and Project Managers. Benefit realisation planning is in progress and progress / confidence tracked in monthly reporting.

5. Suitably skilled and experienced resources unavailable or unaffordable for LSBU. The buoyant recruitment market may increase risk. To mitigate this risk, we have used additional suppliers to broaden available talent pool.
6. The lack of collocated working space for IBM and LSBU team members is slowing progress on project activities and Estates is working to identify, furnish and make available space for the team to move into.
7. There is a risk that IBM drives project and LSBU loses control which is being mitigated by appointing strong Programme and Project Managers plus Solution Architects. Clearly defined Governance Processes are being put in place with strong Change Management and Approval processes.

The major benefits of the Programmes are:

1. Improving progression by 8% resulting in increasing standard graduation for full time undergraduate UK / EU students from 1 in 2 (52%) to 5 in 9 (56%) by 2017. Delivering this would add an additional £1.9m per year to LSBU's income by 2017 based upon our target intake of 2,750 students.
2. The Data Centre and Identity / Access Management solutions rectify current systems deficiencies with state-of-the-art solutions that will provide a secure foundation for the Exceptional Student Experience and a secure operating environment for LSBU.

### **Minutes of the sub-committee of the Board**

Minutes of the meeting of 7<sup>th</sup> February 2014 of the sub-committee with delegated authority from the Board to give final approval for legal completion following the procurement process are attached for approval.

# ICT Programme Report for March Board of Governors

Report Author	David Swayne	Report Period	14 <sup>th</sup> February – 12 <sup>th</sup> March 2014	Date of Board meeting	20 <sup>th</sup> March 2014
Projects Included	IBM Exceptional Student Experience, Identity and Access Management, Data Centre Outsource				

## Management Summary

Summary	Prog'mme Overall	Sponsorship	Schedule	Scope	Budget	Quality	Risks / Issues	Resource	Comm's	Procurement	Legal
This Report	G	G	G	G	G	G	A	G	G	G	G
Last Report	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Summary of Programme Progress This Month

<b>Programme Overall</b>	<ul style="list-style-type: none"> <li>Contracts have been signed</li> <li>Recruitment of the LSBU and IBM project team members required at this point is complete</li> <li>Desks for IBM team members working at LSBU is an issue as ICT has insufficient space to accommodate</li> </ul>
<b>Sponsorship Overview</b>	<ul style="list-style-type: none"> <li>Dr Phil Cardew will be the Executive sponsor for the Exceptional Student Experience Project</li> <li>Ian Mehrrens will be the Executive sponsor for the Identity and Access Management Project</li> <li>Ian Mehrrens will be the Executive sponsor for the Data Centre Outsource Project</li> <li>David Swayne will be programme director for ICT programmes – roles and responsibilities are being defined</li> <li>Mike Watson will be the programme manager for the learning and teaching projects</li> <li>Melanie Pitches will be the programme manager for the infrastructure projects</li> <li>Lise Foster will be the programme manager for the other application related projects</li> </ul>
<b>Schedule Overview</b>	<ul style="list-style-type: none"> <li>The DCO proof of concept has been successfully completed and signed off</li> <li>The ESE &amp; IAM project kick-offs have completed and detailed design workshops have started</li> <li>The Business Analytics proof of concept nears completion, progress is good</li> <li>The detailed DCO project planning has commenced and lessons learnt from the POC will inform this</li> </ul>
<b>Scope Overview</b>	<ul style="list-style-type: none"> <li>The scope of work for ESE, IAM and DCO is defined in the Contract and no changes have been approved</li> <li>The project measures agreed with the Board of Governors are included in Project Initiation Documents and communicated to project team members at project kick-off events. The measures will be tracked throughout the programme delivery.</li> </ul>
<b>Budget Overview</b>	<ul style="list-style-type: none"> <li>All projects are currently forecast to deliver the original scope within approved budgets.</li> <li>Formal budget tracking has been implemented in conjunction with Finance and includes detailed forecasting</li> </ul>
<b>Quality Overview</b>	<ul style="list-style-type: none"> <li>Programme review boards (PRB) have been established to review / approve project PIDs, plans and budgets</li> <li>An ICT change request board (CRB) is being established to manage changes to live services</li> <li>New reporting and governance processes are being put in place to review the progress of projects</li> <li>Technical design consultants engaged to ensure the solutions within the project are technically aligned and compatible.</li> </ul>
<b>Risk Overview</b>	<ul style="list-style-type: none"> <li>The programme and project management process includes Risk, Assumption, Issue and Decision reviews</li> <li>At this point the biggest issue is finding accommodation for IBM and ICT colleagues to work together at LSBU</li> </ul>
<b>Resource Overview</b>	<ul style="list-style-type: none"> <li>ICT Programme                             <ul style="list-style-type: none"> <li>Programme and Project Management team recruitment complete</li> <li>Architecture / Solution Design expert recruited</li> </ul> </li> <li>Exceptional Student Experience                             <ul style="list-style-type: none"> <li>Portal &amp; Collaboration resources on-board from LSBU and IBM</li> <li>Predictive Analytics resources on-board from LSBU and IBM</li> <li>Master Data Management resources on-board from LSBU and IBM</li> </ul> </li> <li>Identity and Access Management                             <ul style="list-style-type: none"> <li>IAM resources on-board from LSBU and IBM</li> </ul> </li> <li>Data Centre Outsource                             <ul style="list-style-type: none"> <li>LSBU contract project manager allocated</li> <li>LSBU technical resource assigned</li> <li>IBM project management team and solution experts allocated</li> </ul> </li> </ul> <p>NB Usual agency supplier unable to provide appropriate resource so alternate supplier sourced and used</p>
<b>Communications Overview</b>	<ul style="list-style-type: none"> <li>Contract signature communicated</li> <li>Workstream leads contacted and being fully briefed</li> <li>Press release for IBM Memorandum of Understanding being prepared</li> <li>ICT Strategic User Group overview presentation planned for 14<sup>th</sup> March</li> </ul>
<b>Legal Overview</b>	<ul style="list-style-type: none"> <li>SGH Martineau used to lead contract negotiations with Insight / IBM</li> <li>Prime contractor is Insight with IBM as the sub-contractor due to requirements of CITHS Framework</li> </ul>
<b>Procurement Overview</b>	<ul style="list-style-type: none"> <li>Neil Robertson managed the procurement to a satisfactory conclusion</li> <li>Procurement undertaken using the CITHS Framework and has been confirmed to be OJEU compliant</li> <li>The standstill period to allow for any challenge to the procurement passed on 6<sup>th</sup> January</li> </ul>

## Key Actions from Previous Board of Governors Meeting

- Sub Committee of Board to be convened to review and approve Contract prior to signing (complete)
- The Sub Committee requested an update to the Board at their meeting of 20 March 2014 setting out the key benefits of the project and highlighting the key areas of risk and steps taken to mitigate these risks. The Board would monitor delivery of the project and review the risks at each Board meeting.

## Key Decisions

Decision	Decision making body	Date decision required	Progress update
Should LSBU sign Contract for Exceptional Student Experience, Identity and Access Management, and Data Centre Outsource programmes?	Board of Governors Sub Committee	07/02/2014	Contract signed on 14 <sup>th</sup> February 2014, action complete.
Sign Off Proof of Concept for Data Centre solution?	LSBU Subject Matter Expert, Project Manager + CIO	07/03/2014	Infrastructure build as per agreed spec, application copied to Amsterdam and tested, stopped and started in Washington, and tested. Successful test signed off as complete.
Sign Off Proof of Concept for Business Analytics?	Pro Dean AHS + CIO	21/03/2014	Success criteria agreed, specification complete, solution built and awaiting final review (13/03).
To recruit appropriate skills, experience to deliver programme within budget agreed	ESE Programme Manager + CIO	03/03/2014	Recruitment complete
Sign Off Role description for Programme Director?	Vice Chancellor	21/03/2014	Draft prepared, reviewed by COO and to be passed to VC for review and approval.
Location of Office facilities required for joint LSBU / IBM project team (to seat 45)?	Estates	ASAP	Request made and options being discussed

## Summary of Projects' Schedules & Budgets (£'000)

Projects	Baseline end date	Forecast end date	Variance	Schedule RAG	Approved Budget	Spend	Committed	Forecast	Forecast Variance	Cost RAG
ESE Capital	Work in progress	Work in progress	none		£3,632	£0	£365	£3,632	£0	
ESE Revenue					£2,388	£0	£75	£2,388	£0	
IAM Capital	Work in progress	Work in progress	none		£391	£0		£391	£0	
IAM Revenue										
DCO Capital	Work in progress	Work in progress	none		£2,030	£105	£287	£2,030	£0	
DCO Revenue					£500	£0	£35	£500	£0	
Contingency Revenue	Not applicable	Not applicable	None		£1,300	£0	£0	£1,300	£0	

## Project Summaries Statement

Primary Benefit Driver	Project	Narrative
Improve Progression	Exceptional Student Experience	Measures have been agreed with the Vice Chancellor and 'confidence to achieve' each measure is included in detailed programme reports
Secure access to LSBU system	Identity and Access Management	Measures have been agreed with the Vice Chancellor and 'confidence to achieve' each measure is included in detailed programme reports
Carbon reduction and availability of space	Data Centre Outsource	Measures have been agreed with the Vice Chancellor and 'confidence to achieve' each measure is included in detailed programme reports

# ICT Programme Report for March Board of Governors

Report Author	David Swayne	Report Period	14 <sup>th</sup> February – 12 <sup>th</sup> March 2014	Date of Board meeting	20 <sup>th</sup> March 2014
Projects Included	IBM Exceptional Student Experience, Identity and Access Management, Data Centre Outsource				

## Key Programme Risks / Issues

Log ID	Risk / Issue	Project	Description	Mitigation	RAG	Owner
1	Risk	ESE, IAM, DCO	1. The overall budget of £15.8m is significant expenditure – there is a risk of overspend against budget and negation of business benefits.	The following mitigations are in place: <ul style="list-style-type: none"> <li>- £1.3m contingency available in budget</li> <li>- Fixed price for data centre migration</li> <li>- Capped price to be agreed for each phase of ESE and IAM work, payable on acceptance of that phase</li> <li>- LSBU involved in design and estimating and able to influence capped price</li> <li>- Internal controls in place to ensure change to estimated phase budgets needs formal approval through change control</li> <li>- 10% Services fee retention until Acceptance</li> </ul>		David Swayne
2	Risk	DCO	The Data Centre is unavailable and LSBU core systems aren't there to support the business.	The revised DCO solution mirrors data and backups in 2 data centres and the LSBU core systems can be restored within 24 hours. This approach was tested in the DCO proof of concept. The programme governance will ensure that the planned solution is delivered and tested.		Melanie Pitches
3	Risk	IAM	There is an urgent need to change the identity management system and the urgency to do this may be lost if IAM is part of the ESE project.	The identity management project has been contracted separately and will be governed separately to the ESE project. The clearly communicated first deliverable is to replace the existing system and process to rectify the identified deficiencies.		David Swayne

Log ID	Risk / Issue	Project	Description	Mitigation	RAG	Owner
4	Risk	ESE, IAM, DCO	Programme benefits are not achieved.	Benefits clearly defined and communicated to Programme and Project Managers. Benefit realisation planning in progress and progress / confidence tracked in monthly reporting.		David Swayne
5	Risk	ESE, IAM, DCO	Suitably skilled and experienced resources unavailable or unaffordable for LSBU. The buoyant recruitment market may increase risk.	If preferred supplier unable to provide resources, use alternatives to broaden available talent pool.		Mike Watson
6	Issue	ESE, IAM, DCO	Lack of collocated working space for IBM and LSBU team members is slowing progress on project activities	Estates working to identify, furnish and make available space for the team to move into.		David Swayne
7	Risk	ESE, IAM, DCO	IBM drives project and LSBU loses control.	Appoint strong Programme and Project Managers plus Solution Architects. Clearly defined Governance Processes to be put in place with strong Change Management and Approval processes.		David Swayne

NB Individual Project Risk and Issue logs are held on the relevant project sites and reported for escalation in detailed Programme Plans.

## Benefit Realisation Summary

Opportunity	Benefit	Benefit Realisation Plan	Realised
Use business analytics to identify students that are at risk of: <ol style="list-style-type: none"> <li>Dropping out</li> <li>Failing to progress and needing to re-take early enough to intervene and help them to progress to the next level of study.</li> </ol>	The entire IBM business case is predicated upon 100 additional students progressing from level 4 to 5 each year: <ul style="list-style-type: none"> <li>- 33 who would have dropped out</li> <li>- 67 who would have done retakes</li> </ul>	The plan is to enable LSBU staff to intervene more quickly with: <ul style="list-style-type: none"> <li>- 100 targeted interventions per month from Oct '14</li> <li>- 200 targeted interventions per month from Mar '15</li> <li>- 400 targeted interventions per month from Oct '15</li> </ul>	
Make space available in Borough Road, reduce energy consumption and contribute to LSBU carbon reduction target by moving as many Servers and Storage off campus as is practicable.	<ul style="list-style-type: none"> <li>- Reduce footprint of Borough Road Data Centre by 67%.</li> <li>- Reduce energy consumption of Borough Road Data Centre by 50%.</li> <li>- Reduce capital expenditure required for DC equipment refresh by 80%.</li> <li>- Reduce running costs by only paying for what we use and not empty kit.</li> </ul>	<ul style="list-style-type: none"> <li>- Decommission 91 Virtual Servers.</li> <li>- Migrate 277 Virtual Servers to Softlayer.</li> <li>- Decommission end of life storage array and do not replace.</li> <li>- Move network, telecoms and remaining servers into smaller Borough Road DC.</li> </ul>	
Improve information systems security by replacing the in-house CAMS systems with a commercial security product.	Prevent unauthorised persons from accessing LSBU network and data assets.	<ul style="list-style-type: none"> <li>- Decommission CAMS system and replace with IBM Security Identity Manager</li> <li>- Provide single sign on for ESE with IBM Security Access Manager</li> <li>- Replace identity management processes with a solution based upon IBM Security Identity Manager</li> </ul>	

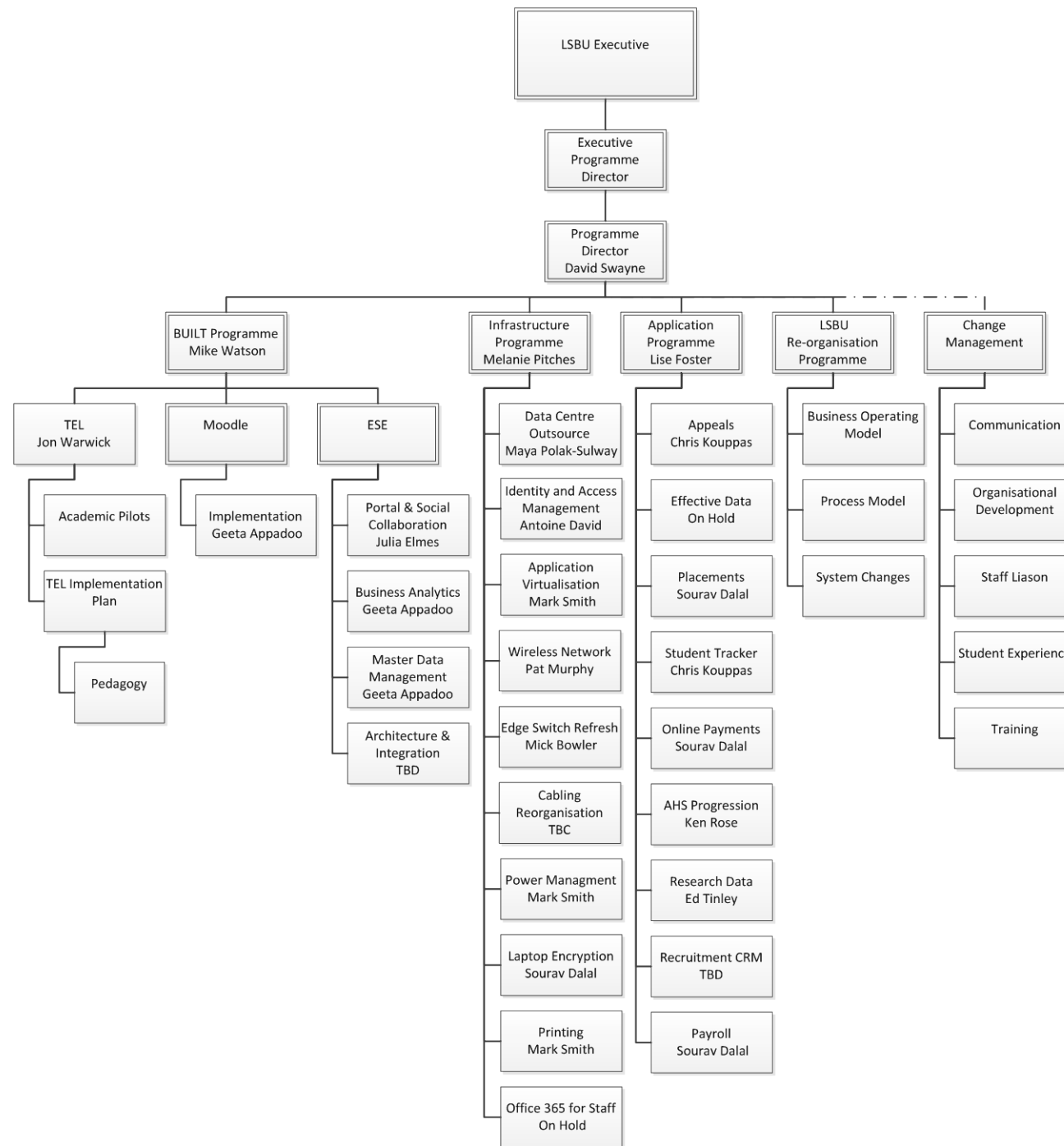
NB More detailed benefit measures and associated tracking are available in the detailed Monthly Programme Reports



# ICT Programme Report for March Board of Governors

Report Author	David Swayne	Report Period	14 <sup>th</sup> February – 12 <sup>th</sup> March 2014	Date of Board meeting	20 <sup>th</sup> March 2014
Projects Included	IBM Exceptional Student Experience, Identity and Access Management, Data Centre Outsource				

## Proposed Programme Governance Structure



BUILT: Building a University Integrated Learning and Teaching Environment  
 ESE: Exceptional Student Experience  
 TEL: Technology Enhanced Learning

Minutes of a Meeting of a sub-committee of the Board of Governors  
held at 12.30pm on Friday, 7 February 2014  
in 1B27, Technopark, London SE1

**Present**

David Longbottom	Chair
Prof David Phoenix	Vice Chancellor ( <i>for minutes 1-15</i> )
Andrew Owen	
Douglas Denham St Pinnock	( <i>via conference call</i> )

**Legal Adviser**

Nichola Jenkins	SGH Martineau ( <i>via conference call</i> ) ( <i>for minutes 1-15</i> )
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**In attendance**

Prof Phil Cardew	Pro Vice Chancellor (Academic)
Richard Flatman	Chief Financial Officer
Ian Mehrtens	Executive Director of Corporate Services
Neil Robertson	Category Manager
James Stevenson	University Secretary and Clerk to the Board of Governors
David Swayne	Chief Information Officer
Michael Broadway	Governance Officer

**Welcome and apologies**

1. The Chairman welcomed governors and attendees to the meeting.
2. The Chairman reported that the sub-committee had delegated authority from the Board of Governors to give final approval for legal completion following the procurement process (minutes 20-24 of 21 November 2013 refer).

**Declarations of Interest**

3. No interests were declared on any item on the agenda.

**Briefing on the “Excellent Student Experience” project**

4. The Chief Information Officer delivered a presentation to the committee outlining a summary of the project, the legal process, financial analysis and key deliverables. The project was divided into three discreet areas: excellent

student experience (ESE); identity and access management (IAM); and commoditised cloud service (CCS).

5. The business case for the “excellent student experience project” was predicated on improving student progression rates using analytics to identify and support students at risk of failing. The committee discussed the rationale and the proposed measures of success for the project, which were divided into five project areas: business analytics; master data management; portal; social collaboration; and integration. The project would transform the quality of engagement with students and the investment objectives were to improve progression and graduation rates, improve key league table measures, reduce the debt-burden on non-graduating students and to increase revenue from non-progressing students.
6. Following the procurement process (see below) and further clarity on specifications the project costs had reduced since the Board considered the original business case. The revised costs contained additional capital expenditure and reduced revenue expenditure. The project budget now included disaster recovery and a 10% contingency.
7. The committee noted that the timely delivery of the project was dependent on the adequacy of current data and ICT systems at LSBU. It was reported that Moodle had been established and was in its second phase of implementation with the aim that sites for all modules would be up and running by September 2014.

### **Summary of Commercial and Legal Terms**

8. The committee discussed in detail a summary of commercial and legal terms prepared by SGH Martineau. It was noted that in compliance with the procedural rules set out in the Public Contracts Act 2006 the University had conducted a mini-competition under the Commoditised IT Hardware and Software (CITHS) Framework. Following the mini-competition the preferred supplier was Insight UK who would deliver the software on behalf of IBM.
9. The CITHS Framework set out standard terms and conditions some of which had been subject to negotiation with Insight UK. The committee discussed the risk to LSBU of amending the Framework and whether this could be legally challenged by any unsuccessful bidders. It was reported that there was very remote risk.
10. The committee expressed concern about the potential for cost escalation. It was noted that costs were capped for each stage but that contractually the price to LSBU could go above budget if LSBU authorised work above the

estimated levels in each stage of the ESE and IAM projects. It was essential that the executive manage the project so that this risk was mitigated.

11. The committee discussed LSBU's ability to recover its expenditure in the event that the solutions fail to deliver. The persuasiveness of the business case was based on the integrated complete solution and the committee expressed concern that a partial solution would not deliver the expected outcomes.
12. The committee noted that the level of liability for Insight UK in respect of a breach of clauses governing Data Protection, Intellectual Property and Security had been reduced from unlimited (as set out in the framework terms and conditions) to £5million. It was noted that a wilful breach from Insight was subject to unlimited liability.
13. The committee discussed the commitment of IBM to the project. It was reported that although Insight UK were the contracting party, IBM would be heavily involved in the project and that IBM would be responsible for delivering the contract if Insight UK were to cease trading. The committee requested a credit check on Insight UK and its parent company. It was reported that IBM hoped to sell this software across the UK higher education sector and were therefore likely to be motivated to help deliver the expected benefits.
14. The committee noted that a programme director would be appointed to oversee the successful implementation of the project, which would require a culture change across the university.
15. In summary, the committee noted that there were a number of risks to the successful delivery of the project, which would have to be effectively managed by the Executive. The key risks identified were:
  - a. Cost escalation
  - b. Acceptance
  - c. Limitation of liability
  - d. Data security
  - e. IBM commitment
  - f. Implementing a culture change across the University

*Prof David Phoenix and Nichola Jenkins left the meeting*

16. The committee approved the proposal and authorised execution of the proposed contract between LSBU and Insight Direct (UK) Limited and authorised the Chairman and Vice Chancellor to agree to any necessary final

amendments, execute the contract on behalf of LSBU and sign any document in relation to legal completion.

17. The committee requested an update to the Board at their meeting of 20 March 2014 setting out the key benefits of the project and highlighting the key areas of risk and steps taken to mitigate these risks. The Board would monitor delivery of the project and review the risks at each Board meeting.
18. It was noted that a joint press release would be put out by LSBU, Insight and IBM on legal completion of the contract.

**Close of meeting**

There being no further business the Chairman closed the meeting.

.....  
**Chairman**

	PAPER NO: BG.05(14)	
Board	Board of Governors	
Date:	20 March 2014	
Paper title:	Student Recruitment Update – 2014/15	
Author:	Tere Daly, Deputy Director, Marketing and Student Recruitment; Jennifer Parsons, Director, Internationalisation	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
Recommendation by the Executive:	To note the progress towards recruitment for 2014/15	
Aspect of the Corporate Plan to which this will help deliver?	Student choice	
Matter previously considered by:	Executive	
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

### Executive Summary

- **Undergraduate Full-time SNC.** Applications continue to be ahead of the past two years and marginally ahead of the national trend. Our growth relative to our competitor group is strong. Within this, EU applications continue to grow strongly, albeit from a small base. Firm acceptances are up 22% over last year which is encouraging, although it is very early in the cycle.
  - **Health.** A backlog occurred in processing applications for Health, because of testing, which has been conducted in-Faculty. . This is being addressed with an additional set of events run by central staff end February – mid March, to ensure that applications are processed as quickly as possible. In future, testing will be managed by central functions, with Faculty staff then focusing on interviews. Given the large number of applications for Health, this is not expected to represent a major threat to final student numbers, but there is a risk that the delays this year will have caused the loss of quality students to other institutions
  - **Undergraduate part-time and postgraduate.** It is very early in the cycle to make judgements. However, so far part-time at both undergraduate and post graduate level is trending ahead of last year, post-graduate full-time behind
  - **International.** Also very early in the cycle, but to date offers made are 35% ahead of this time last year, firm acceptances, 51%
-

- **Actions.** Recruitment and marketing plans which are differentiated by subject area and level of study are in place and being regularly updated and adapted as needed with the Faculties; more than twice the number of conversion events are being run for undergraduates, and a similar programme for post-graduate students is being put in place; a further programme of actions is being prepared to maximise development of EU prospects; a cross-disciplinary team has been tasked with looking at further strategies to minimise the loss of students who firmly accept at Clearing, in the light of the experience for this year; practical options for accelerating growth of international student numbers for 14/15 are being presented to the March 2014 Executive; Study Abroad student programmes are being further developed, based on strong growth this year
-

## Application Summary – Undergraduate Full-time students

### Application Comparison

	2012	2013	2014	% Change 2012/2014	% Change 2013/2014
LSBU Applications	18,125	19,087	20,348	12.26%	6.61%
UCAS Applications (Nationally)	2,445,561	2,509,089	2,616,898	7.01%	4.30%
Competitor Applications	141,733	141,693	146,231	3.17%	3.20%

### Domicile Breakdown

	2012	2013	2014	% Change 2012/2014	% Change 2013/2014
UK Applicants	16,975	17,647	18,706	10.20%	6.00%
EU Applicants	663	891	1,020	53.85%	14.48%

Source: Report based on UCAS Tracker 17 February 2014

LSBU is tracking to date ahead of both national and competitor trend. Growth continues to be particularly strong in applications from the EU. When the substantial number of applications for Health is taken out, those for SNC remain above national and competitor trend, at 4.8%.

