

Meeting of the Board of Governors

4.00 pm on Thursday, 14 March 2019
in 1B27 - Technopark, SE1 6LN

** Pre-Board presentation at 3.30pm in 1B27: Estates update*

Agenda

No.	Item	Pages	Presenter
1.	Welcome and apologies		JC
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		JC
3.	Minutes of previous meeting	3 - 12	JC
4.	Matters arising	13 - 14	JC
Chair's business			
5.	Staff governors update	15 - 16	JC
6.	SBUEL Board update	<i>Verbal Update</i>	MC
7.	Governance effectiveness review	17 - 20	JC
Items to discuss			
8.	Vice Chancellor's report	21 - 48	DP
9.	Group Chief Financial Officer's report <ul style="list-style-type: none"> • Appointment of internal auditors (to approve) 	49 - 66	RF
10.	Draft Group Corporate Strategy 2020-2025	67 - 76	DP
11.	International Branch Campus Cairo - business case (to approve)	77 - 108	PI
Items to note <i>the following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>			
12.	Reports and decisions of committees <ul style="list-style-type: none"> • Academic Board revised Terms of Reference 	109 - 118	JS

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
13.	Project Larch update	119 - 138	JS
14.	Corporate Risk	139 - 152	RF
15.	SU code of practice	153 - 162	PB
16.	Declaration of Interests	163 - 164	JS

Date of next meetings
Strategy Away Day - 10.00 am on Wednesday, 10 April 2019
Board of Governors Meeting – Thursday, 23 May 2019

Members: Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), David Phoenix, Steve Balmont, Shachi Blakemore, Duncan Brown, Michael Cutbill, Nelly Kibirige, Kevin McGrath, Peter Fidler, Mee Ling Ng, Hilary McCallion, Jenny Owen, Jeremy Parr, Tony Roberts and Nazene Smout

In attendance: Pat Bailey, James Stevenson, Richard Flatman, Paul Ivey and Michael Broadway

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 22 November 2018
1B27 - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Douglas Denham St Pinnock (Vice-Chair)
David Phoenix
Steve Balmont
Shachi Blakemore
Duncan Brown
Julie Chappell
Michael Cutbill
Nelly Kibirige
Hilary McCallion
Mee Ling Ng
Jenny Owen
Jeremy Parr
Tony Roberts
Nazene Smout

Apologies

Peter Fidler
Kevin McGrath

In attendance

Michael Broadway
Richard Flatman
James Stevenson
Shân Wareing
Fleur Nieboer

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

2. Declarations of Interest

Members of the executive present declared an interest in the Remuneration Committee report to the Board. Executive members would leave the meeting for the discussion.

3. Minutes of previous meeting

The Board approved the minutes of the meeting of 18 October 2018 and their publication.

4. **Matters arising**

The Board noted the progress against the matters arising from the previous meeting.

The Board noted that despite the unsuccessful application for the Race Equality Charter mark the Executive intended to progress with the action plan. The Executive would review whether to make another application in 12 months.

The Board noted updates on re-enrolment of overseas students and third party staff costs.

5. **Vice Chancellor's report**

The Board discussed the Vice Chancellor's report in detail.

The Board noted that an Ofsted inspection of LSBU's apprenticeship provision was expected which the executive was preparing for.

The Board noted an update on student recruitment for semester 2 which looked positive. The Board discussed the different challenges for student recruitment to HSC. The School of HSC is reviewing its management structure to ensure it is the best position to meet these challenges.

The Board noted that re-enrolments in the schools of Law and Social Sciences, and Business have declined and requested that the Finance, Planning and Resources Committee reviews the reasons.

The Board noted that the Fees and Funding Review (Augar review) and the review of Technical Education would report in the new year. The ONS report on treatment of student loan expenditure is awaited. The executive is modelling the potential impact of any proposed changes to fees and funding.

The Board noted an update on progress of the transfer of Lambeth College to the LSBU group. Contracts had been exchanged with Lambeth College Corporation and the transfer date set for 31 January 2019.

The Board noted progress with developing the International Branch Campus in Cairo as part of LSBU's partnership with the British University in Egypt. The business case would be brought to the Major Projects and Investment Committee meeting of 28 February 2019.

6. **Chief Financial Officer's report**

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2018/19 and an update on year end reporting matters.

The Board noted that the current forecast for 2018/19 is to deliver to budget.

The Board approved the updated pro forma financial commentary for submission to the OfS as part of the annual accountability return.

7. Key performance indicators report 2017/18 and targets 2018/19

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2018/19.

The Board noted that the financial KPI targets were in line with the approved 201/19 budget.

8. Corporate strategy progress report

The Board noted the half yearly Corporate Strategy Progress report.

9. Health and Safety annual report, 2017/18

The Board discussed the annual health and safety report in detail. The Board requested more information on students and on mental health in future reports.

The Board noted that the internal auditors had deemed fire evacuation procedures to be satisfactory but that there is scope for improvement in behaviours of staff and students in evacuating.

The Board requested an update on these areas in the next health and safety report.

The Board noted progress made in these areas.

Shân Wareing left the meeting.

10. Quality assurance return to OfS

The Board noted the requirement to approve an annual statement to confirm that it is assured that “LSBU is maintaining its responsibility for improving student academic experience and student outcomes, and that academic standards are set and appropriately maintained”.

Following review by the Academic Board and the Audit Committee, and having noted the role of the Academic Board in relation to quality in the next item, the Board approved the full assurance statement for submission to the OfS.

11. Annual Academic Board report

The Board noted the Academic Board annual report, which summarised the work of the Academic Board and its committees during 2017/18.

12. **Audit Committee Annual Report**

Fleur Nieboer, KPMG joined the meeting

The Board noted the Audit Committee's annual report for 2017/18 which had been approved by the Audit Committee at its meeting of 8 November 2018.

The Board noted the annual opinion of the internal auditor, PwC, which found that "governance, risk management and control, and value for money arrangements in relation to business critical areas is generally satisfactory". This was the second highest of four ratings.

The Chair of the Audit Committee agreed to sign the report for submission to the Office for Students (OfS).

13. **External audit findings**

The Board noted KPMG's audit findings report which had been discussed in detail by the Audit Committee. There was one high risk finding which related to the closure of an account with HSBC, which had been resolved.

The external audit partner confirmed the independence of KPMG from LSBU. All non audit services provided by KPMG to LSBU during the year were permissible and not a conflict with KPMG's audit work.

14. **Letter of representation to KPMG**

The Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Audit Committee. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.

The Board approved the letter and authorised the Chair to sign the letter on behalf of the Board.

15. **Remuneration Committee report to Board**

In the absence of members of the Executive

The Board discussed the remuneration committee report to the Board.

The Board noted that the remuneration committee had discussed an independent review of executive salaries undertaken by Korn Ferry and subsequently approved a revised approach to benchmarking for executive salaries. The review had taken into account the new areas of group responsibilities for members of the executive.

The Board noted the review of the performance of the Vice Chancellor for 2017/18 and associated bonus award of 8% (£19k). The Board noted that the

multiple of the Vice Chancellor's pay to the median pay of all staff was in line with the sector.

The Board discussed the bonus scheme for executive members and noted that the Remuneration Committee had agreed to include team bonus of up to 5% in addition to the current individual bonus of up to 10%. The new HR director would be requested to review staff incentives.

Members of the executive rejoined the meeting.

16. **Annual report and accounts**

The Board discussed the proposed annual report and financial statements for year ended 31 July 2018, which had been reviewed by the Audit committee and the Finance, Planning and Resources committee. The surplus was £1.8m.

The Board noted minor amendments to the accounts made since the meeting of the Audit Committee on 8 November 2018.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 8 November 2018 that would prevent a full internal control compliance statement being made in the annual accounts.

The Board noted that there had been no material post-balance sheet events.

The Board noted assurances from the Executive that the form and content of the report and accounts were accurate and could be approved by the Board.

After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2018 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 5 November 2018. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

17. **Written resolution to reappoint KPMG as External Auditors with delegation of remuneration to Executive**

The Board noted the prior approval by a majority of the members of LSBU (the company) of the written resolution to reappoint KPMG LLP as external auditors to the University for the year to 31 July 2019 with delegation of remuneration to Executive. The Chair would sign the written resolution on behalf of LSBU at the end of the meeting.

18. **Prevent annual return**

The Board noted the annual report on the Prevent duty, prepared in accordance with OfS guidance. The report demonstrated how LSBU had had due regard to the need to prevent people being drawn into terrorism.

Following detailed review by the Audit Committee, the Board approved the Prevent annual report and the statement of assurance for submission to the OfS.

{Secretary's note: a minor amendment to the report was approved by the Chair of the Board after the Board meeting}

19. **Corporate Risk**

The Board noted the corporate risk register, which had been updated following the detailed discussion at the Board meeting of 18 October 2018.