Growth in applications since 2012/13 is strongest in social science, applied science and engineering and design; declines in current cycle compared to 2012/13 in Business Studies and the Built Environment (primarily driven by architecture – but with a market still slow nationally for full-time undergraduate building services).

**Table One** – Comparison of total number of applications as at 17 February 2014

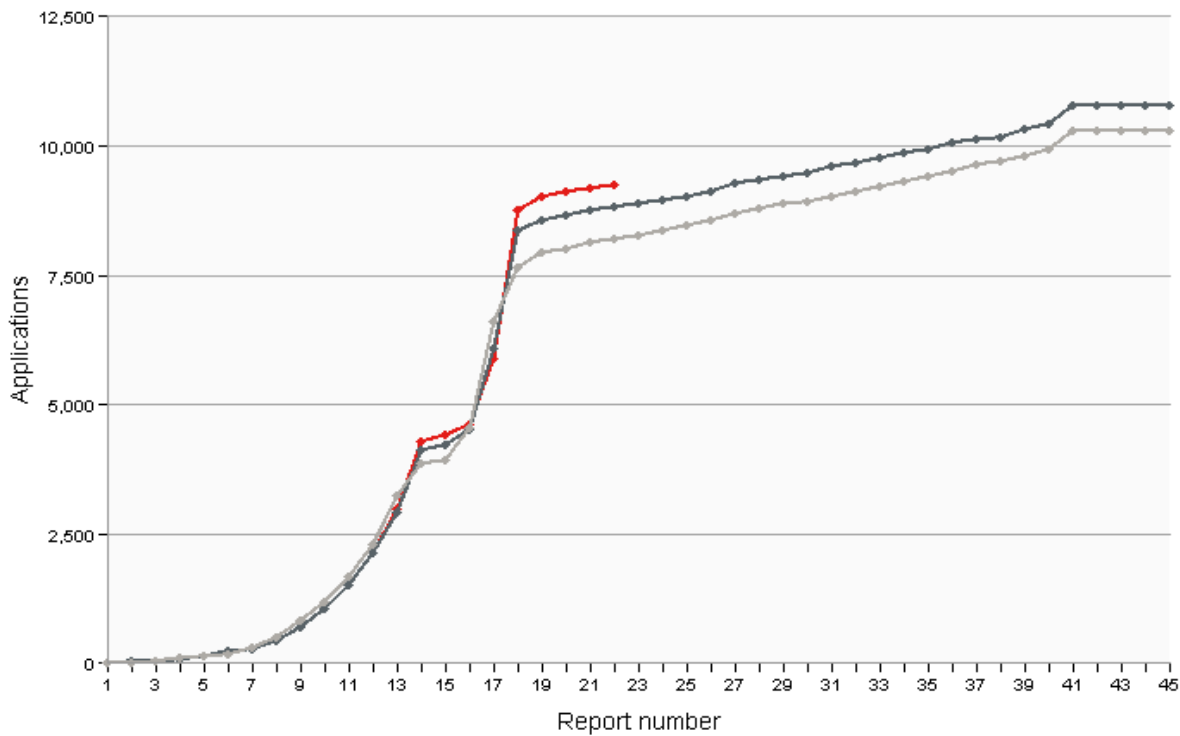
Department figures include foundation entry and top-up entry.

Faculties - Applications	LAST YEAR TO DATE (LYTD)				
	2012 Apps	2013 Apps	% - (2012/2013)	2014 Apps	% - (2013/2014)
Arts and Media	621	536	-13.69%	612	14.18%
Culture, Writing and Performance	909	1029	13.20%	1076	4.57%
Education	81	73	-9.88%	194	165.75%
Law	618	749	21.20%	740	-1.20%
Psychology	716	846	18.16%	857	1.30%
Social Science	628	602	-4.14%	693	15.12%
Urban, Environment and Leisure Studies	238	281	18.07%	269	-4.27%
<b>Faculty AHS Total</b>	<b>3811</b>	<b>4116</b>	<b>8.00%</b>	<b>4441</b>	<b>7.90%</b>
Accounting and Finance	524	624	19.08%	576	-7.69%
Business Studies	1045	985	-5.74%	985	0.00%
Informatics	481	511	6.24%	486	-4.89%
National Bakery School	35	57	62.86%	54	-5.26%
<b>Faculty BUS Total</b>	<b>2085</b>	<b>2177</b>	<b>4.41%</b>	<b>2101</b>	<b>-3.49%</b>
Applied Science	815	1027	26.01%	1088	5.94%
The Built Environment	652	641	-1.69%	580	-9.52%
Engineering and Design	551	614	11.43%	754	22.80%
Urban Engineering	299	266	-11.04%	298	12.03%
<b>Faculty ESBE Total</b>	<b>2317</b>	<b>2548</b>	<b>9.97%</b>	<b>2720</b>	<b>6.75%</b>
Adult Nursing and Midwifery	4663	4898	5.04%	5349	9.21%
Allied Health Professionals	1521	1728	13.61%	1810	4.75%
Children's Nursing	1218	1387	13.88%	1324	-4.54%
Mental Health and Learning Disabilities	1034	1047	1.26%	1140	8.88%
Primary and Social Care	1488	1186	-20.30%	1293	9.02%
<b>Faculty HSC Total</b>	<b>9924</b>	<b>10246</b>	<b>3.24%</b>	<b>10916</b>	<b>6.54%</b>
<b>University</b>	<b>18137</b>	<b>19087</b>	<b>5.24%</b>	<b>20178</b>	<b>5.72%</b>
<b>University (excluding HSC)</b>	<b>8213</b>	<b>8841</b>	<b>7.65%</b>	<b>9262</b>	<b>4.76%</b>

Source: Report based on UCAS Tracker 17 February 2014



chart One – Comparison of total number of applications as at 17 February 2014 (excluding HSC)

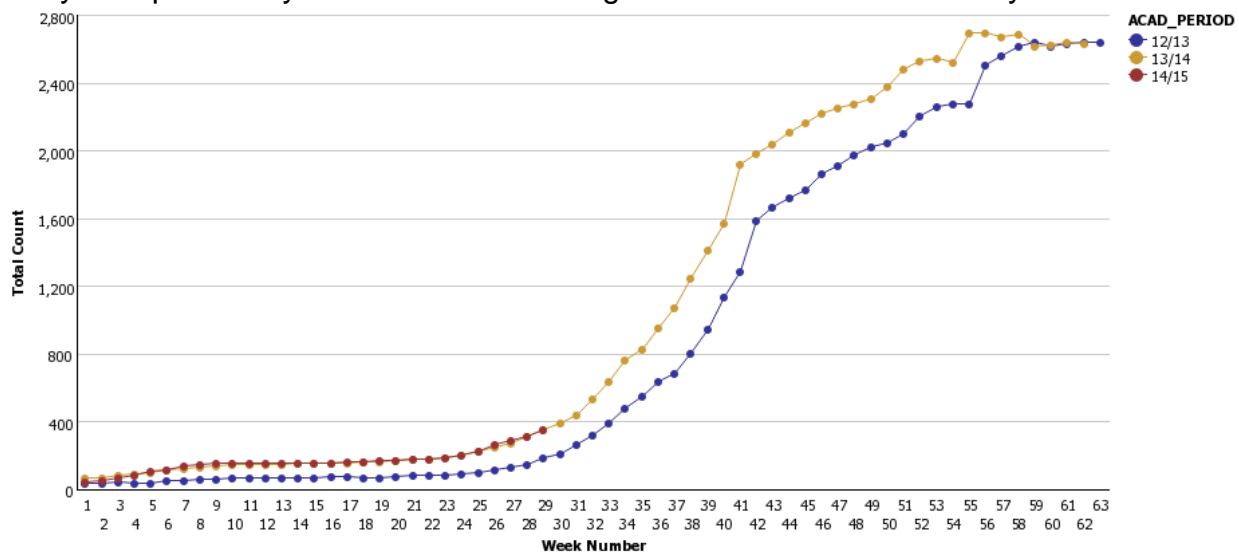


Source: Report based on UCAS Tracker Charts 17 February 2014

Key  
■ 2014/15 ■ 2013/14 ■ 2012/13

## Decisions: Undergraduate fulltime students

It is very early in the cycle, but overall, firm acceptances are up by 4% compared to last year, and offers by 14%. If you take out the Health decisions, which have been delayed by a backlog of processing of applicants through testing, which is now being addressed, acceptances are up by 22% and offers, by 18%. The chart below also shows the loss in clearing of students who had firmly accepted last year – a team is looking at how to address this this year:



**Table Two** – Comparison of decisions (Firm Acceptances, Offers and Total Applications)

Department figures include foundation entry and top-up entry.

London South Bank University	Firm Acceptances CYTD	Firm Acceptances LYTD	% change	Offers CYTD	Offers LYTD	% change
Arts And Media - Total	26	25	4.00%	439	423	3.78%
Culture Writing And Performance - Total	35	28	25.00%	691	655	5.50%
Education - Total	10	6	66.67%	127	42	202.38%
Law - Total	22	13	69.23%	532	569	-6.50%
Psychology - Total	27	26	3.85%	609	590	3.22%
Social Sciences - Total	19	7	171.43%	506	447	13.20%
Urban, Environment And Leisure Studies - Total	13	9	44.44%	172	174	-1.15%
Accounting & Finance - Total	21	4	425.00%	447	67	567.16%
Business Studies - Total	26	24	8.33%	550	511	7.63%
Informatics - Total	19	16	18.75%	366	363	0.83%
Management - Total	5	6	-16.67%	150	149	0.67%
Applied Science - Total	28	27	3.70%	732	513	42.69%
Built Environment - Total	9	14	-35.71%	228	233	-2.15%
Engineering And Design - Total	13	14	-7.14%	404	304	32.89%
National Bakery School (ESBE) - Total	1	6	-83.33%	0	1	-100.00%
Urban Engineering - Total	7	6	16.67%	154	151	1.99%
Allied Health Professions - Total	11	17	-35.29%	42	71	-40.85%
Adult Nursing - Total	25	39	-35.90%	75	142	-47.18%
Children's Nursing - Total	23	26	-11.54%	42	82	-48.78%
Mental Health Nursing - Total	6	16	-62.50%	26	41	-36.59%
Midwifery & Women's Health - Total	0	3	-100.00%	6	0	
Primary & Social Care - Total	4	4	0.00%	14	25	-44.00%
<b>Totals</b>	<b>350</b>	<b>336</b>	<b>4.17%</b>	<b>6,312</b>	<b>5,553</b>	<b>13.67%</b>
<b>All Programmes excluding Health</b>	<b>281</b>	<b>231</b>	<b>21.65%</b>	<b>6,107</b>	<b>5,192</b>	<b>17.62%</b>
<b>Health Only</b>	<b>69</b>	<b>105</b>	<b>-34.29%</b>	<b>205</b>	<b>361</b>	<b>-43.21%</b>

Source: Report based on YTD Admissions Report – COGNOS, 17 February 2014

## Undergraduate part-time, and postgraduate full and part-time students

It is too early in the cycle to show meaningful figures at this stage, but so far part-time undergraduate (+5%) and post-graduate (+20%) are trending ahead of last year. Post-graduate full-time is currently tracking 35% below last year, however, following 2 years of growth significantly ahead of the sector. This is driven by the withdrawal from PGCE – net of that the reduction is marginal (-4%). This is being tracked very closely, and targeted programmes are in place for priority subject areas. More details can be found in appendix A.

## International students

It is very early in the International cycle, but applications, offers and firm acceptances are all trending positively. Compared to the same period last year, offers have increased by 35% and firm acceptances by 51%. The overwhelming majority of acceptances so far are from post-graduate students (91%) with a more balanced pipeline of offers made (53% postgraduate)

Growth is expected to come particularly from China, following the significant development of the agent network and in-market activity starting last year; Brazil, since LSBU has been approved as a member of the Science without Borders scheme; Nigeria, following enhanced engagement from

# **London South Bank** University

the Faculties, particularly Business; and UK-based students from Foundation programmes, following the reinvigoration of the LSBU partnership with CEG, and establishment of contracts with Kaplan and INTO

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## Actions

An extensive range of activity is planned to maximise the outcome for 2014/15, including:

- **Clearing the backlog of applications for Health (predominantly Adult Nursing and Midwifery).** It is estimated that this has affected approximately 2,000 applicants. This is being addressed by a move of the responsibility for testing from academics to central teams. A programme of extra sessions will run until mid-March to clear the backlog – and Faculty and Central teams are working to further streamline the process for the future
  - **Conversion: student contact with applicants.** The student contact centre has recommenced with new engagements between current students and prospective student on the telephone – it is estimated that all applicants prior to 15 January 2014 will be contacted at least once personally by a current student by the end of March 2014. The focus of these calls is on student life, how to make a decision on UCAS, what to expect when you study at university and also offer additional routes for students to find out more information. The calls are also being used to promote the Applicant and Head Start Days.
  - **Applicant Days - offered to all offer holders.** Last year 10% of offer holders attended. The goal this year is to more than double this, since conversion has been shown to be significantly better for those who attend
  - **Head Start Days - offered to all who have firmly accepted.** The aim is also to double engagement through these. Last year, conversion to enrolment for attendees was approximately 90% compared to an overall average of approximately 65%
  - **EU.** Work is being undertaken to see what else could be done to accelerate growth from the EU, recognising that it is quite late in the cycle, these activities will be clearly focused on conversion
  - **Sponsored students.** LSBU is down to the final 2 in a bid for national provision for Network Rail. The other bidder is the current provider (Sheffield Hallam). The team is targeted with working with 2 new company prospects per month, aiming at one new contract per month
  - **Clearing / pre-clearing.** A team has been tasked with coming to the Executive in April with options to minimise the loss of firmly accepting students over and above what is already in train, in the light of 2013/14 experience and a highly competitive market
  - **International.** Practical proposals will be presented to the March Executive to maximise new student numbers for 2014/15, as well as potential for growth through in-country partnerships
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## Appendix A – PT and PG figures for Home and EU (excluding HSC)

Undergraduate Part time	Firm Acceptances CYTD	Firm Acceptances LYTD	% change	Offers CYTD	Offers LYTD	% change	Total Applications CYTD	Total Applications LYTD	% change
Arts And Media - Total	0	0		0	0		0	0	
Culture Writing And Performance - Total	0	0		0	0		0	0	
Education - Total	0	0		0	0		0	0	
Law - Total	2	0		3	1	200.00%	14	11	27.27%
Psychology - Total	2	2	0.00%	1	0		11	8	37.50%
Social Sciences - Total	0	0		0	0		5	10	-50.00%
Urban, Environment And Leisure Studies - Total	6	1	500.00%	4	1		12	11	9.09%
Accounting & Finance - Total	4	5	-20.00%	1	2	-50.00%	12	12	0.00%
Business Studies - Total	1	1	0.00%	3	0		17	7	142.86%
Informatics - Total	1	0		3	0		7	8	-12.50%
Management - Total	0	1	-100.00%	0	0		1	4	-75.00%
Applied Science - Total	0	1	-100.00%	0	0		3	4	-25.00%
Built Environment - Total	7	4	75.00%	16	15	6.67%	63	33	90.91%
Engineering And Design - Total	6	11	-45.45%	0	2	-100.00%	19	19	0.00%
National Bakery School (ESBE) - Total	0	0		0	0		0	0	
Urban Engineering - Total	9	10	-10.00%	6	9	-33.33%	51	38	34.21%
Allied Health Professions - Total									
Adult Nursing - Total									
Children's Nursing - Total									
Mental Health Nursing - Total									
Midwifery & Women's Health - Total									
Primary & Social Care - Total									
	<b>38</b>	<b>36</b>	<b>5.56%</b>	<b>37</b>	<b>30</b>	<b>23.33%</b>	<b>215</b>	<b>165</b>	<b>30.30%</b>

Postgraduate Full time	Firm Acceptances CYTD	Firm Acceptances LYTD	% change	Offers CYTD	Offers LYTD	% change	Total Applications CYTD	Total Applications LYTD	% change
Arts And Media - Total	0	0		0	0		0	0	
Culture Writing And Performance - Total	0	1		0	0		7	3	133.33%
Education - Total	0	47	-100.00%	0	1	-100.00%	124	491	-74.75%
Law - Total	10	11	-9.09%	21	13	61.54%	36	32	12.50%
Psychology - Total	4	5	-20.00%	3	8	-62.50%	24	24	0.00%
Social Sciences - Total	5	4	25.00%	6	0		22	7	214.29%
Urban, Environment And Leisure Studies - Total	2	3	-33.33%	0	0		10	3	233.33%
Accounting & Finance - Total	9	6	50.00%	4	2	100.00%	25	13	92.31%
Business Studies - Total	0	2	-100.00%	1	3	-66.67%	3	8	-62.50%
Informatics - Total	0	0		0	1	-100.00%	3	3	0.00%
Management - Total	11	10	10.00%	4	13	-69.23%	27	34	-20.59%
Applied Science - Total	15	13	15.38%	9	3	200.00%	27	24	12.50%
Built Environment - Total	22	21	4.76%	6	16	-62.50%	52	65	-20.00%
Engineering And Design - Total	1	3	-66.67%	0	0		4	6	-33.33%
National Bakery School (ESBE) - Total	0	0		0	0		0	0	
Urban Engineering - Total	3	6	-50.00%	2	3	-33.33%	6	15	-60.00%
Allied Health Professions - Total									
Adult Nursing - Total									
Children's Nursing - Total									
Mental Health Nursing - Total									
Midwifery & Women's Health - Total									
Primary & Social Care - Total									
	<b>82</b>	<b>132</b>	<b>-37.88%</b>	<b>56</b>	<b>63</b>	<b>-11.11%</b>	<b>370</b>	<b>728</b>	<b>-49.18%</b>

# London South Bank University

Postgraduate Part time	Firm Acceptances CYTD	Firm Acceptances LYTD	% change	Offers CYTD	Offers LYTD	% change	Total Applications CYTD	Total Applications LYTD	% change
Arts And Media - Total	0	0		0	0		0	0	
Culture Writing And Performance - Total	0	0		0	0		0	0	
Education - Total	0	0		0	0		1	0	
Law - Total	5	4	25.00%	4	0		13	6	116.67%
Psychology - Total	4	12	-66.67%	2	2	0.00%	21	32	-34.38%
Social Sciences - Total	5	2	150.00%	0	0		13	3	333.33%
Urban, Environment And Leisure Studies - Total	1	5	-80.00%	1	0		7	5	40.00%
Accounting & Finance - Total	3	2	50.00%	1	2		7	6	16.67%
Business Studies - Total	4	0		0	0		4	1	300.00%
Informatics - Total	0	0		0	0		0	0	
Management - Total	8	2	300.00%	4	3	33.33%	18	13	38.46%
Applied Science - Total	3	0		0	0		3	1	
Built Environment - Total	8	9	-11.11%	4	2	100.00%	19	21	-9.52%
Engineering And Design - Total	1	1	0.00%	0	0		2	1	100.00%
National Bakery School (ESBE) - Total	0	0		0	0		0	0	
Urban Engineering - Total	7	4	75.00%	3	1	200.00%	11	8	37.50%
Allied Health Professions - Total									
Adult Nursing - Total									
Children's Nursing - Total									
Mental Health Nursing - Total									
Midwifery & Women's Health - Total									
Primary & Social Care - Total									
	<b>49</b>	<b>41</b>	<b>19.51%</b>	<b>19</b>	<b>10</b>	<b>90.00%</b>	<b>119</b>	<b>97</b>	<b>22.68%</b>

	PAPER NO: BG.06(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	16-20 Challenge Update	
Author:	Tim Gebbels, Director of Enterprise	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
<b>Recommendation by the Executive:</b>	To note progress	
Aspect of the Corporate Plan to which this will help deliver?	Growth of income and surplus in line with the Five year Plan: "£16m extra revenue at a surplus of 20%"	
Matter previously considered by:	Executive	On: February 2014
Further approval required?	n/a	On:
Communications – who should be made aware of the decision?	n/a	

### **Executive Summary**

1. Since November, 2013, the total potential revenue value, un-risk adjusted, of projects in 2017/18, has increased from £25m to £26.2m.
2. This is due mainly to the inclusion of a major new prospect, a partnership with the British University of Egypt, of £2.5m, and a target for competing for and winning bids of £2.5m based on a revised focus and resourcing in place Q2 2014, offset by an adjustment to the potential from the international top-ups programme in 17/18 from £4.9m to £2.6m ( 5 year potential £4.1m) and withdrawal of the "app development" project as a specific programme
3. A number of the projects, for example the investments in Facilities for ESBE and AHS , increased focus on EU for postgraduate and study abroad recruitment, relaunched Knowledge Transfer programmes, and the ERDF funded programme for SMEs are live, and will contribute towards targets in

# London South Bank University

2014/15. Overall, the Executive is confident that the £2.5m of new revenue highlighted in the 2012/13 5 year plan for 2014/15 will be delivered. The mix across projects will be confirmed as part of the budget planning cycle in progress.