20. **Reports and decisions of committees**

The Board noted the report.

The Board noted the Modern Slavery Act statement which had been reviewed and approved on its behalf by the Audit Committee at its meeting of 8 November 2018. No changes had been made from the previous year's statement. The statement would be published on the University's website.

21. **Any other business**

The Board noted that the SU President had joined over 100 student leaders on a visit to Auschwitz as part of the Holocaust Educational Trust's Lessons from Auschwitz Universities Project.

The Board noted the plight of the jailed academic in the United Arab Emirates (UAE).

{Secretary's note: the Vice Chancellor subsequently confirmed that LSBU did not have, and was not negotiating, any contracts with the UAE}.

The Chair noted that Steve Balmont would be stepping down as Chair of Audit Committee with effect from 1 January 2019. Mr Balmont would continue as a governor and member of the Audit Committee until 31 July 2019. Duncan Brown would become Chair of the Audit Committee from 1 January 2019. The Chair thanked Mr Balmont for his services to the University as Chair of the Audit Committee.

Date of next meeting
4.00 pm, on Thursday, 14 March 2019

Confirmed as a true record

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Company Number: 00986761

The Companies Act 2006

Ordinary Resolutions

of

London South Bank University

(University)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the Governors/directors of the University propose that the following resolutions (**Resolutions**) are passed as ordinary resolutions:

Ordinary Resolutions

1. That the University reappoint KPMG LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are approved by the directors.
2. That the University delegate approval of the remuneration of the auditors, KPMG LLP, for the year ending 31 July 2019 to the Executive.

Agreement

The members of the University who were entitled to vote on the Resolutions on 22 November 2018 irrevocably agree to the Resolutions and authorise the Chair to sign on their behalf:


..... Dated... 22 Nov 2018

Jeremy Cope, Chair of the Board of Governors

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**BOARD OF GOVERNORS - THURSDAY, 22 NOVEMBER 2018
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
9.	Health and Safety annual report, 2017/18	More information on students and on mental health in future Health and Safety annual reports Board to receive update on fire evacuation procedures in the next Health and Safety annual report	21 Nov 2019 21 Nov 2019	Shân Wareing Shân Wareing	Due for completion by November 2019 meeting Due for completion by November 2019 meeting

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	CONFIDENTIAL
Paper title:	Staff Governors update
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jerry Cope, Chair of the Board of Governors
Purpose:	For Approval
Recommendation:	The Board is requested to approve the extension of the staff governors' term to 31 July 2019.

Executive Summary

The current staff governors were appointed in October 2015 for a period of three years. This expired in October 2018. At its meeting of 18 October 2018, the Board agreed to extend the term of office of the two staff governors to 28 February 2019, while changes to the composition of the Academic Board were finalised.

Due to the proposed changes to the Academic Board composition, at its meeting of 13 February 2019, the Academic Board recommended to the Board for approval – please see separate paper on the Board agenda. If the proposed changes to the Academic Board composition are approved by the Board of Governors, a new appointment process for members of the Academic Board will take place ready for the new academic year (2019/20). The Academic Board in its new composition will then be asked to recommend two nominated members to serve as staff governors.

It is recommended to the Board that the terms of office of the two current staff governors are extended to 31 July 2019, to allow for the completion of the nomination process for Academic Board members. Both serving staff governors are eligible to serve a second term on the Academic Board, and, if selected, serve a second term as staff governor.

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Agenda Item 7

	CONFIDENTIAL
Paper title:	Governance effectiveness review
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Askari Jafri, Governance Officer
Sponsor(s):	Jerry Cope, Chair of Governors
Purpose:	For Information
Recommendation:	To note the governance effectiveness review in the planning stages to be undertaken in late Spring/early Summer 2019

Executive Summary

This paper outlines the governance effectiveness review, as stipulated by the CUC guidelines, and the approach, scope and high-level timeline envisioned to undertake it.

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BOARD GOVERNANCE EFFECTIVENESS REVIEW

Introduction

In the higher education (HE) sector, there has been a renewed focus on good governance to deliver the success of a higher education institution (HEI). This is based on board characteristics including strong accountability, transparency and ethical behaviour, ultimately leading to a committed and continuously improving board. A key aspect to engage and succeed in the corporate strategic targets set for a HEI is to undertake a 'board evaluation' or 'board governance effectiveness review'.

The Higher Education Code of Governance suggests a board effectiveness review every 4 years. In line with this suggestion, LSBU will be conducting a board governance effectiveness review this year (2018/19) following on from the previous substantive review in 2015.

Scope

Through the board governance effectiveness review, a range of topics will be discussed, evaluated and determined in line with the Committee of University Chairs' (CUC) Higher Education Code of Governance, the 7 principles of public life, as published by the Nolan Committee and the public interest governance principles, as outlined by the Office for Students (OfS). The areas of note covered within the evaluation include:

- The challenges facing LSBU and the composition and diversity, skills and knowledge of the board to meet these challenges
- Exploring and evaluating board succession and development plans to ensure LSBU has thorough governance procedures
- The processes the Board adopts including those for identifying and reviewing communication channels within the board.

Approach

The review will take a range of approaches to gain a high level of understanding of the current effectiveness of the board as well as improvements that can be made for the future. These include:

- Desk top review of current governance systems
- Questionnaires for individual governors and executive members to provide a first source of information evaluating whether the Board of Governors is meeting its obligations as set out in the Committee of University Chairs' (CUC) Code. When necessary any Office for Students (OfS) guidance,

Institute of Chartered Secretaries and Administrators (ICSA) guidance and any general principles under the UK Corporate Governance Code.

- Face-to-face interviews with independent governors and executive members to assess whether the current governance structure is operating effectively and efficiently.
- Input from the executive on working with the Board and committees
- Evolution towards a Group Board function will be covered.

Outcomes

1. Draft report and initial recommendations to the July Board of Governors meeting.

Indicative Timeline

Action	Deadline
Initial notification to board	14 March 2019
Desk top review	March/April 2019
Questionnaires/interviews phase	April/May 2019
Progress report to board	23 May 2019
Final report to Board	18 July 2019

	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	14 March 2019
Author(s):	David Phoenix, Vice Chancellor
Sponsor(s):	David Phoenix, Vice Chancellor
Purpose:	To update the Board on University matters
Recommendation:	To note the report

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

Executive Summary

We have started 2019 in a strong position; there has been a reduction in both the number and % of withdrawals and interruptions compared to prior year resulting in 377 fewer student losses and forecast income lost by year end is marginally better than prior year, £4.86m (compared to £4.9m last year).

In terms of recruitment, applications have grown by 6.2% overall (6.27% excluding HSC) compared to the previous year – and with 16.6k applications in total we are on par with 2017 for overall applications. Semester 2 recruitment is also positive, underpinned by strong OS/EU campaigns; in total 250 enrolments were delivered in versus a 130 target hence we expect this year will be ahead of budget in terms of recruitment.

Since the start of the year we have had two Ofsted inspections, one at the UTC which was rated as Requires Improvement and another at the university that was rated as Good; the latter was one of the first for apprenticeships in the university sector and is a significant achievement. Work at Lambeth is progressing as planned, we are also in discussion with Croydon Council to develop a new university centre near Croydon high street and we will be shortly submitting a licence request for a campus in Cairo.

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Vice Chancellor's Report March 2019

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

1.0 Corporate Strategy Outcome 1: Student Success

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

1.1 Withdrawals, Interruptions and Lost Revenue

When looking at the entire progress-able student population (excluding CPD), as of 31st January 2019 there was a reduction in both the number and % of withdrawals and interruptions compared to prior year resulting in 377 fewer student losses.

The most significant improvement was in year 1 first degree students, where withdrawals and interrupting students were 6% of the progress-able population in 2018/19 compared to 10% last year.

From a financial perspective, the number of billable 'lost students' is almost the same as prior year (476 v 464) creating lost income across all Schools of £2.71m. This figure is £346k higher from Jan 2018's position of £2.36m. Total lost income for full year 2018/19 is currently forecast to be marginally better than prior year, £4.86m by 31 July compared to £4.9m last year.

The biggest reason for withdrawal remains a lack of student engagement and this now accounts for 43% of withdrawals compared to 35% last year. Students withdrawing due to health reasons has significantly increased from 4.0% in 2017/18 to 12.9% this year.

In line with these trends we have also seen a significant increase in demand for 1:1 mental health appointments, up 27.5% on the same period last year. Between August 18 and January 2019, just over 1,000 student appointments were supported by the mental health and well-being team compared to just over 800 for the same period last year. There has been a similar spike in demand for appointments with the University's external counselling service and the current wait time for an appointment is 2-3 weeks. The service continues to keep support in this area under review.