4. In this report, projects have been grouped by maturity (live for 14/15; expected to deliver from 15/16; major prospects prioritised for development of cases; further ideas with potential; withdrawn). The format will be reviewed for the next Board meeting



**16 - 20 Projects Update, March 2014**

Area / Title (Owner)	Description	Project progress	Indicative value in 2017/18	Next Gateway stage	Target Date
<b><u>Project delivery service from 2014/15</u></b>					
<b>International</b> Nursing and radiography programmes in Malaysia (Judith Ellis)	Led by the Faculty	Manageable within Faculty resourcing at this stage. Nursing courses successfully validated jointly with Malaysian team. NBM approval awaited. First 2+0 cohort expected to start in September 2014 with 4+0 in 2016	£1m+	n/a	Faculty to come back to Exec if additional resource required to maximise potential
<b>International</b> Sponsorship of international cohorts (Jenni Parsons)	e.g. Qatar petroleum UG	First cohort with Qatar delivering 40 students at £10k pa each in 13/14 now enrolled. Targeting 50 students in 14/15	£1m+	n/a	On-going
<b>Enterprise</b> Knowledge Transfer  (Yvonne Mavin)	KTP and KTC programmes to rebuild the LSBU position to national leadership	Revised marketing effort begun in September 2013 with strong pipeline developing since then, including 1 KTP started, 1 approved and 6 more in preparation. Average value is £140k per KTP and 30K per KTC. Travel for run rate acquisition of at least 10 new KTPs pa by July 2015.	£1.5m	N/A	On-going

**16 - 20 Projects Update, March 2014**

<p><b>Enterprise Partnerships and bids</b></p>	<p>Development of bids to non-academic funding streams (e.g. EU structural funds, LEP, Local Authorities, etc) to support University activity</p>	<p>Extra resource for development of partnerships and bids now agreed, recruitment underway.</p>	<p>£1m-£2.5m</p>	<p>n/a</p>	
<p><b>Enterprise ERDF bid to support SMEs to grow by improving their investment readiness (formerly Economic Gardening).</b>  (Yvonne Mavin)</p>	<p>Creation of a set of defined frameworks through which supervised student consulting services can be offered to SMEs. Now focussed on Access to Finance priority of ERDF programme.</p>	<p>Cross-faculty team agreed. Included in ERDF 8 bid that has outline approval. Project start date was 1<sup>st</sup> November – University to proceed at own risk. Project now in start-up procuring key services, and project manager in place. Finalising documentation preparatory to GLA approval.</p>	<p>£0.5-1m</p>	<p>Approved December 2013</p>	<p>December 2014</p>
<p><b>Sponsored students ( PG/PT)</b>  (Tere Daly)</p>	<p>Industry/international. Indicatively, 150 FTE@ £7k each</p>	<p>Positive response from employers approached. Team in place focusing on sponsorship Bid for Network Rail training provision (£2.7m over 5 years) now at stage two. Response imminent</p>	<p>£1m+</p>	<p>n/a</p>	<p>On-going</p>

**16 - 20 Projects Update, March 2014**

<b>Post Graduate</b> Enhanced Facilities from 2014/15 for Creative industries ( M Molan)	Extension of programmes / launch of new programmes for PG and international ( in addition to strengthening position in UG)	Business Cases reviewed at Exec, July 2013, and subsequently finalised within the Capital Works programme. To be taken into account in faculty budget numbers for 14/15	£1m+		Ongoing
<b>Post Graduate</b> Enhanced Facilities from 2014/15 for Engineering (R Bhamidimarri)	Extension of programmes / launch of new programmes for PG and international ( in addition to strengthening position in UG)	Business Cases reviewed at Exec, July 2013 and finalised within overall capital programme. To be taken into account in Faculty budget numbers for 14/15	£1m+		TBC
<b><u>Prospects expected to deliver if approved from 2015/16</u></b>					
<b>International</b> International partnerships to provide Edexcel top ups in - country (Jenni Parsons)	Targeting of less mature international colleges with standardised top ups in engineering, business, tourism. Blended teaching model to deliver innovative online resources and a framework for supporting local teaching delivery	Launch for first cohort targeted Sept 2015. Approved to progress to full business case at Feb Exec. Business case to address queries raised at Exec	£2.6m (£4.1m Y5)	Submission of business plan and implementation for funding	April 2014

**16 - 20 Projects Update, March 2014**

<p><b>International</b></p> <p>Development of a substantial partnership with the British University Egypt (BUE)</p> <p>Phil Cardew/ Philip Lockett</p>	<p>LSBU took over a validation arrangement for petroleum and chemical engineering from Loughborough. BUE seeking to extend to a wide validation across multiple programmes</p>	<p>VC led meeting Feb 14. Potential identified for partnership including research, enterprise, progression as well as validation. First cohorts -Sept 15.</p>	<p>£2.5m</p>	<p>Development of detailed academic and commercial agreement</p>	<p>Full agreement in place by June 14</p>
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**16 - 20 Projects Update, March 2014**

<p><b>Enterprise</b> Development of blended / online health programmes  (Warren Turner / Yvonne Mavin)</p>	<p>Development in new health sectors of online and blended learning programmes</p>	<p>Now developed into three related strands of work and a fourth new strand:</p> <ol style="list-style-type: none"> <li>1. Development of 2 large MOOCs funded by London North, East and Central LETB and seen as a pilot for LSBU MOOC development.</li> <li>2. Two online training packages (non-clinical prescribing and pain management) being developed in partnership with a commercial developer.</li> <li>3. Management of the legacy ILSI blended learning products focused principally on providing training to GPs to support their technical writing skills</li> <li>4. Development of MOOCs for International market – starting with paediatrics</li> </ol>	<p>£0.5-1m</p>		<p>1-3 Manageable within faculty resource at this stage. Faculty preparing a Business Case for resources required to develop 4. MOOCs suitable for International market</p>
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**16 - 20 Projects Update, March 2014**

<p><b>Enterprise</b> Therapy Centre  (Warren Turner/ Yvonne Mavin)</p>	<p>Development of a University to Community therapy or broader service centre offering community service, opportunities to maintain currency of academics' practitioner skills and scope for practical experience for students, together with commercial lettings to co-located commercial service providers.</p>	<p>First step. Health are developing a proposition for inclusion in the Wellbeing element of the Confucius Institute at Caxton House</p>	<p>£0-£0.5m</p>	<p>Gateway 1</p>	<p>End April 2014</p>
<p><b>EU Recruitment</b> Improve recruitment to PG programmes and study abroad from EU (Tere Daly)</p>	<p>Feedback from Y1 and 2 activity within EU is very promising – being developed further</p>	<p>The paper to the March Executive highlighted potential for an additional £0.25m in 2014/15 and £1m+ from 2015/16</p>	<p>£0.5-1m+</p>	<p>Long term potential case development</p>	<p>proposal to April Exec</p>

<b><u>Priorities for development of cases</u></b>					
<p><b>Enterprise CPD</b>  (Yvonne Mavin)</p>	<p>Development of significant portfolio of courses over and above our standard full cost courses. The scope includes professional and other qualifications and structured management training to local councils, police etc.</p>	<p>pilot started, promoting individual selected PG business modules as CPD. Relevant Business modules included in Health CPPD promotion</p> <p>Initial cross-Faculty team meeting defined scope and actions for full programme. Major potential. Requires reframing with wider cross university engagement in the project and accompanying benchmarking studies</p>	<p>Professional qualifications £0.5-2m</p> <p>Other 3 faculties to match health £3.6m for CPD</p>	<p>Gateway 2 Approve direction</p>	
<p><b>Enterprise Work-based learning</b>  (TBC)</p>	<p>Corporate degrees, higher apprenticeships development and funding</p>	<p>Initial market research indicates this is an area of interest but complex and requires significant effort to define the opportunity. Bid to Kings for a corporate MBA and Diploma potentially worth up to £600k+. but unsuccessful in final pitch. Health and Business developing proposition aligned to NHS Leadership Framework</p>	<p>£1.2m</p>	<p>TBC</p>	<p>TBC</p>

**16 - 20 Projects Update, March 2014**

<b>Enterprise Spin-outs</b>	Enhanced engagement with academics is starting to identify potential new projects	Early scoping has started around the 3D printing and insects food project – with funding through crowdcube being explored	tbd	Development of proposition and market evaluation	Q2 2014
<b><u>Further ideas with potential</u></b>					
<b>Enterprise Summer Schools</b> (Yvonne Mavin)	Summer schools (over and above those targeted at students who need support before joining LSBU) forms part of the overview of better utilisation of the campus.	Initial market research suggests this area is of interest.  Plan to link to initial developments in this area in International.	£0.5-1m	Gateway 3-4 Submission of business plan/ implementation for funding	TBC
<b>Enterprise Concepts to be developed for Gateway1</b> (TBC)	Exploiting university capital assets; film locations; Quizslides; Tenders ; US Community University top-up programme; enhanced international partnerships programme	Work to start from Q1 2014	£2m	Gateway 1	TBC



**16 - 20 Projects Update, March 2014**

<b><u>Withdrawn</u></b>					
<b>Enterprise</b> App Farm (formerly Medico-Digital)  (Yvonne Mavin)	An “App Farm” to support the development of student and staff App development, offering skills development and enhancing employability, recruitment and reputational value.	Focus on skills and employability means this is no-longer about income generation and is outside the scope of 16-20 programme – being managed in-Faculty	£0m		N/a
<b>TOTAL</b>			<b>£20.7- £26.2m</b>		

	PAPER NO: BG.07(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Vice Chancellor's Report	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Dave Phoenix, Vice Chancellor	
<b>Recommendation by the Executive:</b>	The Board is requested to note the report which provides a progress update on University business.	
Aspect of Corporate Plan to which this will help deliver?	Successful delivery of all aspects of the plan.	
Matter previously considered by:		
Further approval required?	n/a	
Communications – who should be made aware of the decision?	n/a	

**Executive summary**

This report includes an update on the consultation process, the University Technical College, recent student success and campus news, and presents the Corporate KPIs for the 13/14 Academic year.

The Board is requested to note the attached report.

**Attachment:** Corporate KPIs 13-14 report – February 2014

## Vice Chancellor's Report: March 2014

### Update on Consultation & Restructuring Process

#### *Transition to Schools*

1. Following the consultation period which ended on the 6<sup>th</sup> January, the School structures have been confirmed as in the table below.

<b>School</b>	<b>Composition</b>
Applied Science	Applied Science Department excluding Chemical and Petroleum Engineering Psychology National Bakery School
Arts and Creative industries	Arts and Media Culture, Writing and Performance
Built Environment and Architecture	Built Environment (which includes Architecture) Urban Engineering
Business	Accounting and Finance Business Studies Informatics Management
Engineering	Engineering and Design Chemical and Petroleum Engineering (from Applied Science)
Health and Social Care	Adult and Midwifery Allied Health Sciences Childrens' Nursing Institute of Vocational Learning Mental Health and Learning Disabilities Primary and Social Care

Law and Social Sciences	Law Social Sciences Urban Environment and Leisure Studies Education
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*Transition to Professional Support Groups*

2. The consultation process relating to the groupings for Professional Services completed on Friday 7<sup>th</sup> March and the outcomes are due to be circulated to staff at the start of April and an update will be provided before the Board meeting at 2.30pm.
3. Consultation on the future strategy has also started based on the principles discussed at the Board strategy day in October 2013. Employees are being consulted on three key outcomes which will form the basis for the development of the draft strategy document and will form the focus of discussion at the Board strategy day in May. The three key outcomes are:
  - a. **Student Success:** Ensuring we are externally recognized for providing a personalised, high calibre education which equips graduates for employment and prepares them to make a positive contribution to society.
  - b. **Real World Impact:** Ensuring we provide dynamic evidence based education which is underpinned by research and enterprise activity with real world impact.
  - c. **Chosen Partner for Change:** Ensuring we are actively engaged with our communities and seen as a partner of choice by organisations seeking to address societal challenges and support social health and well-being in London and internationally.

*Deputy Vice Chancellor Recruitment Process:*

4. At its meeting of 21<sup>st</sup> November 2013 the Board approved the creation of an additional senior post of Deputy Vice Chancellor (DVC). The DVC will line manage the Schools and report to the Vice Chancellor. The Board agreed that the position would be a senior post holder and therefore appointed by the Board. The Chairman and Vice Chancellor subsequently agreed the selection panel, process and appointment which is set out below.

*Process and Selection Panel*

Saxton Bampfylde have been appointed to lead the search for the DVC. The Chairman, the Vice Chancellor, the Chair of the Educational Character Committee, the Chair of the Human Resources Committee and an external member (Professor Neil Gorman, VC at Nottingham Trent University) will be on the selection panel. An advert for the position will run until mid-March.

### *Formal Appointment*

Final interviews are planned for 7<sup>th</sup> May 2014. The selection panel will approve the appointment and the Board will be requested to ratify the appointment at its meeting of 22<sup>nd</sup> May 2014. The remuneration package of the successful candidate will be agreed in writing between the selection panel and the Chair of the Remuneration Committee.

### **Update on South Bank University Technical College (UTC)**

5. LSBU agreed to sponsor a University Technical College (UTC) in Bermondsey in 2012, and developed detailed plans for buildings and curriculum with full support from the Department for Education (DfE). Professor Martin Earwicker updated the Board in November 2012 that the Department for Education were considering the purchase of the Bermondsey site from LeSoCo.
6. As the negotiations between DfE and LeSoCo progressed, LSBU developed the company structure for the UTC. The Funding Agreement was ready to be submitted in April 2013. However DfE's offer was gazumped and the UTC project did not progress as planned at that time.
7. Subsequently, an alternate site in Brixton was identified and discussed with the DfE and the Baker-Dearing Trust, which provided an opportunity to reactivate the UTC project in August 2013. The Education Funding Agency (EFA) purchased the site in Brixton and asked LSBU to submit a supporting case for establishing the UTC in Brixton. Strong support was received from Guys and St Thomas NHS Foundation Trust, Network Rail, Argent, Purico and several other employers.
8. Required information was submitted in January 2014 and received the Minister's approval in February - to establish the UTC with specialism in engineering for the health care and building sectors. The project planning has begun with a target of opening the UTC in September 2015.
9. The South Bank Academy is due to open in September and work is underway to recruit c100 pupils and take hand over of the current site. Response to date from parents has been positive. There are risks though, for example the site is currently occupied by Sacred Heart School and they have a right of ownership until their new school is complete. The Executive have assembled a project oversight team to review the proposal and ensure we are clear on benefit, how we achieve that benefit and of course any risk and liability associated with the work. This should be considered by the Board at a future meeting.

## **LSBU Student Success & Campus Activity in the news**

### *Midwifery student wins national award*

10. Lisa Cecere, a third-year Midwifery student, won a top prize at the Royal College of Midwives (RCM) Annual Awards. The prize, presented by newsreader Natasha Kaplinsky, was awarded as a travel bursary which Lisa will use to travel to the Peruvian Amazon to gain insight into the local maternity and midwifery services.
11. The annual RCM awards reward the professional excellence, hard work and dedication of the UK's midwives, while celebrating exceptional achievement across all levels of the profession. The purpose of national midwifery award is to assist a student midwife or group of students to undertake a carefully planned elective placement away from the normal educational and practice environment.
12. Lisa intends to spend her travel bursary on a five-week elective placement in the central Amazon of Peru, where she will visit a hospital in the highly multi-ethnic and multicultural region of Pasco.

### *Nursing student commended in scholarship awards*

13. Dave Thompson, a nursing student at LSBU, was highly commended in a national competition to find the best student nurses and midwives in the country. Dave was recognised in the community section of the 2014 Scholarship Awards, run by Cavell Nurses' Trust.
14. The scholarship awards, currently in their third year, aim to provide exceptional student nurses and midwives opportunities to further develop their professional practice and personal qualities. The five overall winners receive a travel scholarship, worth up to £2,000, for further study either in the UK or overseas.
15. This is the second year running that an LSBU student has been shortlisted in the awards – testament to the high calibre of students in the Faculty of Health and Social Care.

### *Pub psychology – laboratory study on drinking behaviours*

16. A 'pub' research facility with cameras and microphones will enable the Psychology department to investigate the motivations behind why people drink in the ways they do by providing a laboratory setting for alcohol-related research.

17. With health problems caused by excessive drinking costing the NHS around £3 billion a year, 'Pub Lab' was designed for researchers to study volunteer participants in a controlled research setting.
18. The new pub laboratory gives researchers the opportunity to determine whether previous findings obtained from traditional lab-based research can be replicated in a more realistic environment, while the findings should prove invaluable in the creating of strategies which reduce actual or potential alcohol-related harm in drinkers. The study generated a huge volume of national and international media interest.

#### *LSBU academics print 3D edible insects*

19. Academics from Applied Science have developed what they believe could be the future of food – using ground up insects and a 3D printer.
20. Insects Au Gratin, a collaborative project involving LSBU's Susana Soares, Andrew Forkes and Dr Ken Spears, explores the nutritive and environmental aspects of entomophagy (the consumption of insects as food), combined with 3D food printing technologies.
21. Radical uses of 3D printing technology may enable us to overcome the traditional aesthetic issues of 'eating insects' and challenge people's perceptions of eating insects. The use of insect protein as a 'printable' material opens up a range of new applications and questions about sustainability, raw materials, nutrition, and food acceptance.

#### *Seventy-six academics recognised by HE academy*

22. Vice-Chancellor Professor David Phoenix has congratulated 76 colleagues on achieving HE Academy recognition for their learning and teaching skills, an achievement celebrated at the recent Academic Staff Development Unit awards.
23. Most had gained Associate Fellowship or Fellowship of the HE Academy through the University's long-standing Postgraduate Certificate in Higher Education (PGCHE). Also among those congratulated were LSBU's first Senior Fellows: Ruth Brown, Anne Harriss, Gail Langley and Kate Leonard.
24. Having already achieved Senior Fellowship himself, the Vice-Chancellor challenged the audience to become LSBU's first Principal Fellows—welcoming not only the individual benefits of such awards but their importance to the University's standing and ability to deliver a high-quality student experience.

### *Academics from the Built environment contribute to London Bridge regeneration*

25. One of the oldest railway stations in the world, London Bridge is currently undergoing a £700 million redevelopment—and LSBU is helping with proposals to ensure that the area becomes a vibrant destination in itself.
26. Commuters may be well aware of the upgrade to the UK's fourth-busiest station but the Victorian viaduct to the east of London Bridge is also being redeveloped—providing a prime opportunity to ensure a long-term regeneration proposal for the area is put in place.
27. With a vision to create the viaduct as a vibrant destination sensitive to the existing character of the area, business improvement district Team London Bridge last year reached out to LSBU's built environment academics to progress their ideas for the station's hinterland.
28. Dr Mahtab Farshchi, lead academic for the development project, and LSBU's Enterprise team put together a knowledge transfer project centred on a year-long project delivered by a specially-recruited associate—in this case, LSBU alumnus Henry Johnstone. The project tested the feasibility of the proposal to encourage a core area of business for arts, crafts and technology firms.

### **National Pay Negotiations, 2014/15**

29. The university has responded to the UCEA consultation and national pay negotiations with a recommendation of 1% in line with our 5 year budget forecasts. The forecast also includes 1.5% for incremental drift bringing the total to 2.5%. The recent meeting with UUK generated some significant debate around this area with some institutions indicating 1% would be hard to manage and others looking for substantially larger awards.

### **British University in Egypt (BUE)**

30. LSBU has had a partnership with BUE for just over 1 year focused on Petroleum and Chemical Engineering. They have approached us to expand our work with them taking on additional areas of activity from Loughborough University. We are currently undertaking due diligence. I am not keen to become a validating body but have spoken to the senior Executive at BUE about the possibility of them providing space for a joint research/enterprise centre which would provide us with increased capacity and links to local industry. It would also act as a shop front/overseas office in that region. This area is being led by the PVC Academic and as details develop the concept will be brought to P&R committee.



## Key Performance Indicators report

31. The Key Performance Indicators (KPI's) for the 13/14 Academic cycle are attached as an appendix for information. Following confirmation of the KPI targets for 13/14 and related rating criteria at the 21 November 2013 Board meeting, the KPI report is presented to reflect the latest KPI information in the 13/14 reporting cycle.
32. At this point in the year, only the finance section has been updated with forecast year-end figures from the management accounts. (These are subject to external audit approval.)
33. Enterprise revenue for 2013/14 is expected to come in line with the budget. Growth projects are highlighted in the "1620" paper. It is worth noting that substantial progress has been made following the relaunch of the Knowledge Transfer partnerships, with excellent engagement by academics, and a strong pipeline developing to re-establish LSBU as a leader nationally. The ERDF programme of support for SMEs ("growth accelerator") has also started.
34. Recruitment for 2014/15. To date, LSBU continues to track ahead of the market nationally and with local competitors for applications. Firm acceptances are significantly up on last year (+28% for undergraduate full time SNC and +33% internationally). It is early in the cycle for part-time, which is ahead of last year for both undergraduate and postgraduate. Postgraduate fulltime is tracking in line with last year, after withdrawal of the PGCE programme has been taken into account. A strong focus on conversion continues, with attendance at conversion events so far twice as high as this time last year.

## LSBU Corporate Key Performance Indicators (2011/12 - 2013/14)

Report Production Date: 19th February 2014

Financial Sustainability						
KPI	2011/12 Actual	2012/13 Actual	2013/14		YoY	
			Target	Actual (Jan MAs)	up down	
<b>Student Numbers &amp; Contracts</b>						
1	Recruitment against HEFCE contract	Within tolerance	Within tolerance	Within tolerance band	within tolerance	➔
<b>Income</b>						
2	NHS contract income (£)	On target	On target	£25.9m	£24.9	⬇
3	International student income	£9.6m	£8.8m	£9.4m	£8.5	⬇
4	Research (non-HEFCE) income (£)	£2.4m	£2.2m	£2.4m	£2.3	⬆
5	Enterprise income (£)	£10.0m	£8.4m	£9.0m	£7.5	⬆
6	Total Income (£)	£138.3m	£138.00	£137.6m	£135.8	⬇
<b>Surplus</b>						
7	Total Surplus (% of income)	4.7%	4.50%	1.8%	1.3%	⬇
<b>Other Financial Indicators</b>						
8	Cash Balance (£)	£69.1m	£59.9 m	£48.2	tbc	
9	Gearing Ratio	0.31	£0.27	0.26	tbc	
10	Days liquidity	203	£176.00	139	tbc	
11	Staff Costs as a % of Income	<i>new indicator</i>	<i>new indicator</i>	55%	55.5%	

The Student Experience					
KPI	2011/12 (Actual)	2012/13 (Actual)	2013/14 (Target)	Current (RAG)	YoY
<b>Student Satisfaction</b>					
12	Overall Student Satisfaction - UG (NSS) *	80%	82%	86%	
13	Overall Student Satisfaction - PG	78%	76%	80%	
<b>Student Retention &amp; Progression</b>					
14	FTUG Year 1 Progression (%)	63%	65%	65%	
15	Graduating in intended period (FTUG 3/4yrs) (%)	52%	51%	65%	
<b>Value Added</b>					
16	Employment of graduates (DLHE return)* (Employed, or studying, or both)	78.1%	77.4%	85%	
17	No. of first degree students obtaining 1st or Upper 2nd class degrees *	56.0%	58%	62%	
<b>Resource Measures</b>					
18	Spend per student (£) * (Academic Services)	£940 <small>(Complete UG 2013)</small>	£900 <small>(UG 2014)</small>	£1,000	
19	Spend per student (£) * (Services & Facilities)	£1,062 <small>(Times GUG 2012/13)</small>	£1,110 <small>(SundayTimes/Times GUG)</small>	£1,150	
20	Staff:student ratio *	22.4:1 <small>(2011 HESA)</small>	23.7:1%	21:1	

Institution Reputation and Esteem					
KPI	2011/12 (Actual)	2012/13 (Actual)	2013/14 (Target)	Current (RAG)	YoY
<b>League Table Ranking</b>					
21	The Times / Sunday Times	111 (of 116) <small>(2012/13 Table)</small>	118 (of 120) <small>(2014 Table)</small>	< 110	
22	The Guardian	104 (of 120) <small>(2013 Table)</small>	113 (of 119) <small>(2014 Guide - June 13)</small>	< 110	
23	The Complete University Guide	109 (of 116) <small>(2013 Table)</small>	119 (of 124) <small>(2014 Table - April 13)</small>	< 110	
<b>Subject League Tables (The Guardian)</b>					
24	No. of subjects in top 75% nationally	5 (of 17)	3 (of 21)	5 (of 15)	
25	No. of subjects in top 50% of post-1992	3 (of 17)	2 (of 21)	7 (of 15)	
26	No. of subjects in top 25% of post-1992, London	3 (of 17)	4 (of 21)	4 (of 15)	
<b>Student Perceptions</b>					
27	% of Firm acceptances against enrolment target from FTUG students prior to clearing	<i>new indicator</i>	<i>new indicator</i>	75%	
28	Early : late applications (% of FTUG enrolments arising from early/late applications)	74:26	79:21:00	80:20	
29	Financial support from donors (cash received, £)	£1.5m	£1.35m	1.4m	
30	Alumni Engagement: Number of placement, volunteer & mentor opportunities for students	<i>new indicator</i>	<i>new indicator</i>	500	
31	Staff Turnover rate	<i>new indicator</i>	<i>new indicator</i>	tbc	

\* Key league table measure

<b>KPI Notes: Measure Overview</b>		<b>Data date &amp; Source</b>	<b>Notes</b>
1-11	Financial performance	Nov to Sep: LSBU Management Accounts	Forecast data updated after each month end period Final figure provided after audit & year end in Sep.
<b>Student Satisfaction</b>			
12	Overall Student Satisfaction - UG (NSS)	Oct/Nov 14: Ipsos Mori National Student Survey	
13	Overall Student Satisfaction - PG	Oct/Nov 14: LSBU PG Taught Survey	
14	FTUG Year 1 Progression (%)	Oct/Nov 14: LSBU Cognos PAT Reports	
15	% Graduating in intended period (FTUG 3/4yrs)	Oct/Nov 14: LSBU Registry Analysis	
<b>Value Added</b>			
16	Employment of graduates (% Employed, Studying, or both)	July 14: Hefce DLHE survey	
17	No. of first degree students obtaining 1st or Upper 2nd class degrees *	Oct/Nov 14: LSBU Registry Analysis	
tbc	No. of first degree students obtaining 1st or 2nd class degrees	Oct/Nov 14: LSBU Registry Analysis	
<b>Resource Measures</b>			
18	Spend per student (£) * (Academic Services)	April/May 14: 'Complete University Guide'	
19	Spend per student (£) * (Services & Facilities)	June/July 14: Times 'Good University Guide'	
20	Staff:student ratio *	June/July 14: HESA data publication	
<b>League Table Ranking</b>			
21	The Sunday Times / Times	September 14: The Sunday Times Newspaper	
22	The Guardian	June 14: The Guardian Newspaper	
23	The Complete University Guide (formerly The Independent)	April 14: Complete University Guide website	
<b>Subject League Tables (The Guardian)</b>			
24	No. of subjects in top 75% nationally	June 14: The Guardian Newspaper	
25	No. of subjects in top 50% of post-1992	June 14: The Guardian Newspaper	
26	No. of subjects in top 50% of post-1992, London	June 14: The Guardian Newspaper	
<b>Student Perceptions</b>			
27	% of Firm acceptances against enrolment target from FTUG students prior to clearing Early : late applications (% of FTUG enrolments arising from early/late applications)	Oct/Nov 14, Marketing Analysis	
28		Oct/Nov 14, Registry Analysis	
29	Financial support from donors (cash received, £)	Oct/Nov 14, Development Office	
30	Alumni Engagement: Number of placement, volunteer & mentor opportunities for students	August 14, Development Office	
<b>Staff Perceptions</b>			
31	Staff Turnover	HR Database Analysis	

		PAPER NO: BG.08(14)
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Management Accounts (31 January 2014)	
Author:	Ralph Sanders, Head of Financial Planning & Reporting	
Executive sponsor:	Richard Flatman, Chief Financial Officer	
<b>Recommendation by the Executive:</b>	The Executive recommends that the Board of Governors note the report.	
Aspect of Corporate Plan this will help deliver?	Financial Sustainability	
Matter previously considered by:	Policy and Resources Committee	On: 4 March 2014
Further approval required?	n/a	On:
Communications – who should be made aware of the decision?	n/a	

### **Executive summary**

The Full Year Forecast as of January 2014 is trending towards a surplus of £1.8M, against a budget target of £2.5M.