2.0 Corporate Strategy Outcome 2: Real World Impact

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

2.1 Research, Enterprise and Innovation

The research income target for 2018/2019 is £4.4M (excluding QR income) which is a 28% or £1M increase over the previous year. Working from December's recorded figures, research contracted income and YTD actuals indicate that we are currently £219K short of budget. However the research pipeline value is very healthy at £10.3M or 550% on previous year's December pipeline.

The enterprise income target is £11.9M which is a 16% or £1.4M increase on the previous year. Contracted income and YTD Actuals indicate that we will be ahead of budget by £385k assuming all contracts deliver on time. The pipe line for next year is almost 50% lower than current year. A review of pipeline definition and bid activity has been undertaken to strengthen the criteria used to record pipeline bids which may go some way to explaining this drop but the reduction is of concern if we are to hit next year's targets and work is being done to strengthen activity in this area.

Research budget Summary		Enterprise budget summary	
2018/19	2017/18	2018/19	2017/18
Budget	Budget	Budget	Budget
£4,086,287	£3,416,112	£11,904,180	£10,540,633
*YTD Actual	*YTD Actual	YTD Actual	YTD Actual
£1,684,372	£1,489,268	£3,418,040	£4,114,671
Contracted Income	**Contracted Income	Contracted Income	**Contracted Income
£2,038,016	£2,006,092	£5,828,967	5,589,102
Variance to Budget	Variance to Budget	Variance to Budget	Variance to Budget
-£363,899	£76,248	-2,657,173	-£836,860
Total Pipeline	Total Pipeline	Total pipeline	Total Pipeline
£18,311,836	£1,505,940	£659,236	£5,980,388

3.0 Corporate Strategy Outcome 3: Access to Opportunity

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

3.1 Recruitment & Enrolment Position – Semester 2 2018/19 (Home/EU/OS as at 13/02/2019)

LSBU has fully enrolled 450 students against its new-starter goal of 500 for Semester 2. Excluding HSC targets, which largely consist of Apprenticeship courses, we've achieved a surplus of 110 students (380 new-starters versus a 270 target). Based on the remaining enrolment pipeline, we can expect the surplus excluding HSC to rise to 125 students by March.

Our performance is underpinned by strong OS/EU campaigns which lead to 250 enrolments being delivered in total versus a 130 target. Where we have currently under recruited for S2 is within Home and HSC. In the latter case this is mainly within Apprenticeship provision and further intakes are planned between February and June that are expected to deliver in the region of 150 students (reliant on Trusts).

Fig 1: Current Recruitment Performance and Enrolment Position for Home/EU/OS – 13th February 2018; DARR.

LSBU Mode Home / EU / OS	Year on Year Recruitment Performance			Progress to Enrolment Target		
	YTD FAs / UFs	LYTD FAs / UFs	(% +/-) change	Current Enrolments	Target Enrolments	Progress to Target
UGFT	123	50	146.0%	83	52	159.6%
UGPT	0	0	0.0%	0	30	0.0%
Apprenticeships	24	28	-14.3%	19	160	11.9%
PGFT	194	181	7.2%	139	102	136.3%
PGPT	70	47	48.9%	98	80	122.5%
Study Abroad	110	95	15.8%	107	70	152.9%
LSBU Overall	521	401	129.9%	446	494	90.3%
Home	206	147	140.1%	199	363	54.8%
EU	63	51	123.5%	54	8	675.0%
OS	252	203	124.1%	193	123	156.9%
LSBU Excluding HSC	508	343	148.1%	377	267	141.2%
Home	193	109	177.1%	131	136	96.3%
EU	63	47	134.0%	54	8	675.0%
OS	252	187	134.8%	192	123	156.1%

In terms of recruitment, our UGFT performance in particular has been a highlight in S2. Growing 146% or (by +70 Firm Accepts year-on-year), it is one of the fastest

growing areas within our portfolio and represents opportunities for next year. S2 UGFT courses are presently only offered within Business, but as January - Undergraduate starts to gain prominence, there should be opportunities for other Schools to address this growing segment. However, limitations exist with regards to teaching and estate space in some of the Schools, which is a dependency that must be addressed before the university can unlock further growth – indeed space has been rented off site to enable cohorts in Built Environment to be taught. Appointments are currently being made to also review our timetabling system and identify redundancy in space allocations.

3.2 UGFT UCAS Trends – Semester 1 2019/20 (Home/EU/OS as at 13/02/2019)

Application growth at LSBU is outstripping our London Competitor Set and the Sector (6.2% versus 1.2% and 0.2% respectively). Our year-on-year growth represents in excess of 1,000 additional applications compared to the same point last year.

LSBU applications are growing across all segments (Home/EU/OS) for the second consecutive year. Applications from OS in particular have seen the greatest change: up nearly 20% compared to the previous year, with Home/EU growing by 5-6% each.

Fig 3: LSBU, Sector and London Competitor UGFT Applications: Home/EU/OS – 13th February 2018; UCAS. Applications across the UK

Total Apps	2018	2019	% +/-	+/-
LSBU	15.6 K	16.6 K	▲ 6.20%	▲ 1.0 K
Sector	2.52 M	2.53 M	▲ 0.18%	▲ 4.6 K
Competitors	112.4 K	113.7 K	▲ 1.10%	▲ 1.2 K

Applications Count By Group & Region

Apps	Domicile	2018	2019	% +/-	+/-
LSBU	Home	13.9 K	14.7 K	▲ 5.52%	▲ 768
	OS	0.7 K	0.8 K	▲ 19.73%	▲ 131
	EU	1.0 K	1.1 K	▲ 6.60%	▲ 69
Sector	Home	2.06 M	2.04 M	▼ -1.04%	▼ -21.4 K
	OS	268.1 K	292.0 K	▲ 8.89%	▲ 23.8 K
	EU	196.9 K	199.1 K	▲ 1.12%	▲ 2.2 K
Comp. Set	Home	89.7 K	90.2 K	▲ 0.51%	▲ 455
	OS	12.9 K	13.5 K	▲ 5.20%	▲ 669
	EU	9.8 K	9.9 K	▲ 1.10%	▲ 108

With respect to EU students, for 2019 we presently do not appear to be carrying a substantial Brexit risk. Approximately 60% of our EU offer-holders are already domiciled in the UK; and 75% of our EU Firm Accepts are domiciled in the UK. We will track and periodically re-assess our risk profile over the coming months. We

have clarified the messaging on our website to reaffirm the UK Government’s announcement that EU students in 2019 pay the same fees as Home students. There has been no support announced beyond that point.

3.3 LSBU School Application Trends – Semester 1 2019/20 (Home/EU/OS as at 13/02/2019)

While the number of applications is similar to 2017 the composition has changed; in 2017 45% of our applicants were for HSC courses, and presently in 2019 that stands at 38%. With our HSC numbers capped, it is growth in non-HSC courses that will enable the university to expand going forward, and our performance this year is a positive early indication towards this.

Figs: LSBU and LSBU excluding HSC position, and below by School breakdown: Home/EU/OS – 13th February 2018; UCAS.

Applications	Year		Change versus Last Year	
	2018	2019	% +/-	+/-
LSBU-wide				
LSBU exc HSC	9.6 K	10.2 K	6.27%	▲ 0.6 K
LSBU	15.6 K	16.6 K	6.20%	▲ 1.0 K

Applications	Year		Change versus Last Year	
	2018	2019	% +/-	+/-
Schools				
APS	1.4 K	1.6 K	16.84%	▲ 237
BEA	0.9 K	1.0 K	8.40%	▲ 77
LSS	2.2 K	2.3 K	7.67%	▲ 166
BUS	2.5 K	2.7 K	7.49%	▲ 188
HSC	6.0 K	6.3 K	5.89%	▲ 353
ENG	1.2 K	1.2 K	2.78%	▲ 33
ACI	1.5 K	1.3 K	-8.28%	▼ -121

Building on the momentum and success of last year’s campaign, we’re focussed on delivering further improvements this year. As the number of Offers and Firm Accepts have increased (by 27.1% and 81.9% respectively), we are improving our CRM content to ensure that applicants remain connected through the year and in the lead up to joining LSBU – in response to the earlier timeline of conversion activity.

Fig: LSBU Conversion position: Home/EU/OS – 13th February 2018; UCAS.

LSBU Home/EU/OS	2018	2019	% +/-	+/-
Total Applications	15.6 K	16.6 K	↑ 6.2%	▲ 1.0 K
▶ Offers	7.6 K	9.6 K	↑ 27.1%	▲ 2.0 K
▶ Firm Accepts	215	391	↑ 81.9%	▲ 176
▶ Insurance Accepts	191	275	↑ 44.0%	▲ 84
Offer-making Rate (Proportion of Applicants that have received an Offer)	48.5%	58.0%	+9.5%	
Conversion Rate (Proportion of Offers to FAs)	2.8%	4.1%	+1.3%	

3.4 The Unconditional Offer Scheme

Following the increasing use and scrutiny around the Unconditional Offer Scheme (which is the practice of making unconditional offers to applicants based on predicted grades), UCAS have started to analyse and publish institutional level data around offer-making patterns.