The key drivers for the decline in profitability since the last report to the Board of Governors are lower than expected Post Graduate and Overseas income within the faculty of Business and a reduction in Health Contract income within the faculty of Health and Social Care. The Business faculty are currently reviewing their staff profile and expenditure in order to get closer to budget although changes to staff profile are unlikely to have a significant impact on current year. HSC are reviewing their NHS Contract clawback forecast and IGA activity and developing plans for returning to budget in year.

Although LSBU is currently £0.7M behind budget, the Full Year Forecast does include provision for the following unbudgeted costs:

- £1.2M revenue cost in respect of the IBM investment in 2013/14, plus
- £0.2M cost of recruiting the DVC and the Deans to the new School structure.

The University also has a £0.4M Operating expenditure (opex) contingency and a £1.5M restructuring provision in the forecast, both of which are currently unused. The in-year restructuring cost associated with the ongoing consultation process will become clearer over the next few months as more detailed plans are developed by the Schools and new Professional Service groups. The extent to which the £1.5m will be utilised in year is unclear at this stage.

For 2014/15 our focus continues to be on recruitment, income generation particularly with regard to Research and Enterprise, cost control and ensuring that the investments in IBM begin to payback through improved student progression and satisfaction.

**Attachment:** *January Management accounts summary pack*

## January 2014 Summary

1) This Executive Summary reports on the Financial position of London South Bank University as at January 2014 and summarises the changes since the December Forecast

### 2) RAG Status

YTD Income 3.9% YTD Staff -0.7% YTD Opex 8.5% FYF Income -1.4% FYF Staff % 55.5% FYF Opex 0.4% FYF Contribution -27.7%

FYF < 5% -  
 FYF > 5% < 10% -  
 FYF > 10% -

### 3) Summary

The Full year forecast as of January 2014 is trending towards a contribution of £1.8M. This is a decrease of £0.1M compared to the previous month and would leave the University £0.7M behind budget. In terms of the RAG status, our YTD income is slightly ahead of the comparable position in 2012/13 due to the increase in Refectory income and the early billing of PG students. Staff costs are slightly behind the comparable position in 2012/13 and we are on target to deliver the planned reduction in staffing costs and are not expected to breach our 55% cap. Operating expenses are £1.3m ahead of the comparable YTD position which is largely driven by increased refectory sales, refectory staff now being classed as Opex and the early capture of Bursary expenses. Our income for the year is currently forecast to be 1.4% below budget, (1.9% lower than 12/13) which is having a direct impact on our contribution forecast.

### 4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m				Dec 13 / 14	Monthly	Jan 13 / 14	variance to	variance	12 / 13	13 / 14	Variance	Variance
	12 / 13	13/14	Change %	FYF	Move	FYF	Budget	to Budget	YTD	YTD	to 12/13	%
	Actual	Budget						%				
Funding Council Grant	34.7	26.9	-22.6%	27.4	0.0	27.4	0.5	2.0%	17.0	13.9	-3.1	-18.3%
Academic Fees & Support Grants	84.8	93.3	10.1%	91.6	-0.6	91.0	-2.3	-2.5%	69.4	75.4	5.9	8.6%
Research Grants & Contracts	3.3	2.3	-30.3%	2.3	-0.0	2.3	0.0	2.0%	1.6	1.3	-0.3	-19.6%
Other Operating	15.0	14.7	-2.4%	14.5	0.1	14.6	-0.1	-0.5%	6.7	8.0	1.3	19.0%
Endowments & Interest	0.6	0.5	-12.6%	0.5	-0.1	0.4	-0.1	-16.0%	0.1	0.1	-0.0	-17.9%
<b>Income</b>	<b>138.4</b>	<b>137.6</b>	<b>-0.5%</b>	<b>136.3</b>	<b>-0.5</b>	<b>135.8</b>	<b>-1.9</b>	<b>-1.4%</b>	<b>94.9</b>	<b>98.6</b>	<b>3.7</b>	<b>3.9%</b>
<b>in £'m</b>												
Staff Costs	77.1	76.4	-0.9%	75.6	-0.3	75.3	-1.1	-1.5%	37.4	37.1	-0.3	-0.7%
Depreciation	7.9	8.6	9.5%	8.6	-0.2	8.5	-0.2	-1.8%	3.9	4.1	0.3	7.2%
Operating Expenses	43.9	42.1	-4.0%	42.3	0.0	42.3	0.2	0.4%	16.5	17.9	1.4	8.5%
Interest Payable	3.4	4.8	39.2%	4.8	-0.0	4.8	-0.0	-0.6%	1.8	1.9	0.1	5.7%
Exceptional Items	0.0	3.2	0.0%	3.2	-0.1	3.1	-0.1	-1.7%	-0.0	0.0	0.0	
<b>Expenditure</b>	<b>132.3</b>	<b>135.2</b>	<b>2.1%</b>	<b>134.4</b>	<b>-0.4</b>	<b>134.0</b>	<b>-1.2</b>	<b>-0.9%</b>	<b>59.6</b>	<b>61.1</b>	<b>1.5</b>	<b>2.5%</b>
<b>Surplus for the year</b>	<b>6.1</b>	<b>2.5</b>	<b>-58.8%</b>	<b>1.9</b>	<b>-0.1</b>	<b>1.8</b>	<b>-0.7</b>	<b>-27.7%</b>				
<b>Surplus as % of income</b>	<b>4.4%</b>	<b>1.8%</b>		<b>1.4%</b>		<b>1.3%</b>			<b>48.4%</b>	<b>49.2%</b>	<b>YTD Staff Cost %</b>	
<b>Surplus per student FTE</b>	<b>£423.7</b>	<b>£174.6</b>		<b>£132.9</b>		<b>£126.2</b>			<b>37.6%</b>	<b>42.3%</b>	<b>YTD OPEX Cost %</b>	
<b>Staff cost as % of income</b>	<b>55.7%</b>	<b>55.5%</b>		<b>55.5%</b>		<b>55.5%</b>			<b>45.0%</b>	<b>45.6%</b>	<b>Total YTD cost %</b>	

### 5) Forecast Summary

The key drivers for the change in forecast surplus this month are a reduction in the forecast contribution from the Faculty of Health & Social Care following a review of CPPD activity and a delay in the establishment of International partnerships, an increase in expenditure within ICT driven by investments in the Virtual Learning Environment project and a decrease in forecast interest receivables within Finance following the tightening of bank interest rates. The Faculty of Arts & Human Sciences is now forecast to deliver on budget following a review of expenditure within the department of Education, Estates have reduced their depreciation forecast and are reviewing their expenditure for savings of £300k due to concerns about affordability.

### 6) Income Summary

The key drivers for the monthly change in Income is a review of HSC activity. There has been an impact following the delay in enrolment of the first cohort of the Malaysian Nursing programme. The recent reforecast of student numbers has reduced the NHS contract by £239k, largely due to Children's nursing, and other student fee income by £238k. Review of the CPPD infill has reduced the forecast by £392k. These have been offset by an increase in income of £428k for a new IGA relating to the Health Visitor's Programme. BUS are continuing their review following second semester enrolments and will report next month. The net position however is that on-going faculty income has reduced by £4.5M year on year. The interest receivable forecast has also been reduced by £100k. Further analysis is shown below.

**January 2014 Summary**

**7) Expenditure Summary**

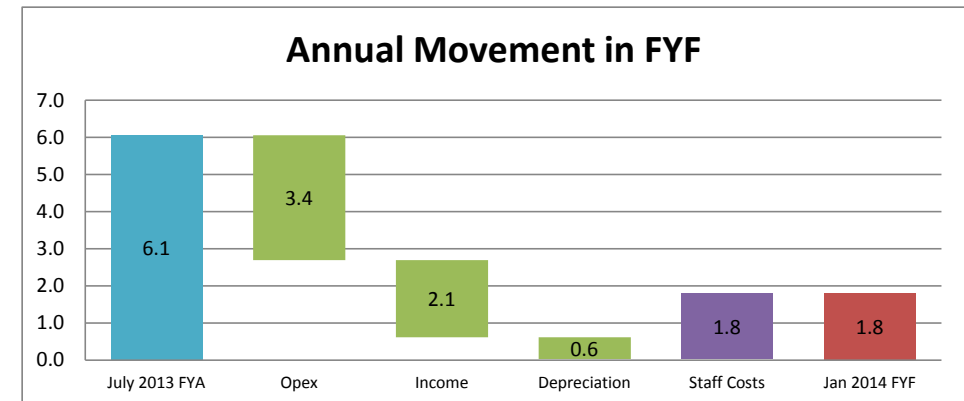
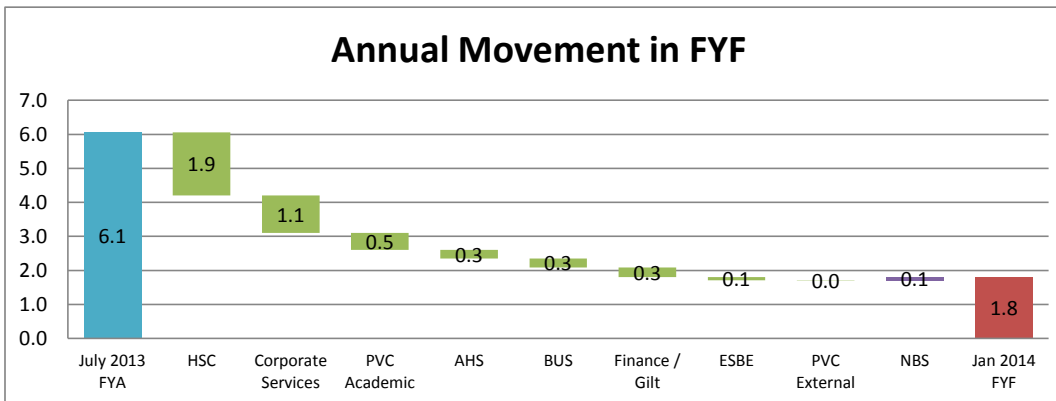
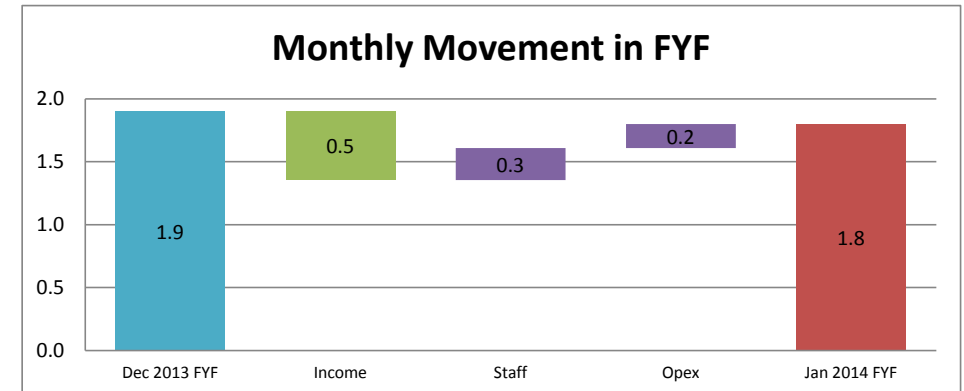
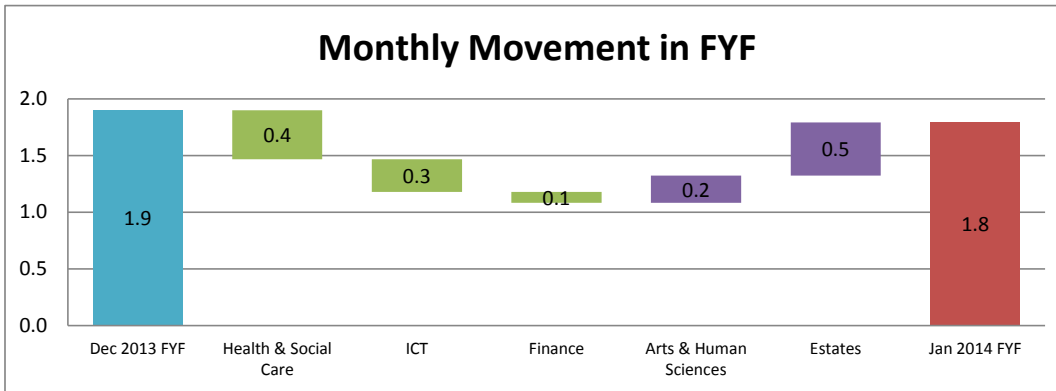
In terms of expenditure, the key drivers for the monthly change in our cost forecast include investments in Research staff in ESBE and investments in the Estates team. This has been offset by reductions in HSC administration costs. Following a review of expenses within AHS, this faculty is now forecast to deliver to budget. In terms of budget profiles there continues to be a switch between Support Staff and Third party staff, this is primarily driven by agency staff within ICT. Of the £1.6M spent YTD on third party staff, £1.1M has been spent on Agency staff.

**8) Risks and Contingencies**

The Full Year Forecast contains a number of risks particularly with regard to student recruitment and therefore student income. The HESES13 return indicated a potential HEFCE income shortfall of £1M based on a forecast of old regime students. This risk is being monitored and will be reviewed in 3 months once full modular enrolment has occurred. In terms of specific contingencies, we have a £0.4M Opex contingency which is not required for the IBM project, a restructuring provision of £1.5M although some of that will be required by the Faculty of Business and an FRS 17 Contingency of £1M. In terms of the investment pot, following the approval of the IBM investment and the recruitment costs for the DVC, Deans and the new Chair of the Board of Governors we have made awards of the full £2.0M. Given that we are still £0.7M short of budget it may be necessary to review all support department budgets if the forecast faculty income continues to fall.

**9) Contribution Analysis**

The Full Year Forecast Contribution is currently forecast to be £1.8M. This is a reduction of £4.3M as compared to the core 2012/13 outturn. The reduction in profitability is primarily driven by an increase in centrally held contingency of £3M, which is reported as Opex, an increase in depreciation and a reduction in income. Staff costs are expected to reduce year on year. The income reductions within the faculty of Health & Social Care and Business and the extra investment in Corporate Services and increase in depreciation are the key negative drivers as compared to 2012/13. Additional costs with Finance represent the contingencies that continue to be held in this area. The key driver for the increased profitability of PVC External is additional Enterprise income.



## January 2014 Summary

### Contribution Per Student and per Faculty Staff

	AHS		BUS		ESBE		HSC		NBS		Total Faculty		Change
	12 / 13 Actual	Jan 13 / 14 FYF	12 / 13 Actual	Jan 13 / 14 FYF	12 / 13 Actual	Jan 13 / 14 FYF	12 / 13 Actual	Jan 13 / 14 FYF	12 / 13 Actual	Jan 13 / 14 FYF	12 / 13 Actual	Jan 13 / 14 FYF	
Income (£m)	28.2	27.3	21.5	20.8	34.3	34.3	35.6	33.2	0.9	1.1	120.5	116.6	-3.9
Expenditure (£m)	15.8	15.1	13.5	13.1	22.1	22.1	21.6	21.0	0.6	0.7	73.6	72.0	-1.5
Contribution (£m)	12.4	12.2	8.0	7.8	12.2	12.1	14.0	12.1	0.3	0.4	46.9	44.6	-2.4
Contribution %	44%	45%	37%	37%	36%	35%	39%	37%	30%	35%	39%	38%	
Student FTE	3,764	3,468	3,169	2,953	3,664	3,649	3,599	4,101	98	115	14,294	14,286	
Contribution per FTE	£3,299	£3,506	£2,537	£2,635	£3,341	£3,329	£3,880	£2,952	£2,832	£3,259	£3,284	£3,120	
Staff FTE	181	171	156	148	228	240	282	260	5	5	851	825	
Contribution per Staff FTE	£68,656	£70,909	£51,663	£52,613	£53,606	£50,518	£49,582	£46,505	£55,504	£74,959	£55,128	£54,013	

Total faculty income from continuing operations is now anticipated to drop by £4.5M as compared to 2012 / 13, the release by AHS of £0.6M from the balance sheet means that the net reduction is £3.9M. This is driven by reductions in core Health Contract income within the faculty of Health and the decline of PG income and Overseas income both PG and UG within the faculty of Business. There is a further reduction in AHS due to a decline in income from Education. Faculty expenses are forecast to fall by £1.5M compared to 12/13, £1.4M of this fall is due to decreased Bursary payments as the University transitions from the old fee regime to the new regime and the replacement of Bursaries with Fee Waivers. The net result is that faculty expenses have increased by £0.1M. Overall, because of the combination of declining income and increased costs the collective contribution from the faculties is £2.4M down on 2012/13. In terms of profitability AHS remains the most profitable department when measured in terms of return on income and contribution per student.

Student FTEs have been taken from the a HESES recreation as of January 31 which shows a net growth of 388 FTE following second semester enrolment and continuing students completing. The biggest fall in student FTEs year on year are from AHS and BUS, whereas HSC would appear to have grown. There are some concerns with regard to HSC numbers and these are being investigated to ensure consistency with 2012/13. Student FTEs will decline during the year as students drop out and the chart in Appendix 2a shows the current withdrawal rate. We have currently withdrawn 490 students from all courses for intake 13/14. This stands at £2,054k of "lost income" being the difference between the full fee and the final charge. This is 2.8% of the student population which is significantly better than previous performance. This is being monitored to determine if it caused by a change in student behaviour or in LSBU processes.

#### Withdrawal Analysis

Academic year	Total Students	Withdrawals	% of Total Students	Comparable at 31/01	
10/11	23,062	1,600	6.9%	1,054	4.6%
11/12	21,127	1,189	5.6%	742	3.5%
12/13	19,262	1,020	5.3%	636	3.3%
13/14	17,572	490	2.8%	490	2.8%

## 10) Income Analysis

### Academic Fees

	12 / 13 Actual	13/14 Budget	Increase %	Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %	12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
	Health Contract	27.5	25.9	-6.0%	25.1	-0.1	24.9	-1.0	-3.7%	13.7	12.2	-1.5
Home & EU Fees - UG	37.0	45.3	22.2%	45.9	-0.1	45.7	0.5	1.0%	39.0	46.2	7.2	18.6%
Home & EU Fees - PG	7.2	8.8	20.8%	7.4	-0.2	7.3	-1.5	-17.2%	4.5	7.1	2.5	55.5%
Overseas Fees - UG	5.4	5.6	4.2%	5.5	0.0	5.5	-0.1	-1.6%	5.4	5.0	-0.4	-7.3%
Overseas Fees - PG	3.4	3.8	9.7%	3.0	0.0	3.0	-0.8	-20.3%	2.6	2.7	0.1	3.4%
Other Fees	4.2	4.0	-3.2%	4.8	-0.2	4.6	0.5	13.5%	4.2	2.2	-2.0	-48.3%
<b>Total</b>	<b>84.8</b>	<b>93.3</b>	<b>10.1%</b>	<b>91.6</b>	<b>-0.6</b>	<b>91.0</b>	<b>-2.3</b>	<b>-2.5%</b>	<b>69.4</b>	<b>75.4</b>	<b>5.9</b>	<b>8.6%</b>

In terms of Academic Fees the 2013/14 Budget continues the transition from HEFCE funding to student led funding so we would expect there to be large growth in Home & EU Fees - UG. The budget target is 22% higher than 2012/13 so the YTD figures of 19% reflect the fact that after the BUS review we will no longer expect to deliver to budget.



## January 2014 Summary

Health Contract Income is budgeted to decline by 6% year on year but has now been reforecast to decline by 9%, this is inline with the YTD position. Home & EU Fees - PG are budgeted to be 20% higher than the 2012/13 Outturn and the YTD figures are on trend to deliver this, however this is due to a more efficient enrolment process particularly with regard to AHS. Overseas UG income was budgeted to increase by 4% however the YTD figure is down by 7.3% and we have reduced our full year forecast. The Overseas PG growth target of 9.7% is no longer supported by YTD figures and is now expected to decline year on year.

### Faculty Detail

In terms of Academic Fees, AHS, ESBE and HSC have now reforecasted their 13/14 income. BUS is still under review and will report next month. AHS is expected to overdeliver in terms of Home and EU undergraduate income however it is not expected to deliver the PG income target or budgeted levels of Overseas income. The faculty of Business is behind its Home & EU UG income targets and may miss both PG and OS targets. ESBE may well be short on UG income but rather than recruitment this is due to a smaller number of enrolling continuing students. HSC is almost recruiting to budget in terms of UG but is struggling with both OS and PG. The full cost allocation, shown in Appendix 9 suggests that central costs are £2,913 per FTE for Home & EU students and £3,841 per Overseas FTE

### Academic Fees (£m)

AHS	12 / 13 Actual	13/14 Budget	Increase %
Home & EU Fees - UG	12.9	15.4	19.5%
Home & EU Fees - PG	2.7	3.7	35.5%
Overseas Fees - UG	0.8	0.9	17.0%
Overseas Fees - PG	0.5	0.7	38.6%
Other Fees	0.9	0.1	-88.2%
<b>Total</b>	<b>17.8</b>	<b>20.8</b>	<b>16.8%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
13.5	16.0	2.5	18.2%
0.7	2.6	1.9	260.7%
0.8	0.8	0.0	5.3%
0.5	0.6	0.1	22.2%
2.4	0.3	-2.2	-89.0%
<b>17.9</b>	<b>20.3</b>	<b>2.3</b>	<b>13.0%</b>

Jan 13 / 14 FYF	variance to Budget	variance to Budget %
15.7	0.4	2.4%
2.6	-1.1	-30.3%
1.0	0.1	7.6%
0.5	-0.2	-24.9%
0.1	0.0	23.9%
<b>20.0</b>	<b>-0.8</b>	<b>-4.0%</b>

The Year on Year performance of AHS is distorted by the improvement in PG enrolment. Whilst UG income is strong PG and OS PG are no longer forecast to deliver to budget

BUS	12 / 13 Actual	13/14 Budget	Increase %
Home & EU Fees - UG	10.0	11.9	18.6%
Home & EU Fees - PG	1.6	1.8	10.9%
Overseas Fees - UG	2.0	1.7	-12.1%
Overseas Fees - PG	1.6	1.9	16.9%
Other Fees	0.5	0.5	9.0%
<b>Total</b>	<b>15.7</b>	<b>17.8</b>	<b>13.4%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
10.7	11.9	1.2	11.6%
1.1	1.3	0.2	16.0%
2.0	1.6	-0.3	-17.6%
1.1	1.0	-0.1	-7.6%
0.3	0.1	-0.2	-72.6%
<b>15.2</b>	<b>16.0</b>	<b>0.8</b>	<b>5.2%</b>

Jan 13 / 14 FYF	variance to Budget	variance to Budget %
12.1	0.2	2.0%
1.3	-0.5	-29.6%
1.6	-0.1	-6.0%
1.3	-0.6	-31.6%
0.5	0.0	0.0%
<b>16.8</b>	<b>-1.0</b>	<b>-5.6%</b>

BUS is slipping against target UG recruitment and is struggling with regard to OS and PG income.

ESBE	12 / 13 Actual	13/14 Budget	Increase %
Home & EU Fees - UG	12.3	15.9	29.5%
Home & EU Fees - PG	2.1	2.1	2.0%
Overseas Fees - UG	2.3	2.3	2.0%
Overseas Fees - PG	1.2	1.1	-9.1%
Other Fees	0.4	0.2	-44.0%
<b>Total</b>	<b>18.2</b>	<b>21.7</b>	<b>18.9%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
12.8	15.8	3.1	23.9%
1.9	2.1	0.2	8.2%
2.3	2.3	0.0	1.2%
0.9	1.0	0.1	5.3%
0.2	0.1	-0.0	-24.1%
<b>18.1</b>	<b>21.4</b>	<b>3.2</b>	<b>17.9%</b>

Jan 13 / 14 FYF	variance to Budget	variance to Budget %
15.4	-0.5	-3.1%
2.3	0.2	7.4%
2.3	-0.0	-0.7%
1.0	-0.0	-4.0%
0.5	0.3	153.8%
<b>21.6</b>	<b>-0.1</b>	<b>-0.3%</b>

ESBE is performing well in terms of UG and PG recruitment but is struggling with regard to OS income and income from continuing UG students.