The figures, based on 2018/19 data, show that LSBU made 4,400 offers in total to UK domiciled 18 year olds; of these 1,370 (or 29%) were unconditional based on predicted grades.

LSBU's approach is to provide 'straight-to' Unconditional offers: in other words, we do not ask, pressure or incentivise students to pick us as Firm – the offer is Unconditional from the start. This is a more transparent, honest and student-focused approach.

LSBU has made the decision not to engage in 'Conditional Unconditional' offer making, which has come under an even greater level of scrutiny and leads to a misleadingly low number of unconditional offers being made i.e. the practice of giving a student a conditional offer in the first instance, which only upgrades to Unconditional if the student accepts that institution as their Firm choice.

Fig 7: 'Unconditional' and 'Conditional Unconditional' Offer-making proportions to 18 Year Olds – 31st January 2018; UCAS.

Competitor Group	Unconditional Offer %	Conditional Unconditional Offer %
Roehampton	18.00%	65.80%
Kingston	11.30%	46.40%
Middlesex	9.70%	18.70%
West London	2.70%	12.00%
City	3.00%	10.90%
LSBU	29.00%	0.00%
East London	7.90%	0.00%
Westminster	2.60%	0.00%
Greenwich	1.10%	0.00%
London Met	0.20%	0.00%

Looking ahead to 2019/20, the number of students applying for a conditional offer is greater than anticipated and we expect to make in excess of 2,500 unconditional offers to 18 year olds. Given we had increased the threshold this may indicate a change in the profile of applicants. As such, the proportion of unconditional offers made by LSBU is expected to rise from 29% to 50-55% in next year's UCAS provider level reports.

3.5 International Recruitment (Summary of 2018/19 S1 & S2)

The approach taken to engage with commercial third parties to create a sustainable basis for International and European recruitment is now showing clear benefits, as can be seen in a continued increase in award seeking students in 2018/19. With both S1 & S2 intakes now complete the number of students can be seen below for the current academic year:

Mode	Domicile	EFE
Study Abroad	EU	82
	Overseas	145
LSBU Awarding	EU	587
	Overseas	520

The numbers have been obtained against a backdrop of ever-increasing scrutiny on UKVI processes, and against the uncertainty created by the Brexit process and a devaluation of GBP. Many prominent universities have seen a large drop in their overseas numbers. The financial target of £10m for recruitment and returners is expected to be achieved.

The Tier 4 visa refusal rate remained below 5% for period October 17-October 18, which was the most recent UKVI Basic Compliance Assessment carried out. The

target setting process is currently being undertaken with colleagues in each of the Schools for 2019/2020.

3.6 Partnerships, and Transnational Education

International partnerships have largely been moved from small, time-consuming, or financially unviable collaborations to larger broad partnerships which are more compatible with the global image LSBU wishes to portray.

Current numbers of students studying for LSBU degrees overseas can be seen here:

Partner	UG	PG	Total
BUE	4387	75	4462
ASU	67	N/A	67
Jersey	48	N/A	48
Kolding	20	41	61
FEI	56	18	74
Singapore General Hospital	44	N/A	44
ES HOTELS	14	16	30
Total	4636	150	4786

Undergraduate TNE numbers have increased from 4019 TNE students in 17/18 to 4636 in 18/19. Postgraduate student numbers have grown from 140 to 150 in the same period. There has been an overall increase of 15% and similar growth is forecast for 2019/20 across our existing partnerships. Applied Science University (ASU) in Bahrain has started to grow and Engineering, Law and Business are potential new courses with this partner.