January 2014 Summary

HSC	12 / 13 Actual	13/14 Budget	Increase %
Health Contract	27.5	25.8	-6.3%
Home & EU Fees - UG	1.4	1.9	34.8%
Home & EU Fees - PG	0.8	1.2	52.8%
Overseas Fees - UG	0.3	0.2	-17.9%
Overseas Fees - PG	0.1	0.1	-26.0%
Other Fees	2.3	2.8	25.0%
<b>Total</b>	<b>32.4</b>	<b>32.0</b>	<b>-1.1%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
13.7	12.2	-1.5	-10.9%
1.5	1.7	0.2	14.5%
0.7	1.0	0.2	31.3%
0.3	0.2	-0.1	-31.1%
0.1	0.1	0.0	14.9%
1.2	1.5	0.3	24.0%
<b>17.6</b>	<b>16.7</b>	<b>-0.8</b>	<b>-4.7%</b>

Jan 13 / 14 FYF	variance to Budget	variance to Budget %
24.9	-0.9	-3.3%
1.7	-0.2	-10.0%
1.1	-0.2	-12.7%
0.2	-0.0	-16.3%
0.1	0.1	58.8%
3.1	0.3	9.2%
<b>31.1</b>	<b>-0.9</b>	<b>-2.9%</b>

HSC remains extremely dependent on Health Contract income and has reflected the potential shortfall in its income forecast. Non Health Contract income is also now expected to be behind budget

Additional Income Analysis (£m)

	12 / 13 Actual	13/14 Budget	Increase %
Research Grants & Contracts	3.3	2.3	-30.3%
Other Operating Income	6.0	4.5	-25.4%
Endowment Income & Interest Receivable	0.6	0.5	-12.6%
<b>Total</b>	<b>14.0</b>	<b>7.3</b>	<b>-48.2%</b>

Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %
2.3	-0.0	2.3	0.0	2.0%
4.3	0.1	4.4	-0.1	-1.6%
0.5	-0.1	0.4	-0.1	-16.0%
<b>7.1</b>	<b>0.0</b>	<b>7.1</b>	<b>-0.1</b>	<b>-1.5%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
1.6	1.3	-0.3	-19.6%
2.3	2.5	0.3	11.7%
0.1	0.1	-0.0	-17.9%
<b>4.0</b>	<b>4.0</b>	<b>-0.1</b>	<b>-1.9%</b>

The YTD decline in Endowment Income and Interest receivable has now been reflected in the Full year forecast. There has been no change to anticipated Research income although other operating income continues to reflect growth in Refectory sales

11 Staff Cost Analysis (£m)

	12 / 13 Actual	13/14 Budget	Increase %
Academic - Permanent staff	39.5	39.2	-0.8%
Academic - Temporary staff	3.8	3.4	-10.3%
Technicians staff	2.8	2.8	1.2%
Support - Permanent staff	27.1	28.7	6.1%
Support - Temporary staff	0.5	0.5	-14.5%
Third party staff	3.5	1.9	-45.6%
Restructuring Provision		1.5	
<b>Total</b>	<b>77.1</b>	<b>77.9</b>	<b>1.1%</b>

Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %
38.3	-0.2	38.1	-1.1	-2.8%
3.3	0.1	3.4	0.0	1.4%
2.8	-0.0	2.8	-0.0	-1.1%
28.4	-0.7	27.7	-1.0	-3.5%
0.5	0.1	0.6	0.2	33.4%
2.4	0.4	2.7	0.8	43.5%
1.5		1.5		
<b>77.1</b>	<b>-0.3</b>	<b>76.8</b>	<b>-1.1</b>	<b>-1.4%</b>

12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
19.5	18.9	-0.6	-2.9%
1.5	1.4	-0.1	-5.2%
1.4	1.4	0.0	0.8%
13.3	13.5	0.2	1.4%
0.2	0.4	0.2	75.3%
1.5	1.6	0.0	1.7%
<b>37.4</b>	<b>37.1</b>	<b>-0.3</b>	<b>-0.7%</b>

In terms of staffing, as per Appendix 3, the University has reduced its staff base year on year by 25.8 FTE. This is driven by staffing reductions within the faculties of AHS, BUS and HSC and additional academics within ESBE as the University position itself for new areas of student demand. There has been a reduction in the staff within Residential and Catering services as these staff transition to a new arrangement with our catering provider. The reduction in Academic staff costs YTD is expected given the staff reductions within the faculties. The YTD increase in support staff costs and third party staff costs is primarily driven by Investments in Marketing, Finance and the Library. The variance in Third party staff is primarily driven by ICT which is in the process of transition whilst awaiting potential changes to its infrastructure

## January 2014 Summary

### Staff Cost Analysis (£m)

	12 / 13 Actual	13/14 Budget	Increase %	Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %	12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
Total Faculty	49.3	50.2	1.8%	49.3	-0.3	49.1	-1.1	-2.3%	24.4	23.7	-0.7	-2.9%
Total Corporate Services	8.8	8.3	-6.5%	8.3	0.1	8.4	0.1	1.7%	4.3	4.1	-0.2	-4.8%
Total PVC External	4.8	5.5	13.1%	5.5	0.0	5.5	0.0	0.0%	2.3	2.4	0.1	2.7%
Total PVC Academic	7.3	8.1	10.5%	8.1	-0.1	8.0	-0.1	-1.4%	3.7	3.8	0.1	2.8%
Total Finance & GILT	6.9	6.0	-13.1%	6.0	-0.0	6.0	-0.0	-0.1%	2.6	3.1	0.5	18.4%
<b>Total</b>	<b>77.1</b>	<b>77.9</b>	<b>1.1%</b>	<b>77.1</b>	<b>-0.3</b>	<b>76.8</b>	<b>-1.1</b>	<b>-1.4%</b>	<b>37.4</b>	<b>37.1</b>	<b>-0.3</b>	<b>-0.7%</b>

The year on year increase in PVC External is driven by investments in Enterprise staff, the increase in PVC Academic is driven by investments in Library and Student Services. The YTD figures are slightly behind in both these areas. The year on Year increase in Finance is due to additional support to cover the implementation of the payroll project. Given the risk within our income forecast we are closely monitoring staff cost growth.

### 12 Opex Analysis (m)

	12 / 13 Actual	13/14 Budget	Increase %	Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %	12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
Depreciation	7.9	8.6	9.5%	8.6	-0.2	8.5	-0.2	-1.8%	3.9	4.1	0.3	7.2%
Total Other Operating Expenses	43.9	42.1	-4.0%	42.3	0.0	42.3	0.2	0.4%	16.5	17.9	1.4	8.5%
Interest Payable	3.4	4.8	39.2%	4.8	-0.0	4.8	-0.0	-0.6%	1.8	1.9	0.1	5.7%
Exceptional Items	0.0	3.2	-100.0%	3.2	0.0	3.2	0.0	0.0%	0.0	0.0	0.0	0.0%
<b>Total</b>	<b>55.2</b>	<b>58.7</b>	<b>6.3%</b>	<b>58.8</b>	<b>-0.1</b>	<b>58.7</b>	<b>-0.0</b>	<b>0.0%</b>	<b>22.2</b>	<b>24.0</b>	<b>1.8</b>	<b>8.0%</b>

The University is significantly overspent YTD on operating expenses. This is driven by additional expenditure within the Library as they have brought forward expenditure on learning materials, additional expenditure on Bursaries and Staff Fee waivers, although these are considered timing differences and are expected to balance out over the year. There is a large variance in Corporate Services which relates to the new catering contract, this additional expenditure is however matched by additional income. The Increase in exceptional items relates to contingencies particularly with regard to FRS 17 and restructuring. As per Appendix 7, Marketing, primarily due to the costs associated with Graduation Ceremonies, and the International Office are spending significantly ahead of budget however they are forecast to deliver on budget.

	12 / 13 Actual	13/14 Budget	Increase %	Dec 13 / 14 FYF	Monthly Move	Jan 13 / 14 FYF	variance to Budget	variance to Budget %	12 / 13 YTD	13 / 14 YTD	Variance to 12/13	Variance %
Total Faculty Spend	12.0	10.2	-15.2%	10.4	-0.0	10.4	0.1	1.4%	4.0	3.8	-0.2	-3.9%
Total Corporate Services	28.0	30.5	8.8%	30.5	-0.3	30.2	-0.3	-1.0%	13.0	13.6	0.7	5.2%
Total PVC External	4.8	5.0	4.8%	5.0	0.1	5.0	-0.0	-0.2%	2.1	2.6	0.6	27.0%
Total PVC Academic	4.5	4.3	-4.9%	4.3	0.1	4.4	0.2	3.6%	1.6	1.8	0.2	14.4%
Total Finance & GILT	5.8	8.7	48.4%	8.7	0.0	8.7	0.0	0.1%	1.6	2.0	0.5	30.3%
<b>Total</b>	<b>55.2</b>	<b>58.7</b>	<b>6.3%</b>	<b>58.8</b>	<b>-0.1</b>	<b>58.7</b>	<b>-0.0</b>	<b>0.0%</b>	<b>22.2</b>	<b>24.0</b>	<b>1.8</b>	<b>8.0%</b>

The YTD increase in Finance and GILT is due to SLC Bursary payments which are held in FUNI until they are charged to the appropriate faculty. The increase in PVC Academic is due to investments in the library as mentioned above. YTD Increases in Corporate Services are due to the structure of the new catering contract.

### 13 Capital Expenditure Analysis

In terms of Capital Expenditure, The University invested £0.6M in January taking our total for the year to date to £4.7M. The University is forecast to spend an additional £12.2M in 2013/14 on projects that have been approved as at 31 January 2014. Of the 47 live capital projects, 8 are forecast to overspend at a total unbudgeted cost of £0.1M. This is offset by a forecast underspend of £3.1M on the remaining 39 projects to show a net forecast capital underspend of £3.0M. There are currently bids in process totalling a further £1.9M

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2013 To The End Of January 2014

SMT Area: All

Cost Centre %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
			2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£)	%	Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£)		%	Note
-34,738,016	-17,023,535	Funding Grants	-27,427,050	-26,886,577	540,473	2%		-13,900,564	-13,772,841	127,723	1%		-13,526,486
-27,525,984	-13,712,416	Health Contract	-24,925,699	-25,779,068	(853,369)	(3%)		-12,213,344	-12,870,130	(656,786)	(5%)		-12,712,355
-37,037,161	-38,962,532	Home & EU Fees - UG	-45,729,196	-45,270,793	458,403	1%		-46,207,488	-46,308,353	(100,865)	(%)		478,292
-7,249,948	-4,542,444	Home & EU Fees - PG	-7,252,273	-8,858,594	(1,606,321)	(18%)		-7,061,362	-8,300,611	(1,239,249)	(15%)		-190,911
-4,159,453	-4,192,955	Other Fees	-4,570,634	-4,026,127	544,507	14%		-2,169,204	-2,169,126	78	%		-2,401,430
-5,393,250	-5,373,515	Overseas Fees - UG	-5,532,884	-5,621,731	(88,847)	(2%)		-4,981,686	-5,110,453	(128,767)	(3%)		-551,198
-3,435,348	-2,647,760	Overseas Fees - PG	-3,002,375	-3,768,550	(766,175)	(20%)		-2,737,756	-3,168,461	(430,705)	(14%)		-264,619
-3,254,843	-1,624,664	Research Grants & Contracts	-2,313,713	-2,268,442	45,271	2%		-1,306,529	-1,164,952	141,577	12%		-1,007,184
-9,005,016	-4,416,590	Other Income - student related	-10,182,596	-10,181,800	796	%		-5,418,231	-5,197,592	220,639	4%		-4,764,365
-6,022,684	-2,273,273	Other Operating Income	-4,418,194	-4,490,136	(71,942)	(2%)		-2,540,030	-2,112,850	427,180	20%		-1,878,164
-566,656	-136,179	Endowment Income & Interest Receivable	-415,763	-495,000	(79,237)	(16%)		-111,833	-247,500	(135,667)	(55%)		-303,930
<b>-138,388,359</b>	<b>-94,905,863</b>	<b>Total Income</b>	<b>-135,770,376</b>	<b>-137,646,818</b>	<b>(1,876,442)</b>	<b>(1%)</b>		<b>-98,648,026</b>	<b>-100,422,870</b>	<b>(1,774,843)</b>	<b>(2%)</b>		<b>-37,122,350</b>
39,497,395	19,495,250	Academic - Permanent staff	38,104,760	39,199,951	1,095,191	3%		18,930,897	19,675,486	744,589	4%		19,173,863
3,771,372	1,474,157	Academic - Temporary staff	3,430,136	3,381,180	(48,955)	(1%)		1,398,072	1,373,100	(24,972)	(2%)		2,032,064
		Interdepartmental Delivery staff	12	10	(2)	(20%)			4	4	100%		12
2,753,568	1,362,422	Technicians staff	2,756,493	2,785,920	29,427	1%		1,373,299	1,391,146	17,847	1%		1,383,194
27,061,354	13,283,415	Support - Permanent staff	27,706,337	28,721,871	1,015,534	4%		13,466,481	14,390,234	923,752	6%		14,239,855
534,891	200,452	Support - Temporary staff	610,051	457,162	(152,889)	(33%)		351,479	221,974	(129,505)	(58%)		258,572
3,497,101	1,544,847	Third party staff	2,729,464	1,902,180	(827,284)	(43%)		1,570,561	987,233	(583,327)	(59%)		1,158,904
<b>77,115,681</b>	<b>37,360,543</b>	<b>Total Staff Costs</b>	<b>75,337,252</b>	<b>76,448,274</b>	<b>1,111,021</b>	<b>1%</b>		<b>37,090,789</b>	<b>38,039,176</b>	<b>948,388</b>	<b>2%</b>		<b>38,246,464</b>
7,870,225	3,864,071	Depreciation	8,458,011	8,614,738	156,727	2%		4,141,104	4,369,186	228,083	5%		4,316,907
<b>7,870,225</b>	<b>3,864,071</b>	<b>Total Depreciation</b>	<b>8,458,011</b>	<b>8,614,738</b>	<b>156,727</b>	<b>2%</b>		<b>4,141,104</b>	<b>4,369,186</b>	<b>228,083</b>	<b>5%</b>		<b>4,316,907</b>
2,449,990	1,083,389	Staff Related	2,075,671	1,897,088	(178,583)	(9%)		1,041,217	952,090	(89,127)	(9%)		1,034,455
2,217,670	1,216,163	Marketing and PR	2,238,291	2,213,726	(24,565)	(1%)		1,098,409	1,105,129	6,720	1%		1,139,882
1,107,570	179,029	Student Recruitment	982,939	1,338,550	355,611	27%		140,494	783,184	642,690	82%		842,445
3,714,396	415,876	Bursaries and Scholarships	2,317,702	2,133,756	(183,946)	(9%)		779,185	478,696	(300,489)	(63%)		1,538,517
5,879,054	2,528,020	Student Related	5,643,754	5,718,172	74,418	1%		2,619,454	2,696,260	76,807	3%		3,024,300
809,800	344,988	Equipment	778,716	694,949	(83,767)	(12%)		216,533	338,469	121,936	36%		562,184
2,800,152	1,017,282	Computing	3,167,228	2,817,944	(349,284)	(12%)		1,493,359	1,427,692	(65,667)	(5%)		1,673,869
3,273,100	1,762,278	Utilities	3,508,340	3,510,007	1,667	%		1,663,783	1,681,918	18,135	1%		1,844,558
7,601,733	2,826,090	Maintenance & Other Estate	7,252,131	7,442,436	190,305	3%		2,304,668	2,763,478	458,810	17%		4,947,463
4,642,659	2,174,794	Cleaning & Security	4,446,263	4,429,778	(16,485)	(%)		2,220,045	2,186,042	(34,003)	(2%)		2,226,218
1,945,164	-25,012	Financial	244,353	251,494	7,141	3%		194,707	123,348	(71,359)	(58%)		49,646
819,180	393,803	Communications	668,770	705,583	36,813	5%		275,489	349,064	73,575	21%		393,281
2,944,326	989,534	Legal & Professional	2,778,617	2,551,352	(227,265)	(9%)		991,773	1,271,902	280,129	22%		1,786,844
635,174	302,513	Subscriptions and Membership Fees	718,287	687,130	(31,157)	(5%)		393,320	404,988	11,667	3%		324,967
1,278,568	470,096	Photocopying and Stationery	1,117,116	1,018,630	(98,486)	(10%)		459,598	515,872	56,274	11%		657,519
1,794,015	838,724	Other	4,262,809	4,696,884	434,075	9%		2,023,093	2,192,417	169,324	8%		2,239,716
		Internal recharges	103,623	34,702	(68,921)	(199%)			21,582	21,582	100%		103,623
<b>43,912,551</b>	<b>16,517,567</b>	<b>Total Other Operating Expenses</b>	<b>42,304,610</b>	<b>42,142,181</b>	<b>(162,429)</b>	<b>(%)</b>		<b>17,915,125</b>	<b>19,292,130</b>	<b>1,377,004</b>	<b>7%</b>		<b>24,389,485</b>
<b>3,433,426</b>	<b>1,811,807</b>	<b>Total Interest Payable</b>	<b>4,753,879</b>	<b>4,780,332</b>	<b>26,453</b>	<b>1%</b>		<b>1,915,548</b>	<b>2,390,166</b>	<b>474,618</b>	<b>20%</b>		<b>2,838,331</b>
		<b>Total Exceptional Items</b>	<b>3,167,504</b>	<b>3,167,504</b>		<b>%</b>			<b>1,454,169</b>	<b>1,454,169</b>	<b>100%</b>		<b>3,167,504</b>
<b>-6,056,476</b>	<b>-35,351,876</b>	<b>Contribution</b>	<b>-1,802,456</b>	<b>-2,493,789</b>	<b>(691,333)</b>	<b>(28%)</b>		<b>-37,585,461</b>	<b>-34,879,408</b>	<b>2,706,053</b>	<b>8%</b>		<b>35,783,005</b>
55.7%		Staff costs as % of income	55.5%	55.5%			37.6%	37.9%					
4.4%		Contribution %	1.3%	1.8%			38.1%	34.7%					

# London South Bank University

	PAPER NO: BG.09(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Reports from committee meetings	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsors:	Relevant committee chairs	
<b>Recommendation:</b>	That the Board note the reports and approves	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	As indicated	On:
Further approval required?	No	On:
Communications – who should be made aware of the decision?	Redacted minutes of committee meetings are published on the University's website	

## Summary

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

The Board is requested to note the reports.

## Summary of Committee decisions

### Educational Character Committee - 4 December 2013 and 12 February 2014

4 December 2013

The committee discussed:

- Equality Act 2010 assurance update
- The academic key performance indicators
- National Student Survey results, 2013
- Destination of Leavers from Higher Education Survey results, 2013

12 February 2014

The committee discussed:

- A report on undergraduate student progression
- A report on internal student complaints and OIA cases
- The committee's future and its relationship with the Academic Board
- An update on the "developing our structures" consultation – extract from draft minutes (reviewed by the Chairman) below:

#### **Update on consultation: Developing Our Structures**

5. The Vice Chancellor introduced a consultation paper titled "Developing Our Structures" (paper **EC.02(14)**). This outlined the final composition of the seven schools and proposed new professional service groups. The committee noted that the Board would receive a presentation on the proposed change at their next meeting on 20 March 2014. Around 400-500 staff had attended meetings relating to this stage of the consultation. In addition, staff at the Havering Campus and the Students' Union had been consulted.
6. The committee welcomed the paper and reiterated its support for the move from faculties to schools.
7. In addition, the committee discussed the strategy section of the Consultation paper, which proposes that by 2020, LSBU is externally and internally recognised as "An enterprising civic university that is addressing real world challenges". The committee debated the meaning and use of the word "civic", which was intended to convey LSBU's

history, its links to the community and its applied focus. Members commented that the word “civic” may be seen as old-fashioned, although it also noted that the term may be coming back into use.

8. The committee was keen that the professional service groups were built up in an appropriate way to support schools. The committee was concerned about staff redundancy arising from the proposed changes. Members requested that HR consider support packages for staff made redundant.
9. Comments from all stakeholders would be considered at the close of this phase of the consultation in early March 2014.
10. The committee agreed that the latest consultation paper would be circulated to the whole Board of Governors. (*Secretary’s Note: this was sent to the Board via email on 10 February 2014*).

#### **Property Committee – 29 January 2014**

The committee discussed:

- An update on sustainability
- An update on the Confucius Institute
- Key targets for the Clarence Centre for Enterprise and Innovation
- An update on Hugh Astor Court
- An update on the Estates Strategy

#### **Audit Committee – 6 February 2014**

The committee discussed an update on actions following the internal audit report on ICT Security which had been given a high risk rating. It was noted that all actions had been completed.

The committee approved:

- Transparent Approach to Costing (TRAC) return to HEFCE
- The extension of PwC’s contract as internal auditors for a further year. This will be the final year of their five year contract and to follow procurement best practice it will be necessary to re-tender the contract for internal auditors during mid-2014.

#### *Internal audit*

The committee considered the:

- Report on Student Module Data
- Report on HESA Finance Return
- Progress report

The committee noted:

- Finance department structure
- Risk register – paper **BG.14(14)**
- Speak up report; and
- *Strictly Confidential – not for further circulation beyond the Board:*  
Anti-fraud, bribery and corruption report. Three instances of suspected fraud were reported: a potential fraud in the Faculty of Engineering, Science and the Built Environment (ESBE) which had been reported to the Board in November 2013; an estates purchasing matter; and attempted amendment of supplier bank details.

It was reported that the academic misconduct process had begun against the students involved in the suspected fraud in ESBE.

It was reported that the estates purchasing matter involved a member of staff in the estates department authorising expenditure without the correct authorisation and without issuing a purchase order. The committee noted that the individual was subject to a disciplinary investigation and the committee requested clarity on whether the matter was a breach of regulations or an attempted fraud.

It was noted that the attempt to amend supplier bank details had been identified through routine checks.

### **Human Resources Committee – 24 February 2014**

The committee approved:

- The senior post holders disciplinary procedures – paper **BG.12(14)**
- The Behavioural Framework – attached as appendix to this paper for information.

The committee noted:

- An update on the developing our structures consultation
- An update on LPFA fund valuation – paper **BG.10(14)**



## Policy and Resources Committee – 4 March 2014

The committee approved the terms of the OFFA agreement 2015/16 (which are the same as for 2014/15). In summary these are:

- Full-time Undergraduate Fee: £9000
- Full-time Undergraduate Fee at partner colleges: up to £5,950
- Part-time fees reflect the bursary elements available to full-time students.
- No bursary for part-time students or students on Postgraduate Certificate in Education Courses. (However, Care Leavers in these categories will continue to receive targeted support.)
- Subject to government decisions over fee levels, in the future, an inflationary increase may be made to the basic fee (for continuing students).

The support package includes:

- Support is only available to students with a residual household income lower than £25,000 per annum.
- The maximum bursary for new entrants is £2000, payable as a cash bursary.
- Within the overall limits of funding, students are allotted support on a points-based system which reflects the following:
  - Care leaver – 5 points
  - In receipt of Special Support Grant - 4 points
  - From a 'tier 1' partner school or college – 3 points
  - Having a declared residual household income of between £0 and £15,000 – 2 points.
  - Having a declared residual household income of £0 – 1 point.
- Students do not need to apply for a bursary, funding will be allotted (based on the above criteria) to those who score most highly (within the overall limits of funding).

The committee recommended to the Board for approval:

- Governance Effectiveness Review plan – paper **BG.13(14)**

The committee discussed:

- An update on student recruitment – paper **BG.05(14)**
- Management accounts to 31 January 2014 – paper **BG.08(14)**
- Key performance indicators – paper **BG.07(14)**
- An update on LPFA fund valuation – paper **BG.10(14)**
- Annual report on fundraising, 2012/13
- Annual report on Charitable Funds, 2012/13
- The Department for Business Innovation and Skills Funding letter to HEFCE

Attachment overleaf: Draft Behavioural Framework

# London South Bank University

	PAPER NO: BG.10(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	London Pension Fund Authority 2013 Fund Valuation	
Author:	Richard Flatman, Chief Financial Officer	
Executive sponsor:	Richard Flatman, Chief Financial Officer	
<b>Recommendation by the Executive:</b>	The Executive recommends that Policy and Resources Committee note the position as reported below.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability	
Matter previously considered by:	Human Resources Committee	On: 24 <sup>th</sup> Feb 2014
	Policy and Resources Committee	4 <sup>th</sup> March 2014
Further approval required?	No	N/A
Communications – who should be made aware of the decision?	N/A	

## Executive summary

This paper is coming to the Board because pension cost and provision continues to be one of the most significant issues impacting the future financial sustainability of the University.

The 2013 actuarial valuation for the LPFA (support staff) pension scheme has recently been received and this could have a significant adverse impact on the University's future cashflows as a result of:

- Revised employer category ratings being introduced which reflect HE as a higher risk than previously, and a higher risk than most other employers in the fund
- A lower discount rate being used (to reflect the higher risk) which is driving a higher value of liabilities
- A change in fund strategy which requires annual lump sum cash contributions to clear current scheme deficits over a shorter time period (17 years)

**Attachment**

Appendix 1 - Individual employer results for LSBU

Appendix 2 – Funding Strategy Statement (FSS) new employer categories

## 1. Current pension schemes

The University currently operates three defined benefit pension schemes, the Teachers Pension Scheme (TPS) and Universities Superannuation Scheme (USS) for Academic staff and the London Pensions Fund Authority (LPFA), part of the Local government pensions scheme (LGPS) for support staff.

The University has also recently established a defined contribution scheme which at present applies only to a small number of staff employed directly by SBUEL.

## 2. Accounting requirements

The accounting requirements for each scheme are different.

For the TPS and the USS schemes the cash contributions paid each year represent the I&E cost.

We are required to account for the LPFA in accordance with FRS17 and the contributions paid represent a balance sheet movement. The I&E charge each year for the LPFA comprises the following elements:

- the current service cost, representing the value of future retirement benefits earned by staff during the year, plus
- a pensions interest charge based on the extent of the opening liabilities, minus
- a credit representing the expected return on the pension scheme assets.

## 3. Current cost of the LPFA scheme

The cost of the LPFA scheme is summarised below (based on 2013 data):

Membership	Support staff
No of active members	555
Pensionable payroll	£18.4m
Current employer contribution	20.80%
Contribution (£000's)	3,834
Current service cost (000's)	4,449
Pension interest charge (£000's)	6,134
Expected return on scheme assets (£000's)	-4,173
Losses on curtailments/settlements (£000's)	307
Total I&E charge (£000's)	6,717

To summarise:

Annual cash contribution in respect of the LPFA scheme is currently £3.8m

The I&E charge in the 2012/13 accounts was £6.7m

#### **4. Changes proposed**

The scheme is subject to triennial valuation and we have recently received the outcome of the latest valuation at 31 March 2013.

The individual employer results for LSBU are attached.

The results at fund level for the scheme as a whole show that the general position has improved with the fund now funded at 91% compared to 83% at the 2010 valuation. The results for LSBU are significantly different with a funding level of 69%.

The funding level is primarily driven by the discount rate used by the fund actuary in determining the value of liabilities. For LSBU (and other HEI's in the scheme) a reduced discount rate (5.2%) has been used by the actuary, thereby increasing the value of our liabilities.

The reason for the lower discount rate does not reflect the performance of LSBU but rather the fact that employer category ratings have been redesigned to reflect risk assessment, annual employer covenant reviews and levels of guarantees or securities (see appendix 2). LSBU is now ranked as Category C1 – category A being the highest and category C the lowest. Previously the University was ranked as category A.

All other HEI's are similarly rated as category C. The principal reason for this is that

- BIS recently confirmed to the LPFA that 'the Department has no responsibility for any university's financial commitments or liabilities'
- Given that BIS had confirmed that it did not provide a Crown guarantee which would underpin membership of the Fund, LPFA will be looking to participants to provide collateral to cover pension deficits, where appropriate.
- Unlike local authorities we have no tax raising powers.

LPFA make clear that in a multi-employer fund if an employer with a high credit risk is unable to meet their pension liabilities then those liabilities are spread across all fund employers. The aim of their new funding strategy is to look to prevent stronger employers in the fund having to inherit those liabilities. Hence those employers with a lower strength of covenant being set a lower discount rate thereby driving higher liabilities and paying higher contributions to return them to a fully funded position as soon as possible.

A further change has been made to the strategy which would have a significant impact on the University's future cashflows. In the past a cash contribution rate was set based on the most recent actuarial valuation. For LSBU, the current employer contribution rate is 20.8%. On our pensionable LPFA payroll cost of £18.4m the current contribution is £3.8m pa. This cash contribution was set at a level to cover the cost of future benefits and clear the current deficit in the scheme.

The 2013 valuation sets:

- a contribution rate (18.4% for LSBU) to cover the cost of future service, plus
- an annual lump sum cash payment to clear the deficit over a much shorter deficit recovery period (17 years).

The effect of this change in approach is that our future annual total cash contribution (from April 2014) will rise close to £6m rather than the current £3.8m with the annual lump sum to clear the deficit being close to £3m and rising at 4.5%pa.

This change in approach would not directly impact the I&E and would help reduce the LPFA pension deficit more quickly. However, it would have a real impact on the University's cashflows at a time when we are already seeking to increase investment without additional borrowing. Unless we wish to scale back the level of investment, the only real alternative is to generate additional cash reserves through improved bottom line financial performance and hence this will ultimately have an impact on I&E.

The recent guidance also makes clear that it would be possible to improve the employer category rating and move to category B (or even A) through forms of guarantee or security eg formal security over assets, an escrow account or a letter of credit or bond.

## **5. Action required**

LSBU is required to acknowledge the results and confirm any payment decisions effective 1 April 2014 by 12 March 2014. If negotiations have not reached a conclusion by 12 March the default option recommended by LPFA will be imposed.

## **6. Next steps**

The following actions are being taken:

- We have already expressed our concern direct to LPFA regarding the revised employer ratings and the low discount rates used
- We are liaising with other post 92 London HEIs similarly affected
- London Higher is organising a meeting with the institutions affected and has already raised the issue with HEFCE
- We are in consultation with a pensions expert from PwC who can advise on strategy and assist with LPFA negotiations
- A meeting with LPFA has been set for 14 February

- Through Estates & facilities we are looking at potential options in terms of security.

	PAPER NO: BG.11(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2013	
Paper title:	Articles of Association – final approval	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	To approve: <ul style="list-style-type: none"> <li>• The revised Articles which have been approved in principle by the Privy Council</li> </ul>	
Matter previously considered by:	P&R and the Board  Policy and Resources Committee  Board of Governors	On: November 2012  3 July 2013  18 July 2013
Further approval required?	Her Majesty's Privy Council	
Communications – who should be made aware of the decision?	Companies House, HEFCE, published on the LSBU website	

### **Executive Summary**

In July 2013, the Board of Governors approved draft revised Articles of Association. The Privy Council and the Charity Commission were then consulted on the draft Articles during autumn 2013 and have suggested minor amendments to the original draft – these are highlighted in appendix 1.

Standing Orders which complement the Articles were approved by the Board in July 2013 and remain unchanged.

The Charity Commission approved the University's new objects and the inclusion of a clause enabling remuneration of governors as required under the Charities Act 2011. The Standing Order on remuneration is included in appendix 2 for approval.



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The approval letters from the Charity Commission are included in appendices 3 and 4.

Following approval of the Articles by the Board, in the same meeting, as a Companies Act formality governors (as members of LSBU the company limited by guarantee in General Meeting) are requested to approve the resolution included at appendix 5. Original notice of the General Meeting was issued in October 2013 for 21 November 2013. However, the approval of the Articles was deferred to March 2014.

**Revision of LSBU's Articles**

1. The University's Memorandum and Articles of Association (M&A) are the University's constitution and govern how the University is run. The M&A have not substantively changed since the institution became a university in 1992.
2. The proposed new Articles have been significantly revised following legal advice from Pinsent Mason LLP based on guidance from the Privy Council. The new Articles will comply with the Companies Act 2006 and allow authorisations of situational conflicts of interest (under the Companies Act 2006 the Memorandum is a historic document).

**Consultation with the Privy Council**

3. Following approval of the draft Articles by the Board in July 2013, the Privy Council, Department for Business, Innovation and Skills, HEFCE and the Charity Commission were consulted to gain their informal approval prior to final approval by the Board.
4. Minor amendments were suggested by the Privy Council. Following the Privy Council suggestion the section on the Academic Board was moved to just before the section on Students' Union (Article 14) so that it does not sit in between sections about Governors.

**Standing Orders**

5. In order to streamline and modernise the articles some detail has been removed from the articles. Where necessary these provisions will now be covered by standing orders of the Board. Standing orders as approved by the Board in July 2013 (minute 25 of 18 July 2013 refers) cover:
  - 1) Role of the Board
  - 2) Primary Responsibilities of the Board
  - 3) Chairman of the Board
  - 4) Composition of Board and methods of appointment
  - 5) Proceedings of Meetings and Decision Making
  - 6) Committees
  - 7) Chief Executive
  - 8) Academic Board
  - 9) Honorary Positions
  - 10) Remuneration of Governors

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6. These standing orders complement the articles and offer the Board greater flexibility to alter without referring to the Privy Council. The Standing Orders are available on the governors' sharepoint.
7. The Standing Order in relation to remuneration of governors is attached in appendix 2.

## **Charitable Objects of the University**

8. As a charity the University must exist for a charitable purpose and its objects (as set out in the Articles) must be for the "public benefit". There are two elements of public benefit which need to be satisfied for each object: 1) the object must be beneficial; and 2) benefit the public in general or a sufficient section of the public.
9. With the amendment of the Articles the objects of the University have been amended to the following:
  - 1) The Objects of the University are to:
    - i. conduct a university for the public benefit for the advancement of education, promotion of research and dissemination of knowledge;
    - ii. provide full time and part time courses of education at all levels; and
    - iii. provide facilities to promote these objects and provide associated support and welfare for students.
10. In accordance with Charity Commission guidance on Public Benefit, of which the trustees (i.e. governors) must 'have regard' to, the University's new objects satisfy the two elements of public benefit as set out below:
  - i. The advancement of education is a charitable purpose as set out in the Charities Act 2011. The University advances education for the public benefit by:
    - providing teaching to its students in the form of lectures, seminars, personal tuition and online resources;
    - delivering many courses accredited by recognised professional bodies, both full and part time; and
    - setting and marking assessments and providing evidence of achievement by the awarding of degrees, diplomas and certificates.The University promotes research and the dissemination of knowledge by:
    - undertaking academic research and publishing the results;
    - publishing articles in peer-reviewed journals; and

- maintaining an academic library with access for academics and students;
- ii. The provision of formal education at all levels is included in the definition of the advancement of education.
- iii. Supporting the advancement of education is also viewed as charitable. The University provides support to students by:
  - tutorial guidance, assessment and feedback;
  - mentoring and coaching;
  - providing student welfare and student accommodation;
  - funding some individual students' education through bursaries and fee waivers; and
  - providing funds to London South Bank University Students' Union.

The main beneficiaries of the University are its students and therefore a section of the public as required under principle 2 of the commission's General Guidance on Public Benefit. The opportunity to benefit from education at the University is not unreasonably restricted. The benefits of learning at London South Bank University are open to anyone who the University believes has the potential to succeed, irrespective of background or ability to pay tuition fees. The general public are also beneficiaries of the University's research. Research is only viewed as charitable by the Courts if its useful results are made available to the public.

The guidance on educational charities charging fees is under review by the Charity Commission and an update will be provided to the Board when it is available.

### **Final Approval by the Privy Council**

11. Following approval of the Articles by the Board, final approval will be required from the Privy Council.

### **Recommendation**

12. The Board is requested to approve the final revised Articles of Association and Standing Order on remuneration of governors.
13. The governors (as Members) are requested to approve the written resolution in appendix 5 to adopt the revised Articles of Association.

Attached:

- Appendix 1: Articles of Association
- Appendix 2: Standing Order on remuneration of governors

# **London South Bank** University

- Appendix 3: Charity Commission approval of new objects
- Appendix 4: Charity Commission approval of standing order to remunerate governors
- Appendix 5: Written resolution adopting the Articles



**ARTICLES OF ASSOCIATION OF  
LONDON SOUTH BANK UNIVERSITY**

**1. OBJECTS**

1.1 The Objects of the University are to:

1.1.1 conduct a university for the public benefit for the advancement of education, promotion of research and dissemination of knowledge;

1.1.2 provide full time and part time courses of education at all levels; and

1.1.3 provide facilities to promote these objects and provide associated support and welfare for students.

**2. CONDUCT OF THE UNIVERSITY**

2.1 The University shall be conducted in accordance with the provisions of the Education Acts and any relevant regulations, orders or directions made by the Secretary of State or by the Privy Council, and subject to those, in accordance with the provisions of these Articles and any Standing Orders made under these Articles.

**3. POWERS**

3.1 The University has the power to do anything which is calculated to further its Objects or which is conducive or incidental to doing so including but not limited to the following powers:

3.1.1 to award degrees and other awards and to withdraw such degrees or awards;

3.1.2 to make rules and regulations for the conduct of students;

3.1.3 to acquire, own, maintain, manage and dispose of land and other property;

3.1.4 to solicit, receive and administer fees, grants, subscriptions, donations, endowments, legacies, gifts and loans of any property whether land or personal property;

3.1.5 to act as trustee for and in relation to endowments, legacies and gifts;

3.1.6 to invest any monies in the hands of the University and available for investment;

3.1.7 to establish or acquire subsidiary companies;

3.1.8 so far as permitted by charity law, to give guarantees;

3.1.9 so far as permitted by charity law, to borrow and raise money and give security for loans; and for those purposes the University shall have the authority to enter into any financial instrument which is ancillary or incidental to the exercise of such powers;

3.1.10 to take such steps as may from time to time be deemed expedient for the purposes of procuring and receiving contributions to the funds of the University, and to raise money in such other manner as the University may determine;

- 3.1.11 to co-operate with other institutions and individuals and to award joint degrees or other awards;
- 3.1.12 to affiliate or incorporate into the University any other institution and to take over its property, rights, liabilities and staff;
- 3.1.13 to transfer the assets and liabilities of the University to another institution with objects, the same as or similar to the objects of the University; and
- 3.1.14 to enter into engagements and to accept obligations and liabilities in all respects without any restrictions whatsoever and in the same manner as an individual may manage his or her own affairs.

#### 4. **GOVERNORS**

- 4.1 Subject to the powers of the Members in general meeting and the provisions of these Articles, the Governors shall have control of the University and its assets and may exercise all the powers of the University; and without limiting the above, the Governors shall have the specific powers set out in the Standing Orders.

#### 5. **RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

- 5.1 The Board of Governors shall be responsible:-
  - 5.1.1 for the determination of the educational character and mission of the University and for oversight of its activities including the exercise of degree awarding powers;
  - 5.1.2 for the effective and efficient use of resources, the solvency of the University and for safeguarding its assets;
  - 5.1.3 for approving annual estimates of income and expenditure;
  - 5.1.4 for the appointment, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Chief Executive, the Clerk and such other senior posts as the Board may determine;
  - 5.1.5 for setting frameworks for the appointment, appraisal, suspension and dismissal of and for the pay and conditions of service of other Employees; and
  - 5.1.6 for the appointment of a Chancellor who shall hold office for such term and have such duties and responsibilities as the Board of Governors from time to time shall determine.

#### 6. **CHIEF EXECUTIVE**

- 6.1 There shall be a Chief Executive of the University who shall be the chief executive and chief academic officer of the University.
- 6.2 Subject to the responsibilities of the Board of Governors, the Chief Executive shall be responsible for:
  - 6.2.1 making proposals to the Board of Governors about the educational character and mission of the University; and for implementing the decisions of the Board of Governors;
  - 6.2.2 for the organisation, direction and management of the University and leadership of the staff;
  - 6.2.3 for the appointment, assignment, grading, appraisal, suspension and dismissal of staff other than Holders of Senior Posts within the framework set by the Board of Governors;



- 6.2.4 for the determination, after consultation with staff and within the framework set by the Board of Governors, of the pay and conditions of service of staff other than Holders of Senior Posts ;
- 6.2.5 for the determination, after consultation with the Academic Board, of the University's academic activities, and for the determination of its other activities;
- 6.2.6 for preparing annual estimates of income and expenditure for consideration by the Board of Governors, and for the management of budget and resources, within the estimates approved by the Board of Governors;
- 6.2.7 for the maintenance of Student discipline and, for the suspension or expulsion of Students on disciplinary grounds and for implementing decisions to expel students for academic reasons.

## 7. DELEGATION

- 7.1 Subject to Article ~~7.28.2~~, the Board of Governors shall be entitled to delegate all or any of its functions, powers and duties to any person or body.
- 7.2 The Board of Governors shall not delegate the following:-
  - 7.2.1 the determination of the educational character and mission of the University;
  - 7.2.2 the approval of the annual estimates of income and expenditure;
  - 7.2.3 ensuring the solvency of the University and the safeguarding of its assets;
  - 7.2.4 the appointment and dismissal of the Chief Executive and the Clerk; and
  - 7.2.5 the recommendation to the Members in General Meeting for the approval, revoking, amendment or variation of these Articles.

## 8. COMPOSITION OF THE BOARD OF GOVERNORS

- 8.1 The Board of Governors when complete shall consist of at least eight and not more than eighteen members comprising as follows:-
  - 8.1.1 the person who is for the time being the Chief Executive of the University; ~~and~~
  - 8.1.2 persons who are neither Employees nor Students and who are considered by the Appointments Committee to have experience and capability relevant to the University's requirements ("Independent Governors");
  - 8.1.3 Up to two persons appointed by the Board of Governors who are employees (other than the Chief Executive) ("Staff Governors"); and-
  - ~~8.1.28.1.4~~ Up to two persons appointed by the Board of Governors who are Students "Student Governors"
- ~~8.2~~ ~~Within the minimum and maximum limits set out in Article 9.1, the Board of Governors may appoint as Governors persons who are Employees ("Staff Governors") or Students ("Student Governors").~~
- ~~8.38.2~~ The Board of Governors shall determine and set out in Standing Orders the number of its membership, the number of its members to be appointed in each of the categories of membership set out in Article ~~9.1~~8.1 ~~and 9.2~~ above and the appointment of nominated individuals and in so doing shall ensure that a majority of the members of the Board of Governors when constituted are Independent Governors.

~~8.3.18.2.1~~ The Board of Governors shall establish an Appointments Committee to appoint Independent Governors and which shall be comprised of all the Independent Governors.

~~8.48.3~~ A determination made in accordance with Article ~~9.38.2~~ above may be varied by subsequent determination of the Board of Governors in accordance with that Article.

~~8.58.4~~ A technical defect in the appointment of a Governor of which the Governors are unaware at the time does not invalidate decisions taken at a meeting.

## 9. TERMS OF OFFICE OF GOVERNORS

9.1 The terms of office of the Governors shall be as follows: -

9.1.1 In the case of a person who is a Governor by virtue of their office or position, until she or he ceases to hold such office;

9.1.2 In the case of Governors appointed under Article ~~8.1.29.1.2~~ the period of four years;

9.1.3 In the case of a Governor, who is appointed under the provisions of Article ~~8.1.31.19.2~~, the period of three years, or the period until she or he ceases to be a member of Staff ~~or a Student (as appropriate)~~, whichever is sooner.

9.2 A retiring Governor who is eligible under these Articles may be reappointed. Governors may not normally be appointed for more than two terms of office in total.

9.3 A Governor's term of office as such automatically terminates if he/she:

9.3.1 is disqualified under the Charities Act from acting as a Charity Trustee or under the Companies Act from acting as a company director;

9.3.2 is incapable, whether mentally or physically, of managing his/her own affairs;

9.3.3 is absent without permission from consecutive meetings of the Governors for a period of 12 months or more; or

9.3.4 is removed by the Members in accordance with the procedure set out in the Standing Orders.

9.4 Any Governor may at any time by written notice to the Clerk resign her or his office, which will become vacant from the date of receipt of the notice or date of resignation specified in the notice whichever shall be the later.

9.5 Every vacancy in the office of an appointed Governor shall as soon as possible after it occurs be notified by the Clerk to the Board.

## 10. PROCEEDINGS OF THE BOARD OF GOVERNORS

10.1 The Board of Governors must hold at least 3 meetings each year.

10.2 A quorum at a meeting of the Board of Governors is at least one third of the membership of the Board of Governors at the time with Independent Governors always being in the majority.

10.3 A meeting of the Governors may be held either in person or by suitable Electronic Means agreed by the Governors in which all participants may communicate with all the other participants.

10.4 The Board of Governors shall make and may amend Standing Orders:-

10.4.1 to set out the composition of the Board of Governors;

- 10.4.2 for the conduct of meetings of the Board and its committees (including the appointment of officers including a chair and vice-chair);
  - 10.4.3 to prescribe the membership and powers of the Academic Board;
  - 10.4.4 for the remuneration of Governors (such Standing Orders to made and amended with the approval of the Charity Commission); and
  - 10.4.5 to govern the administration of the University.
- 10.5 A procedural defect of which the Governors are unaware at the time does not invalidate decisions taken at a meeting.
11. **BENEFITS**
- 11.1 The property and funds of the University must be used only for promoting the Objects, or which is conducive or incidental to doing so.
- 11.2 A Governor must not receive any payment of money or other Material Benefit (whether directly or indirectly) from the University except and subject to Article [123](#):
- 11.2.1 Governors or Connected Persons may be paid interest at a reasonable rate on money lent to the University;
  - 11.2.2 Governors or Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the University;
  - 11.2.3 Governors or Connected Persons may receive charitable benefits on the same terms as any other beneficiaries of the University;
  - 11.2.4 The Chief Executive, Staff Governors or Connected Persons may be employed by the University and receive remuneration;
  - 11.2.5 Governors or Connected Persons may enter into contracts with the University and receive reasonable payment for goods or services supplied, subject to Article [112.3](#);
  - 11.2.6 Governors may receive remuneration in connection with their office subject to authorisation by the Board of Governors in accordance with the Standing Orders;
  - 11.2.7 Governors may receive the reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the University;
  - 11.2.8 Governors may receive the benefit of Indemnity Insurance; or
  - 11.2.9 Governors may receive an indemnity in respect of any liabilities properly incurred in running the University (including the costs of a successful defence to criminal proceedings).
- 11.3 A Governor or Connected Person may enter into a contract with the University to supply goods or services in return for a payment or other Material Benefit if:
- 11.3.1 the goods or services are actually required by the University, and it is decided that it is in the best interests of the University to enter into such a contract;
  - 11.3.2 the nature and level of the ~~remuneration payment~~ is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article ~~1243~~; and
  - 11.3.3 no more than half of the Governors are ~~party~~subject to such a contract in any Financial Year.

## 12. **DECLARATION OF INTERESTS**

- 12.1 Any Governor who has an interest, direct or indirect, in a proposed transaction or arrangement with the University must declare the nature and extent of his or her interest before discussion begins on the matter.
- 12.2 The Governors with no conflict may require that the relevant governor:
- 12.2.1 is not counted in the quorum for that part of the meeting;
  - 12.2.2 has no vote on the matter; and
  - 12.2.3 withdraws from the meeting for that item after providing any information requested by the Governors.

## 13. **SITUATIONAL CONFLICTS**

- 13.1 If a conflict of interests arises because of a duty of loyalty owed by a Governor to another organisation or person and the conflict is not authorised by virtue of another provision in the Articles, the Governors with no conflict may, subject to compliance with the provisions of Article 13, authorise such a conflict of interest on such terms as they may determine and provided the Governors with no conflict consider it is in the best interests of the University to do so in all the circumstances.

## 14. **ACADEMIC BOARD**

14.1 There shall be an Academic Board of the University which shall, subject to the general control and approval of the Board of Governors, be responsible for academic standards and the direction and regulation of academic matters.

14.2 The Academic Board shall consist of up to 40 members, comprising as follows:

14.2.1 The Holders of Senior Posts;

14.2.2 Senior academic staff and professors

14.2.3 Members of staff below the level of staff referred to in 14.2.2 above and drawn from the following categories:

(a) academic and research staff;

(b) non-teaching staff;

(c) technicians;

(d) Student Union President;

(e) Students

14.3 There shall be no more than 24 persons drawn from categories 14.2.1 and 14.2.2 in aggregate and no more than 16 persons drawn from categories 14.2.3. Members from categories 14.2.1 and 14.2.2 shall be in a majority.

14.4 The Chief Executive shall be the Chairman of the Academic Board.

14.5 The membership and powers of the Academic Board shall be further prescribed in the Standing Orders.

~~14.15.~~ **STUDENT UNION**

~~14.15.1~~ The University shall comply with its obligations under the Education Acts in relation to any Student Union of the University.

~~15.16.~~ **EMPLOYEES**

~~15.16.1~~ The Board of Governors may appoint Employees, and prescribe their authority, duties and terms and conditions of service. Provision shall be made in respect of discipline, dismissal, redundancy, and grievances.

~~16.17.~~ **ACADEMIC FREEDOM**

~~16.17.1~~ In relation to Article 5.1.5 the Board of Governors shall have regard to the need to ensure that Academic Staff have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or any privileges they may have at the University.

~~17.18.~~ **RECORDS AND ACCOUNTS**

~~17.18.1~~ The Board of Governors shall keep true records of income and expenditure and records relating to the audit of accounts as required by law.

~~17.218.2~~ The University shall also keep records of:

~~17.2.118.2.1~~ all proceedings at meetings of the Governors;

~~17.2.218.2.2~~ all resolutions in writing;

~~17.2.318.2.3~~ all reports of committees; and

~~17.2.418.2.4~~ all professional advice obtained.

~~18.19.~~ **MEMBERSHIP**

~~18.19.1~~ All Governors shall, for the duration of their terms of office as Governors only, be Members of the University.

~~18.219.2~~ The membership and all rights of a Member shall be personal and shall not be transferable.

~~18.319.3~~ The University shall maintain a register of Members.

~~19.20.~~ **GENERAL MEETINGS**

~~19.20.1~~ Governors in their capacity as Members are entitled to attend general meetings.

~~19.220.2~~ General meetings are called on at least 14 and not more than 28 Clear Days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) at least 28 Clear Days' written notice setting out the terms of the proposed special resolution.

~~19.320.3~~ There is a quorum at a general meeting if the number of Members present is at least one third of the members at the time with Independent Governors (in their capacity as Members) always being in the majority.

~~19.420.4~~ Every Member present has one vote on each issue.

~~19.520.5~~ A general meeting may be called by the Governors at any time and must be called within 21 days of a written request from Governors (being Members) representing at least 30% of the Membership.

~~19.6~~20.6 A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or in writing.

#### ~~20.21.~~ **LIMITED LIABILITY**

~~20.4~~21.1 The liability of Members is limited.

#### ~~21.22.~~ **GUARANTEE**

~~21.4~~22.1 Every Member promises, if the University is dissolved while he/she remains a Member or within one year after he/she ceases to be a member, to pay up to £1 towards:

~~21.1.1~~22.1.1 payment of those debts and liabilities of the University incurred before he/she ceased to be a Member;

~~21.1.2~~22.1.2 payment of the costs, charges and expenses of winding up; and

~~21.1.3~~22.1.3 the adjustment of rights of contributors among themselves.

#### ~~22.23.~~ **AMENDMENT OF ARTICLES**

~~22.4~~23.1 No addition, alteration or amendment shall be made to or in the provisions of these Articles, unless approved by the Privy Council.

#### ~~23.24.~~ **DISSOLUTION**

~~23.4~~24.1 If the University is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:

~~23.1.1~~24.1.1 by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;

~~23.1.2~~24.1.2 directly for the Objects or for charitable purposes which are within or similar to the Objects;

~~23.1.3~~24.1.3 in such other manner consistent with charitable status as the Privy Council approves in writing in advance.

#### ~~24.25.~~ **INTERPRETATION**

~~24.4~~25.1 The Articles are to be interpreted without reference to the model articles under the Companies Act, which do not apply to the University.

~~24.2~~25.2 In the Articles, unless the context indicates another meaning:

"Academic Board" means the Academic Board of the University constituted in accordance with Article ~~7-14~~ as a body or a quorum of the members of the Academic Board at a meeting of the Academic Board

"Academic Staff" means persons employed by the University as members of the teaching or research staff

"Articles" means these Articles of Association of the University and "Article" refers to a particular Article.

"Board of Governors"	means the Board of Governors (constituted in accordance with Article 5) as a body or a quorum of the Governors at a meeting of the Board of Governors
"Charities Act"	means the Charities Act 2011 and any statutory modification or amendment thereof for the time being in force
"Charity Trustees"	has the meaning prescribed by the Charities Act
"Chief Executive"	means the executive head of the University (who may have the title of Vice-Chancellor or another title as decided by the Board of Governors)
"Clear Day"	does not include the day on which notice is given or the day of the meeting or other event
"Clerk"	means the clerk and Company Secretary to the Board of Governors from time to time
"Companies Act"	means the Companies Act 2006 and any statutory modification or amendment thereof for the time being in force
"Company Secretary"	shall have the meaning prescribed in the Companies Act
"Connected Person"	means, in relation to a Governor, a person with whom the Governor shares a common interest such that he/she may reasonably be regarded as a benefiting directly or indirectly from any material benefit received by that person, being either a member of the Governor's family or household or a person or body who is a business associate of the Governor, and (for the avoidance of doubt) does not include a company with which the Governor's only connection is an interest consisting of no more than 1% of the voting rights
"Education Acts"	means Education Acts 1944 to 2011 and any subsequent Education Acts.
"Employees"	means all employees of the University
"Financial Year"	means the University's financial year from 1 August to 31 July
"Governor"	means a director of the University and a Charity Trustee and "Governors" means the directors and Charity Trustees
Holders of Senior Posts	Means the Chief Executive, the Clerk and the holders of such other senior posts as the Board of Governors determines
"Indemnity Insurance"	means insurance against personal liability incurred by any Governor for an act or omission which is or is alleged to be a

breach of trust of duty, unless the act or omission amounts to a criminal offence or the Governor concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty

"Independent Governor"	means a Governor appointed under Article <del>8.1.29.1-2</del> who shall not be:-  (i) employed by the University; or  (ii) a full-time Student.
"Material Benefit"	means a benefit, direct or indirect, which may not be financial but has a monetary value
"Members"	means those persons who are members of the University in accordance with Article 19.1
"Memorandum"	means the University's Memorandum of Association
"Month"	means calendar month
"Objects"	means the Objects of the University as defined in Article 1.1
"Secretary of State"	means the Secretary of State in charge of universities from time to time
"Staff Governor"	means a Governor appointed under Article <del>8.1.31.1-2</del>
"Standing Orders"	means any regulations, bye-laws or rules made in accordance with Article <del>10.411.4</del>
"Student"	means a person who is for the time being registered with the University as pursuing a full-time course of not less than one month's duration, subject to any regulation governing the non-payment of tuition fees. For this purpose, sabbatical officers of the Student Union shall be deemed to be students. A person who is not for the time being enrolled as a student at the University shall be treated as such a student during any period when she or he has been granted leave of absence as a student from the University for the purposes of study or travel or for carrying out the duties of any office held by her or him in the Student Union
"Student Governor"	means a Governor appointed under Article <del>1.19.28.1.4</del>
"University"	means the company known as London South Bank University
"written" or "in writing"	refers to a legible document on paper or a document or communication sent by electronic means which is capable of being printed out on paper



"Year" means calendar year

~~24.325.3~~ Expressions not otherwise defined which are defined in the Companies Act have the same meaning.

~~24.425.4~~ References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

**Standing Order for the remuneration of Governors**

1. For the purposes of Article 11 of the Articles of Association of the University, the following are permitted:
  - 1.1 the benefit described by clause 3.3 below provided that the Governors as charity trustees follow the procedure and observe the conditions set out in clause 1 below;
  - 1.2 the benefits described by clauses 2, 3.1 or 3.2 below; or
  - 1.3 any benefit authorised in writing by the Board of Governors.

and in this Standing Order references to clauses shall be to the clauses of this Standing Order unless otherwise stated
2. A Governor may enter into a contract for the supply of goods or services to the University where that is permitted in accordance with, and subject to the conditions in section 185, of the Charities Act 2011.
3.
  - 3.1 A Governor may receive a benefit from the University in the capacity of a beneficiary of the University.
  - 3.2 A Governor may be employed by the University other than for acting as a member of the Board of Governors.
  - 3.3 A Governor may receive benefits for acting as a Governor provided the Board of Governors has in addition to meeting the requirements of clause 4 below:
    - a) read considered and taken into account the published guidance of the Charity Commission (and of any other body which regulates the University) relating to the remuneration of charity trustees for acting as such;
    - b) resolved that the remuneration is clearly in the interests of the charity that the trustee in question be awarded the remuneration in question; and
    - c) resolved after taking reasonable steps to identify and consider all other reasonably available options for recruiting or retaining a suitable candidate for the role of Governor, that offering the remuneration in question provides a significant and clear advantage over all the other options available.
  - 3.4 A company of which a Governor is a member may receive fees remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Governor holds no more than 1% of the issued capital of that company.
4. The University and its Board of Governors may only rely upon the authority provided by clause 3 above if each of the following conditions is satisfied:
  - 4.1 The remuneration or other sums paid to the Governor do not exceed an amount that is reasonable in all the circumstances.
  - 4.2 The conflicted members of the Board of Governors are absent from the part of any meeting at which there is discussion of:

# London South Bank University

- a) his or her employment or remuneration, or any matter concerning the contract or arrangement; or
  - b) his or her performance in the employment or office, or his or her performance of the contract; or
  - c) any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under clause 3;
  - d) if applicable, the matters described in clause 3.3 above; or
  - e) any other matter relating to a payment or the conferring of any benefit permitted by clause 3 above.
- 4.3 The conflicted Governors do not vote on any such matter and are not to be counted when calculating whether a quorum of members of the Board of Governors is present at the meeting.
- 4.4 The non-conflicted Governors are satisfied that it is in the interests of the University to employ or to contract with that Governor rather than with someone who is not a Governor. In reaching that decision the non-conflicted Governors must balance the advantage of employing a Governor against the disadvantages of doing so (especially the loss of the Governor's services as a result of dealing with the Governor's conflict of interest).
- 4.5 The reason for their decision is recorded by the non-conflicted Governors.
- 4.6 A majority of the Governors then in office are non-conflicted Governors.
- 4.7 If a Governor receives remuneration it shall be shall be disclosed in the accounts at least to the extent of any other related party transaction.
5. In clauses 1- 4:
- 5.1 The employment or remuneration of a Governor includes the engagement or remuneration of any firm or company in which the Governor is:
- a) a partner;
  - b) an employee;
  - c) a consultant;
  - d) a director; or
  - e) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Governor holds less than 1% of the issued capital.
- 5.2 "University" shall include any company in which the University:
- a) holds more than 50% of the shares; or
  - b) controls more than 50% of the voting rights attached to the shares; or
  - c) has the right to appoint one or more directors to the Board of the company
- 5.3 "Governor" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Governor or any person living with the Governor as his or her partner.

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- 5.4 a "conflicted Governor" is a Governor who has received, is entitled to receive or is currently receiving remuneration under this Standing Order. A conflicted Governor also includes a Governor who has received financial benefits described in clause 1 but before this Standing Order came into force.
- 5.5 a "non-conflicted Governor" is a Governor who is not a conflicted Governor.
6. This Standing Order may not be amended without the express prior consent of the Charity Commission.

Gayle Ditchburn  
Pinsent Masons

Via Christopher Berry at PCO

By e-mail only



Charity Commission  
PO Box 1227  
Liverpool, L69 3UG

t: 0300 065 1879

**Your Ref:**

**Our Ref:** JJ-c369384-OpsT

**Date:** 30 January 2014

Dear Gayle

**London South Bank University - administrative number 4053049**

The PCO has forwarded a copy of your e-mail of 6 January and I note your comments.

I am sorry for the oversight regarding the Commission's consent to the proposed alteration to the University's Objects. I am pleased to be able to give such consent now.

On behalf of the Charity Commission for England and Wales, consent is hereby given under section 198 of the Charities Act 2011 to the new article 1, worded as follows:

**1. OBJECTS**

1.1 The Objects of the University are to:

- 1.1.1 conduct a university for the public benefit for the advancement of education, promotion of research and dissemination of knowledge;
- 1.1.2 provide full time and part time courses of education at all levels; and
- 1.1.3 provide facilities to promote these objects and provide associated support and welfare for students.

This consent is subject to confirmation of the Privy Council Office.

Yours sincerely

Jacqui Joyce

operationstaunton@charitycommission.gsi.gov.uk

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Gayle Ditchburn  
Pinsent Masons  
Via  
Christopher Berry at PCO

By e-mail only



Charity Commission  
PO Box 1227  
Liverpool, L69 3UG

t: 01823 345049

**Your Ref:** [PM-AC.FID991610]

**Our Ref:** JJ-c369384-OpsT

**Date:** 19 December 2013

Dear Gayle

**London South Bank University - administrative number 4053049**

Thank you for the correspondence regarding the proposed changes to the University's memorandum and articles of association.

On behalf of the Charity Commission for England and Wales, consent is hereby given under section 198 of the Charities Act 2011 to the new article 12.2.6, worded as follows:

“Governors may receive remuneration in connection with their office subject to authorisation by the Board of Governors in accordance with the Standing Orders.”

This consent is subject to confirmation of the Privy Council Office.

Yours sincerely

Miss Jacqui Joyce

[operationstaunton@charitycommission.gsi.gov.uk](mailto:operationstaunton@charitycommission.gsi.gov.uk)

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## Appendix 5 – Resolution adopting new Articles

Original notice of the General Meeting was issued in October 2013 for 21 November 2013 and is copied below for information. However, the approval of the Articles was deferred to March 2014.

### **London South Bank University**

#### **Notice of Annual General Meeting**

Notice is given that the Annual General Meeting of London South Bank University will be held in room 1B27, 1<sup>st</sup> floor, Technopark, London Road, SE1 on 21 November 2013 immediately following the Board meeting at 4pm for the following purposes:

Resolution 1: To receive and adopt the Annual Report and Accounts of the University for the 12 months ended 31 July 2013 together with the Reports of the Directors and Auditors.

Resolution 2: To reappoint Grant Thornton UK LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are laid before the Company, at a level of remuneration to be determined by the directors.

Resolution 3: To approve the remuneration of the auditors.

Resolution 4: To approve the minutes of the 2012 Annual General Meeting.

Resolution 5: As special business, to consider the following resolution, which will be proposed as a special resolution:

THAT the Memorandum and Articles of Association are substantially altered.

James Stevenson

University Secretary and Clerk to the Board of Governors  
London South Bank University,  
103 Borough Road,  
London,  
SE1 0AA

30 October 2013

**Company Number: 00986761**

**The Companies Act 2006**  
**Special Resolutions**  
**of**  
**London South Bank University**  
**(University)**

Pursuant to Chapter 2 of Part 3 of the Companies Act 2006 (**Act**), the Governors/directors of the University propose that the following resolution (**Resolution**) is passed as a special resolution:

To **APPROVE** the amendment of the Memorandum and Articles of Association of the University in the form as appended to this resolution and to request that Her Majesty approve the revisions to the Memorandum and Articles of Association as noted subject to any amendments required by Her Majesty.

**Agreement**

The members of the University who were entitled to vote on the Resolutions on 20 March 2014 irrevocably agree to the Resolution and authorise the Chairman to sign on their behalf:

..... **Dated**.....

**David Longbottom, Chairman of the Board of Governors**



	PAPER NO: BG.12(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Procedures for Suspension and Dismissal of Senior Postholders	
Author:	Katie Boyce, Director of Human Resources	
Executive sponsor:	Ian Mehrtens, Chief Operating Officer	
<b>Recommendation by the Executive:</b>	To approve the procedures for Suspension and Dismissal of Senior Postholders	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	Human Resources Committee	On: 24 February 2014
Further approval required?	No	N/A
Communications – who should be made aware of the decision?	Senior Postholders	

### **Executive summary**

The current procedures for suspension and dismissal of Senior Postholders are part of the Articles of Association. The Articles of Association have been modernised (the Board will be requested to approve the revised articles – paper **BG.13(14)**); this includes removal of reference to the procedures.

This paper therefore sets out a disciplinary procedure which includes provisions for the suspension and dismissal of Senior Postholders. The Board is requested to approve these procedures.

**LONDON SOUTH BANK UNIVERSITY**

**DISCIPLINARY PROCEDURE FOR SENIOR POST HOLDERS**

**HUMAN RESOURCES DEPARTMENT  
DRAFT 2 MARCH 2014**

**APPROVED BY THE BOARD OF GOVERNORS**

**DATE**

## **1. Scope**

This procedure applies to Holders of Senior Posts at London South Bank University (the University) as designated by the Board of Governors in accordance with its Memorandum and Articles of Association. Such Senior Posts are:

Vice Chancellor  
Deputy Vice Chancellor  
Pro Vice Chancellor  
Executive Director of Finance  
University Secretary and Clerk to Board of Governors

The aim of this procedure is to ensure consistent and fair treatment in dealing with disciplinary matters pertaining to standards of conduct and job performance including investigation, suspension, dismissal and appeal. It follows the principles outlined in the ACAS Code of Practice which should be read in conjunction with the procedure.

## **2. Principles**

- No disciplinary action will be taken against a Senior Post Holder until the case has been fully investigated and a disciplinary hearing has taken place.
- The Senior Post Holder will be advised in writing of the nature of the complaint against him or her and the arrangements for the hearing.
- The Senior Post Holder will be provided, where appropriate, with written copies of evidence and relevant witness statements in advance of a disciplinary meeting.
- The Senior Post Holder will be given the opportunity to state his or her case to a Panel before any decision is made.
- The Senior Post Holder will have the right to be accompanied by a colleague, or trade union official at all stages during the investigation, disciplinary interview or appeal hearings.
- Decisions at all stages of the procedure will be made by a Panel of those with appropriate authority, namely Independent Governors and the Vice Chancellor (as the Chief Executive) as set out in section 4 of these procedures.
- The Panel will take into account any mitigating circumstances when reaching decisions on appropriate disciplinary sanctions.
- No Senior Post Holder will be dismissed for a first breach of discipline, except in the case of gross misconduct.
- A Senior Post Holder will have the right to appeal against any disciplinary penalty imposed.
- Human Resources will be consulted and will attend formal disciplinary hearings and appeals to advise on procedure.

- Notes of hearings and appeals will be taken by a person not involved in the decision making process. The notes, together with comments/additions by the Senior Post Holder, will constitute the only record of the hearing/appeal.
- The procedure may be implemented at any stage if the Senior Post Holder's alleged misconduct or performance warrants such action.

### **3. Procedure**

Every effort should be made to resolve issues of misconduct or poor performance by management informally before moving to the formal stages of the disciplinary procedure. Those who have the authority to take formal action under each stage of this procedure are detailed at section 4.

#### **3.1 Disciplinary investigations**

The University is committed to ensuring that all potential infringements of disciplinary rules are fully investigated. This may entail carrying out interviews with the Senior Post Holder concerned and third parties such as witnesses, colleagues and managers, as well as analysing written records and information. The investigation report will be made available to all the parties concerned. The identity of witnesses may be kept confidential if necessary.

#### **3.2 Disciplinary hearings**

Once investigations are complete, if there remains a case to be answered, the Senior Post Holder will be invited, in writing, to attend a disciplinary hearing before a Panel of two Members of the Board of Governors authorised under this procedure (see section 4). The Senior Post Holder will be given ten working days' notice of the hearing. He or she will be informed, in writing, of the nature of the allegations and who will be attending the hearing, including any witnesses to be called by management. The Senior Post Holder will be given the opportunity to bring witnesses and to be represented at the hearing by a work colleague or union representative. The names of witnesses and representatives should be submitted at least two working days before the hearing. The decision of the Panel will be notified to the Senior Post Holder, in writing, within ten working days of the hearing.

#### **3.3 Stage 1 – first warning**

If conduct or performance is unsatisfactory, a Senior Post Holder will be given a written warning. He or she will be advised of the reason for the warning, that it is the first stage of the disciplinary procedure and that he or she has a right of appeal. The Senior Post Holder will also be informed that a final written warning may be considered if there is no sustained satisfactory improvement or change. (Where the first offence is sufficiently serious, for example because it is having, or is likely to have, a serious harmful effect on the organisation, it may be justifiable to move directly to a final written warning). A record will be kept of the warning which will be

placed on the Senior Post Holder's file. The warning will be disregarded for disciplinary purposes after three months, subject to the Senior Post Holder's satisfactory conduct and performance.

### **3.4 Stage 2 – final warning**

If the offence is serious, or there is no improvement in standards, or if a further offence of a similar kind occurs, a final written warning will be given which will include the reason for the warning and note that if no improvement results action at Stage 3 will be taken. It will also advise the Senior Post Holder of his or her right of appeal. A copy of this written warning will be placed on the Senior Post Holder's file but will be disregarded for disciplinary purposes after six months, subject to the Senior Post Holder's satisfactory conduct and performance.

### **3.5 Stage 3 – dismissal or action short of dismissal**

If the conduct or performance has failed to improve, the Senior Post Holder may suffer demotion, disciplinary transfer, loss of seniority or dismissal. Within ten working days of the hearing, the Senior Post Holder will be provided with a written outcome including, where appropriate, the reasons for dismissal, the date on which his or her employment will terminate and the right to appeal.

### **3.6 Gross misconduct and suspension**

In the event of alleged gross misconduct, the University may suspend a Senior Post Holder from work on full pay (average earnings) while it investigates the alleged offence. Such suspension will not imply pre-judgement of guilt, but will serve only to reserve the position and remove the Senior Post Holder from his or her place of work whilst investigations are made. The Senior Post Holder will be notified of the reasons for suspension in writing.

The following are examples of gross misconduct:

- theft, fraud,
- any involvement in bribery, giving, receiving or facilitating bribes,
- unauthorised entry to computer records or deliberate falsification of records,
- a serious breach of the University's rules on e-mail and Internet usage,
- fighting or assault,
- deliberate or reckless damage to University property,
- an inability to perform job duties through being under the influence of alcohol or drugs,
- a serious breach of the University's health and safety rules or a single error due to negligence which causes, or could have caused, significant loss, damage or injury to the University, its employees' or students,
- conviction of a criminal offence that makes the Senior Post Holder unsuitable or unable to carry out his or her duties,

- a serious act of insubordination, such as deliberate refusal to carry out proper instructions,
- acts of bullying, harassment or discrimination or breach of the University's Equality and Diversity policy,
- a serious breach of trust or confidentiality.

This list is not intended to be an exhaustive one and only gives an indication of the types of offence that may be considered gross misconduct.

If, on completion of the investigation and the full disciplinary procedure, the University is satisfied that gross misconduct has occurred, the result will normally be summary dismissal, i.e. dismissal without notice or pay in lieu of notice.

### 3.7 Appeal

If a Senior Post Holder wishes to appeal against a disciplinary decision, he or she should do so within ten working days of the receipt of the outcome letter. The appeal should be made in writing, and include the grounds for appeal.

The appeal hearing will be held within ten working days of receipt of the appeal letter or, if this is not reasonably practicable, as soon as is reasonably practicable.

### 4. Authority to act under this procedure

The following Members of the Board of Governors (including the Vice Chancellor as Chief Executive) have authority to take action under this procedure:

Senior Post Holder	Investigation Lead	Disciplinary Panel	Suspension	Appeal Panel
Vice Chancellor	Chair of the Human Resources Committee or appropriate nominee	Deputy Chair of the Board of Governors Plus One Lay Governor not previously involved	Deputy Chair of Board of Governors	Chair of Board of Governors Plus One Lay Governor not previously involved
Deputy Vice Chancellor	Vice Chancellor	Deputy Chair of the Board of Governors Plus One Lay Governor not previously involved	Deputy Chair of the Board of Governors	Chair of Board of Governors Plus One Lay Governor not previously involved

Other Senior Post Holders Pro VC, Executive Director of Finance, University Secretary	Vice Chancellor or Deputy Vice Chancellor	Deputy Chair of the Board of Governors Plus One Lay Governor not previously involved	Deputy Chair of the Board of Governors	Chair of Board of Governors Plus One Lay Governor not previously involved
------------------------------------------------------------------------------------------------	-------------------------------------------	--------------------------------------------------------------------------------------------	----------------------------------------	---------------------------------------------------------------------------------

## 5. Variation

This procedure may only be amended with the approval of the Board of Governors of London South Bank University.

	PAPER NO: BG.13(14)	
Board/Committee:	Board of Governors	
Date:	20 <sup>th</sup> March 2014	
Paper title:	Governance Effectiveness Review Plan	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
<b>Recommendation:</b>	That the Board agrees the proposed approach to the Governance Effectiveness Review	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	Policy and Resources Committee	4 March 2014
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Governors, executive and members of the Academic Board	

### **Executive Summary**

Regular board effectiveness reviews (at least every 5 years) are a recognised part of good corporate governance in higher education. The Board last reviewed its own effectiveness in 2010. Following the appointment of the new Vice Chancellor, it is timely to substantively review the effectiveness of LSBU's governance arrangements.

In line, with CUC guidance it is proposed that the effectiveness of the Board, its sub-committees, the Executive and the Academic Board are reviewed.

The Board is requested to approve the proposed approach.



## **Governance Effectiveness Review 2014 Plan**

### **Introduction**

The Board last conducted a review of its own effectiveness in 2010. Individual committee effectiveness was reviewed in 2011/12. The Audit Committee reviews its effectiveness annually.

The CUC Code of Governance recommends that “not less than every five years [the Board] shall undertake a formal and rigorous evaluation of its own effectiveness, and that of its committees, and ensure that a parallel review is undertaken of the academic board and its committees. In reviewing its performance, the Board shall reflect on the performance of the institution as a whole in meeting long-term strategic objectives and short-term KPIs”. In addition, the UK Corporate Governance Code recommends that evaluation of the Board should be externally facilitated every three years.

### **CUC/LFHE Framework**

The CUC and LFHE have produced a self-assessment framework for HE governing bodies to use to review their effectiveness and it is recommended that this framework is used for this review.

The framework and associated questionnaire is divided into three main elements:

- The enablers of an effective governing body
- Working relationships and boardroom behaviour
- The outcomes of an effective governing body

### **Proposed process**

The review will cover both corporate governance and academic governance processes. This will therefore include a review of the effectiveness of (i) the Board and its sub-committees; (ii) the Executive; and (iii) the Academic Board and its sub-committees.

It is proposed that the review of the Board is undertaken by an external facilitator using the CUC/LFHE framework as the basis for the review.

The facilitator will be appointed following a mini-tender process overseen by the Chair of the Board. The facilitator will then be able to advise the Chair of the Board and the Secretary on how best to run the review.

# **London South Bank**

## University

Typically, governance reviews are a three stage process:

1. The facilitator undertakes a desktop review of governance structures and procedures
2. Governors fill out the questionnaire and then participate in follow up interviews with the facilitator.
3. The facilitator observes the dynamics of a Board meeting.

Findings of the review with benchmarking against other institutions and suggested actions will then be written up by the facilitator and submitted to the Board for consideration.

The review of the Executive and the Academic Board will be undertaken by questionnaire of members.

### **Timescale**

April – Undertake mini-tender and appoint external facilitator

May – Commence review including observing the May Board meeting

July – final report to Board

The Board is requested to approve this proposal.

	PAPER NO: BG.14(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Corporate Risk Register	
Author:	John Baker, Corporate and Business Planning Manager	
Executive sponsor:	Richard Flatman, Chief Financial Officer	
<b>Recommendation by the Executive:</b>	That the Board notes the risk register	
Aspect of the Corporate Plan to which this will help deliver?	The corporate risk framework is aligned to the new corporate plan and effective management of corporate risk underpins successful delivery of all aspects of the plan.	
Matter previously considered by:	Audit Committee	On: 6 February 2014
Further approval required?	No	N/A
Communications – who should be made aware of the decision?		

### **Executive Summary**

The Board is requested to note the updated risk register.

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

BOG

Date: 20 March 2014

Author: John Baker – Corporate & Business Planning Manager

Executive Lead: Richard Flatman – Chief Financial Officer

	2: Loss of revenue if recruitment targets not met (BJ)	1: Failure to position the university to effectively respond to changes in government policy & the competitive landscape (DP)	4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty / closure</i>	<b>Impact</b>
397: Effectiveness of delivery impaired as institution goes through restructuring process (DP)  3: Increasing pensions deficit (RF)	6: Ineffective data systems provide Management Information that is not meaningful and reliable, either for internal decision or for external reporting (PC)  14: Potential loss of NHS contract income (JE)  305: Student & other Data not used and maintained securely (IM)  362: Poor staff engagement (DP)	37: Potential impact of estates strategy delivery on financial position (RF)	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	
	398: Academic programmes do not remain engaged with technological and pedagogic developments which support students and promote progression and achievement (PC)		2 Medium <i>failure to meet operational objectives of the University</i>	
			1 Low <i>little effect on operational objectives</i>	
<b>3 - High</b>	<b>2 - Medium</b>	<b>1 - Low</b>		
<i>The risk is likely to occur short term</i>	<i>This risk may occur in the medium to long term.</i>	<i>This risk is highly unlikely to occur</i>		
<b>Residual Likelihood</b>				

Changes since presentation at November Board of Governors meeting detailed below:

Updated items:

Risk reference	Risk area	Changes made
1	Response to changes in environment	New actions relating to restructure, related consultation & leadership
2	Revenue & income targets	Action around international strategy postponed from 29 November 13 to enable input from Dave Phoenix, and new actions added regarding schools partnership strategy & engagement with the UEA & UTC.
3	Pensions deficit	
6	Ineffective data	New action regarding internal audit of student data and restructuring of reporting functions to enable alignment.
14	Loss of NHS income	
37	Estates strategy £ impact	SLC final report Update: the 12 month defects liability period has passed and we are working through the final defect list. No progress on Final Account completion until works is done to ensure completion. Post Occupancy Evaluation (POE) is due by the end of Feb.
305	Data Security	Update notes: Information Security Solution: Managed Security Service has identified issues that have been rectified. Latest report benchmarks LSBU against other clients in sector and we had fewer incidents than others. Mobile device management: The mobile device management software and laptop encryption software are being applied to equipment across the University. The process is that staff bring their equipment to ICT at a pre-arranged date / time and we apply the software.
362	Staff Engagement	New actions added relating to consultation processes for the restructuring process, launch of the behavioural framework and the development of the medium term strategy for 2015-2020.
397	Restructuring impact on service	New risk added to register.
398	Academic programmes do not remain engaged and promote progression and achievement	New risk added to register.

## Corporate Level - Risk Register

<b>Date</b>	05/03/2014
<b>Risk Status</b>	Open
<b>Risk Area</b>	Corporate

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	<p>Failure to position the university to effectively respond to changes in government policy and the competitive landscape</p> <p><b>Risk Owner: David Phoenix</b></p> <p><b>Last Updated: 29/01/2014</b></p>	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees and funding models</li> <li>- Increased competition, supported by Government policy</li> <li>- Failure to anticipate change</li> <li>- Failure to position (politically)</li> <li>- Failure to position (capacity/structure)</li> <li>- Failure to improve League Table position</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Further loss of public funding</li> <li>- Loss of HEFCE contract numbers</li> <li>- Failure to recruit students</li> <li>- Business model becomes unsustainable</li> </ul>	<p>4 3</p> <p><b>Critical</b></p>	<p>Financial controls (inc. forecasting/modelling, restructure) to enable achievement of operating surplus target</p> <hr/> <p>Regular scrutiny of press packs by Board &amp; Executive to monitor Institutional Esteem, and direct PR activity as appropriate.</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>OFFA agreement for 13/14 and Student Access &amp; Success Strategy for 14/15</p> <hr/> <p>Modelling work regularly updated to establish a fee position net of fee waivers less than £7500 for the 12/13 entry cohort, using allocation of fee waivers and bursaries as required. elling/updated.</p>	<p>4 1</p> <p><b>High</b></p>	<p>Ensure appropriate leadership for the organisation through an open range of senior appointments and a more strategic approach to Business Intelligence.</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 01/08/2014</b></p> <hr/> <p>Consider potential impact of significant reduction in Student Opportunity Funding.</p> <p><b>Person Responsible: Richard Flatman</b></p> <p><b>To be implemented by: 30/06/2014</b></p> <hr/> <p>Conduct full consultation with staff to enable development of Medium Term Strategy from 2015 - 2020.</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 30/06/2014</b></p> <hr/> <p>Realign academic offering to market through restructuring of Faculties into Schools and appointment of new Deans &amp; Deputy Vice Chancellor.</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 29/08/2014</b></p> <hr/> <p>Full review of organisational structures to ensure clarity of roles and alignment with key deliverables.</p> <p><b>Person Responsible: David Phoenix</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
<b>To be implemented by: 01/08/2014</b>						
2	Loss of revenue if recruitment targets not met  <b>Risk Owner: Beverley Jullien</b>  <b>Last Updated: 29/01/2014</b>	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Changes to fees mechanisms for UGFT</li> <li>- Increased competition (removal of SNC cap in 15/16)</li> <li>- Failure to develop and communicate brand</li> <li>- Lack of accurate real-time reporting mechanisms</li> <li>- LSBU late entrant to international student market and fails to catch-up</li> <li>- Poor league table position</li> <li>- Portfolio or modes of delivery do not reflect market need</li> <li>- Failure to engage with non-enterprise activities</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Under recruitment</li> <li>- Loss of HEFCE contract numbers</li> <li>- Over recruitment leading to penalties on HEFCE numbers</li> <li>- Failure to meet income targets for non-HEFCE students</li> </ul>	4 3 <b>Critical</b>	<p>Report on student recruitment presented to every monthly Executive meeting and also reviewed by Board of Governors</p> <hr/> <p>Enterprise Business Plan submitted annually to SBUEL Board for approval &amp; quarterly updates provided at Board meetings.</p> <hr/> <p>Sustainable Internationalisation strategy &amp; Action Plan, includes Fees &amp; Discount policy, with simplified fee structure and discount/scholarship programme for targeted countries, &amp; enhanced in-market and partner activities</p> <hr/> <p>League Table action plan</p> <hr/> <p>Modelling of student recruitment numbers, including worse case scenarios which aid the planning process.</p> <hr/> <p>Reports on the 16-20 Challenge Programme (Financial &amp; Narrative) will be provided to each Executive Meeting to aid constant scrutiny of this initiative and review of progress against 5 year income targets.</p> <hr/> <p>SBUEL has 2 Non-Executive Directors in place to oversee the Enterprise strategy</p>	4 2 <b>Critical</b>	<p>Develop partnership strategy for working with local schools</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 30/05/2014</b></p> <hr/> <p>Develop generic LSBU student outcomes at all award levels to ensure continued course competitiveness.</p> <p><b>Person Responsible: Phil Cardew</b></p> <p><b>To be implemented by: 30/11/2014</b></p> <hr/> <p>Recruitment strategy for International to be refocused into an Internationalisation Plan to deliver a step-change in recruitment of international students at both UG and PG.</p> <p><b>Person Responsible: Beverley Jullien</b></p> <p><b>To be implemented by: 30/04/2014</b></p> <hr/> <p>Support and engage with University Engineering Academy &amp; support development of University Technical College.</p> <p><b>Person Responsible: Rao Bhamidimarri</b></p> <p><b>To be implemented by: 28/11/2014</b></p>



Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
				Differentiated campaigns started for postgraduate and part-time students		
3	Staff pension scheme deficit increases	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Increased life expectancies</li> <li>- Reductions to long term bond yields, which drive the discount rate</li> <li>- Poor stock market performance</li> <li>- Poor performance of the LPFA fund manager relative to the market</li> <li>- TPS/USS schemes may also become subject to FRS17 accounting</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Increased I&amp;E pension cost means other resources are restricted further if a surplus is to be maintained</li> <li>- Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE</li> <li>- Significant cash injections into schemes may be required in the long term</li> </ul>	3 <b>High</b>	<p>Switch of inflator from RPI to CPI (expected to be lower in the long term)</p> <hr/> <p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p> <hr/> <p>Regular valuation of pension scheme (actuarial and FRS 17). Most recent FRS valuation shows significant reduction in LPFA deficit.</p> <hr/> <p>Regular Reporting to HR committee.</p> <hr/> <p>DC pension scheme now established for SBUEL staff.</p> <hr/> <p>Tight control of staff costs in all areas (and reported to committee and Board via agreed KPIs)</p> <hr/> <p>New LPFA scheme, effective April 2014</p> <hr/> <p>Strict control on early access to pension at redundancy/restructure</p> <hr/> <p>Active monitoring in year of trends in discount rate, life expectancy assumptions etc to ensure year-end adjustments are minimised</p>	3 <b>High</b>	<p>To review Pension funding statement when received and then take action as appropriate.</p> <p><b>Person Responsible: Richard Flatman</b></p> <p><b>To be implemented by: 31/07/2014</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
6	<p>Ineffective data systems provide Management Information that is not meaningful and reliable, either for internal decision or for external reporting</p> <p><b>Risk Owner: Phil Cardew</b></p> <p><b>Last Updated: 31/01/2014</b></p>	<p><b>Cause &amp; Effect:</b></p> <p><b>Causes:</b></p> <ul style="list-style-type: none"> <li>- Data in systems is inaccurate</li> <li>- Data systems are insufficient to support effective delivery of linked management information</li> <li>- Resource constraints &amp; insufficient staff capability delay system improvement</li> <li>- unclear data during clearing</li> <li>- Lack of data quality control and assurance mechanisms</li> </ul> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>- Insufficient evidence to support effective decision-making at all levels</li> <li>- Inability to track trends or benchmark performance</li> <li>- Internal management information insufficient to verify external reporting</li> <li>- over-recruitment penalties</li> <li>- HESA/HESES returns not credible</li> <li>- League table position impaired by wrong data</li> <li>- UKBA licence revocation if conditions not satisfied = loss of £8m+ revenue/year, &amp; reputation damage</li> <li>- Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)</li> </ul>	<p>3 3</p> <p><b>High</b></p>	<p>Regular Engagement with internal auditors &amp; 3 year IA cycle to systematically check data in key systems (and related processes):</p> <ul style="list-style-type: none"> <li>- Finance (including student fees)</li> <li>- Student data (&amp; data Quality)</li> <li>- HR systems</li> <li>- Space management systems</li> <li>- UKBA requirements &amp; compliance</li> </ul> <hr/> <p>Systematic data quality checks of staff returns by HR in conjunction with faculties.</p> <hr/> <p>Engagement between International Office, Registry and Faculties to ensure compliance with UKBA requirements, specifically with regards to:</p> <ul style="list-style-type: none"> <li>- Visa applications and issue of Certificate of Acceptance to Study</li> <li>- English language requirements</li> <li>- Reporting of absence or withdrawal</li> </ul> <hr/> <p>Systematic data quality checks of student returns by Registry in conjunction with faculties.</p> <hr/> <p>International Office runs annual cycle of training events with staff to ensure knowledge of &amp; compliance with UKBA process</p>	<p>3 2</p> <p><b>High</b></p>	<p>Data management project has 3 stages:</p> <p>Stage 1 - completed May 2013</p> <p>Stage 2 - Sep 2013, disappointing PQQ response &amp; on hold as significant overlap with the IBM partnership proposal</p> <p>Stage 3 - September 2014, contingent upon broader partnership or a separate strand of action, including Master Data Management.</p> <p><b>Person Responsible: David Swayne</b></p> <p><b>To be implemented by: 30/09/2014</b></p> <hr/> <p>Manage and review external audit (Deloitte) of student HESA data.</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 30/04/2014</b></p> <hr/> <p>Construct a 'master data view' &amp; report system exceptions, including:</p> <ul style="list-style-type: none"> <li>* Student Records</li> <li>* Staff Records</li> <li>* Student Engagement / Progression</li> <li>* Admissions (especially during clearing and enrolment)</li> <li>* Curriculum</li> <li>* Estate (especially spaces used for teaching)</li> <li>* Timetable</li> <li>* VLE and other learning systems usage</li> <li>* Finance Records</li> </ul> <p><b>Person Responsible: David Swayne</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<p><b>To be implemented by: 30/05/2014</b></p> <hr/> <p>Restructure to bring central control environment for finance and student data management and reporting</p> <p><b>Person Responsible: Richard Flatman</b></p> <p><b>To be implemented by: 31/07/2015</b></p>
14	<p>Loss of NHS contract income</p> <p><b>Risk Owner: Judith Ellis</b></p> <p><b>Last Updated: 29/01/2014</b></p>	<p><b>Cause &amp; Effect:</b></p> <p>Cause: NHS financial challenges/ structural change is resulting in a total review of educational commissioning by London Shared Services and Health Education England with an overall 40% reduction in available funding. In addition potential problems with NHS deanery recruitment to community programmes. Failure to maintain student numbers on the contract resulting in clawback</p> <p>Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p>	<p>3 2</p> <p><b>High</b></p>	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (CPM and NMC) annually in autumn (CPM) and winter (NMC)</p> <hr/> <p>Regular contact with commissioning contract managers and deanery</p>	<p>3 2</p> <p><b>High</b></p>	<p>Attend consultation events with CoD and HEE (review of NHS Pre-reg contract benchmark price / move to Outcome Based Commissioning could = drop in NHS income)</p> <p><b>Person Responsible: Judith Ellis</b></p> <p><b>To be implemented by: 25/04/2014</b></p> <hr/> <p>Ensure a quality campus in each HEE/ LETB area.</p> <p><b>Person Responsible: Warren Turner</b></p> <p><b>To be implemented by: 01/09/2014</b></p> <hr/> <p>Grow into new markets for medical and private sector CPPD provision</p> <p><b>Person Responsible: Warren Turner</b></p> <p><b>To be implemented by: 31/08/2014</b></p> <hr/> <p>Develop opportunities for further International 'in-country' activity.</p> <p><b>Person Responsible: Dr Michelle Spruce</b></p> <p><b>To be implemented by: 30/09/2014</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
						<p>Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding</p> <p><b>Person Responsible: Sheelagh Mealing</b></p> <p><b>To be implemented by: 01/09/2014</b></p> <hr/> <p>Improve NSS participation &amp; scores</p> <p><b>Person Responsible: Judith Ellis</b></p> <p><b>To be implemented by: 31/07/2014</b></p>
37	Negative impact of estates strategy delivery on financial position	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>- Poor project controls</li> <li>- Lack of capacity to manage/deliver projects</li> <li>- Reduction in agreed/assumed capital funding</li> <li>- Reduction in other government funding</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>- Adverse financial impact</li> <li>- Reputational damage</li> <li>- Reduced surplus</li> <li>- Planned improvement to student experience not delivered</li> <li>- Inability to attract new students</li> </ul>	<p>3 3</p> <p><b>High</b></p>	<p>Regular Reports are provided to both P&amp;R and the Board on planned capital expenditure.</p> <hr/> <p>Full Business Case including clarity on cost and funding prepared for each element of Estates Strategy and approved by Board of Governors</p> <hr/> <p>Clear requirement (including authority levels) for all major (&gt;£1m) capital expenditure to have Board approval</p> <hr/> <p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Automated process developed for business cases including all capital spend. Guidance developed as part of new process.</p>	<p>3 1</p> <p><b>Medium</b></p>	<p>Terraces Project completes Anchor Projects in current development plan. The potential acquisition of the Hugh Astor Court (Peabody Building) on Keyworth Street opens up the opportunity for the redevelopment of the North West quarter of the campus and the creation of a clear University 'front door'. Plans have been developed for a major redevelopment scheme that was shared with the Executive in July and with Governors in Autumn 2013. The plan will be developed and cross referenced with the Capex schedule of the Five year plan.</p> <p><b>Person Responsible: Ian Mehrrens</b></p> <p><b>To be implemented by: 30/11/2013</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
				<p>Capex reporting routines established and embedded into regularly updated financial forecasts &amp; management accounts and regular Board reports.</p> <hr/> <p>Clear project governance established for both the renovation of the Terraces and the Student Centre</p> <hr/> <p>Estates &amp; Facilities Dept project controls</p>		<p>Complete and report on the final negotiations for the Student Centre. Update: the 12 month defects liability period has past &amp; we're working through the final defect list. No progress on Final Account completion until works are done to ensure completion. POE by the end of Feb.</p> <p><b>Person Responsible: Ian Mehrtens</b> <b>To be implemented by: 30/04/2013</b></p>
305	<p>Student &amp; other data not used and maintained securely or appropriately</p> <p><b>Risk Owner: Ian Mehrtens</b></p> <p><b>Last Updated: 28/01/2014</b></p>	<p><b>Cause &amp; Effect:</b> Loss of student data security either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive personal files)</p>	<p>3 2 <b>High</b></p>	<p>Following a meeting on 16/11/12, David Swayne has taken responsibility for improving our control over data protection risks at an institutional level.</p>	<p>3 2 <b>High</b></p>	<p>Review course administration process around data entry and approval, to ensure appropriate levels of approval and monitoring of amendment.</p> <p><b>Person Responsible: Andrew Fisher</b> <b>To be implemented by: 27/06/2014</b></p> <hr/> <p>Define an Information Security solution for LSBU and implement it. LSBU has no Information Security Manager - the post was removed some time ago. To rectify this situation a Managed Security Service is being procured.</p> <p><b>Person Responsible: David Swayne</b> <b>To be implemented by: 20/12/2013</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
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1. Define Mobile Device Policy - this is agreed and published  
 2. Prepare and deliver a training course on this topic - this is in progress in collaboration between ICT and OSDT  
 3. Ensure that all mobile devices have adequate protection - laptop encryption tool being selected, mobile device management tool purchased and being deployed  
**Person Responsible: David Swayne**  
**To be implemented by: 29/11/2013**

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
362	Poor staff engagement with University	<p><b>Cause &amp; Effect:</b></p> <p>Causes:</p> <ul style="list-style-type: none"> <li>•Bureaucracy involved in decision making at the University</li> <li>•No teamwork amongst departments at the University</li> <li>•Staff feeling that they do not receive relevant information directly linked to them and their jobs</li> <li>•Poor pay and reward packages</li> <li>•Poor diversity and inclusion practises</li> </ul> <p>Effects:</p> <ul style="list-style-type: none"> <li>•Decreased customer (student) satisfaction</li> <li>•Overall University performance decreases</li> <li>•Low staff satisfaction results</li> <li>•Increased staff turnover</li> <li>•Quality of service delivered decreases</li> </ul>	3 3 <b>High</b>	<p>Departmental Business Planning process</p> <hr/> <p>Feedback page for staff to leave comments on staff Gateway</p> <hr/> <p>Scheduled Team meetings</p> <hr/> <p>Staff engagement survey</p> <hr/> <p>Regular Business review meetings</p>	3 2 <b>High</b>	<p>The Executive and SMG will develop and implement relevant action plans to address outcomes from the survey, having access to an interactive tool to aid the action planning process. Least positive survey areas will be addressed in the Organisational Development Strategy.</p> <p><b>Person Responsible: Mrs Vongai Nyahunzvi</b></p> <p><b>To be implemented by: 27/06/2014</b></p> <hr/> <p>Use restructure project as vehicle to drive active engagement of staff through consultation opportunities.</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 01/04/2014</b></p> <hr/> <p>Launch Behavioural Framework &amp; embed within HR processes and documents</p> <p><b>Person Responsible: Mike Molan</b></p> <p><b>To be implemented by: 30/04/2014</b></p> <hr/> <p>Oversee staff opportunity to contribute to development of Corporate Strategy for 2015-2020</p> <p><b>Person Responsible: David Phoenix</b></p> <p><b>To be implemented by: 30/05/2014</b></p>

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
397	Effectiveness of delivery impaired as Institution goes through restructuring process  <b>Risk Owner: David Phoenix</b>  <b>Last Updated: 29/01/2014</b>	<p><b>Cause &amp; Effect:</b></p> <p><b>Cause:</b> The structural re-organisation of academic groupings from 4 faculties to 7 schools. The re-focusing of support departments into professional service clusters. - undertaken to underpin academic and business effectiveness.</p> <p><b>Effect:</b> Staff morale could be impacted negatively by process of change, and by perceived threats to job security, which impairs enthusiasm and contribution in role. In turn this can cause high performing staff to seek employment elsewhere, which can cause skills shortages and loss to the institutional knowledge base. Service levels - to staff and students - could be impacted negatively by teams trying to deliver business as usual whilst also going through the change process. Data reliability might be impaired if the translation process encounters issues such as limitations with the flexibility of existing software solutions, unforeseen time or money resource implications or error in the relocation process.</p>	3 3 <b>High</b>	<p>The Executive team are taking a Project Management Approach to the Change, bringing in a PM expert on Organisational change, and freeing up experts from within the organisation to act as a change team that reports directly into meetings of the Executive.</p> <hr/> <p>The Executive have developed a Communications Strategy to ensure significant consultation with internal and external stakeholders.</p> <hr/> <p>New Professional Service groupings will be created from existing business units to minimise impact on service delivery.</p>	3 2 <b>High</b>	<p>Appoint Project Manager experienced in Organisational Change to lead a team of internal staff freed from other duties to manage the change process and report regularly into the Executive team.</p> <p><b>Person Responsible: David Phoenix</b> <b>To be implemented by: 28/03/2014</b></p> <hr/> <p>The Executive team to deliver the full Communications plan for the restructuring process, through multiple channels, and showing how feedback has been considered in the process, to mitigate perceived uncertainty and to provide a coherent vision and strategy that staff can align themselves with.</p> <p><b>Person Responsible: Beverley Jullien</b> <b>To be implemented by: 28/03/2014</b></p>



Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
398	<p>Academic programmes do not remain engaged with technological and pedagogic developments which support students and promote progression and achievement</p> <p><b>Risk Owner: Phil Cardew</b></p> <p><b>Last Updated: 29/01/2014</b></p>	<p><b>Cause &amp; Effect:</b></p> <p><b>Cause:</b> LSBU does not effectively exploit the learning potential of new technologies. Curriculum do not adapt sufficiently to give students the knowledge and skills valued by employers Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment.</p> <p><b>Effect:</b> Retention does not meet the targets within the 5 year forecast. Employability of LSBU graduates does not improve. Market appeal of courses is impaired</p>	<p>2 3 <b>Medium</b></p>	<p>Delivery of the Teaching Enhanced Learning Strategy (TEL) through Academic Board and related committees.</p>	<p>2 2 <b>Medium</b></p>	<p>Implement 'Exceptional Student Experience' aspect of the IBM Investment programme to deliver a step change in the institutional use of personal in year data to drive communications to students concerning their academic performance.</p> <p><b>Person Responsible: David Swayne</b></p> <p><b>To be implemented by: 31/07/2015</b></p> <hr/> <p>Oversee delivery of BUILT change Programme to switch to Moodle VLE (Virtual Learning Environment) for all students</p> <p><b>Person Responsible: Phil Cardew</b></p> <p><b>To be implemented by: 01/08/2014</b></p>

	PAPER NO: BG.15(14)	
Board/Committee:	Board of Governors	
Date:	20 March 2014	
Paper title:	Conflicts of Interest declaration	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors	
<b>Recommendation by the Executive:</b>	That the Board authorises the situational conflicts listed below	
Aspect of the Corporate Plan to which this will help deliver?	N/A - Compliance with Companies Act 2006.	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Register of Interests published on website.	

### **Executive summary**

In November each year the Board is asked to authorise the situational conflicts of interest of its members and the Executive. Prof Phoenix has since joined the Board, as Vice Chancellor. His interests are listed below. The Board are asked to authorise his interests.

The Board is requested to authorise the interests as listed below. These entries will be published on LSBU's external website along with the entries for all governors.

Additionally, Hilary McCallion has indicated that she will be undertaking some paid work for the Faculty of Health and Social Care. Full details will be provided at the meeting and the Board will be requested to authorise this arrangement.



**Professor David Phoenix**

<b>Organisation with which connected</b>	<b>Sector</b>	<b>Relationship with organisation</b>	<b>As of date</b>	<b>Notes</b>	<b>Date authorised by Board</b>
Higher Education Funding Council for England (HEFCE)	HE	Teaching & Quality Committee Member	2013		
Academy of Social Science		Policy Group member	2013		
Government Equalities Office	Government	Ambassador	2010		