There are a number of TNE operations of scale in the pipeline in both Europe and Asia. The University now needs to prepare for success in managing large overseas operations including:

- An International Branch Campus (IBC) in Cairo. This proposal has been reviewed by MPIC and an application to progress will be submitted to the Egyptian Government later this month. There needs to be a solid line of academic accountability through to Academic board which can be achieved by the creation of a Partnerships Board which reports into Quality and Standards and thereafter to Academic Board. This would give a structure similar to the University of London International programmes and reduce the burden on schools.
- Nanjing Institute of Industrial Technology (NIIT). On 4 January 2019 a meeting was held in Nanjing between the Chinese Ministry of Education, Jiangsu Provincial Education Authority, NIIT and NCEE China (Sinocampus) and LSBU which successfully approved the application for a Joint Institute between LSBU and NIIT. The approval of the Ministry allows students who have studied the national Gao Kao Exams to apply to the Institute and receive funding from the Chinese government. It also permits applications to come from all over China whereas NIIT had previously been limited to recruit students from within

Jiangsu. This is the first time such an application with national coverage has come before the MoE. The University of the Year for Graduate Employment and Entrepreneurial University of the Year were important, as was the support of Sinocampus and their CEO. The first programmes will be in Business with STEM subjects to follow.

3.7 Apprenticeships

LSBU are continuing to enrol monthly cohorts of Nursing Associate apprentices and enrolled an additional 22 apprentices in the Business School in January. LSBU has 694 apprentices enrolled across 15 standards and expects this to increase monthly in Semester 2. The Apprenticeship team are working with the Schools to align recruitment targets for 2019/20 with anticipated further growth particularly in BEA and the planned introduction of Bakery Apprenticeships.

The London South Bank University Mayor's Construction Academy was formally launched at a ceremony at the London Living room in January. This provides an opportunity to take a leadership role in London with respect to this area.

LSBU has been awarded a grant of £250,000 by the GLA to establish a Mayor's Construction Academy Hub. A handful of these hubs is being created to coordinate construction industry training opportunities with the aim of increasing the number of Londoners being trained for and entering the construction sector. It provides LSBU with additional resources and a leadership role in building collaboration between construction employers, construction skills training providers, developers, local authorities and other stakeholders.

The Apprenticeship team are strengthening their relationship with Southwark council having jointly hosted a number of events including the London Living Wage event and the launch of our partnership with Unilever, where circa 70 Schoolchildren and parents attended an information event regarding the Digital Apprenticeships.

3.8 Ofsted

An Ofsted inspection of the university's apprenticeship provision took place 12th-14th February 2019. The scope of the inspection was limited to apprenticeships at level 4 and level 5, a total of 203 students at the time of the inspection. The apprenticeship standards inspected were:

- FdSc in Nursing Associate - London South Bank University - Nursing Associate Apprenticeship
- Foundation Degree in Health - London South Bank University - Healthcare Assistant Practitioner
- HNC in Building Services Engineering - London South Bank University - Building Services Engineering Technician Standard
- HNC in Civil Engineering - London South Bank University - Construction Site Engineering Technician Standard.

The inspection resulted in the provisional overall result of 2, 'Good', and Good for all 4 areas which are assessed:

- Outcomes for learners
- Teaching, Learning and Assessment
- Personal Development, Behaviour and Welfare
- Leadership and Management (including safeguarding)

The 2 Good rating has been a significant success and testament to the hard work of all those involved. The rating will last 2 years when we can expect to have another light touch inspection. This is a significant achievement and the highest grade we could have achieved at this point.

4.0 Group issues and environment

4.1 South Bank Academies Trust

4.1.1 UTC Ofsted Inspection

The UTC underwent its first inspection by Ofsted on the 22nd – 23rd February and was judged to be good in two of the five categories covered by the inspection framework and as requiring improvement in the remaining three. This drove an overall rating of 'Requires Improvement'. There were no safeguarding or compliance concerns identified. The inspection identified several strengths, and these include; the unique learning environment, the role and contribution from sponsors and governors, leadership, student destinations and the care and wellbeing of pupils. The areas judged as requiring improvement were; the quality of teaching, learning and assessment which was inconsistent across the school, outcomes for pupils - particularly linked to the 2018 A Level cohort, and the 16-19 study programme. The school has appealed against the judgment on the latter category however this is unlikely to affect the overall rating. The school leadership is working the Lambeth School Improvement Advisor on an action plan which will be presented to the SBA board in March and the plan is to quickly address the areas identified for improvement and apply for re-inspection in 12 months.

4.1.2 SBA Trust – Other Matters

Following the appointment of a Trust HR Manager, several HR initiatives are underway including a Trust wide pay scale review, a review of non-teaching staffing arrangements in schools and early stage scenario planning looking at staff costs, pension considerations and the investment in middle leadership required to support rapid improvement in teaching at the UTC. The university has continued to support both schools with outreach and engagement activities and this year, 31 students have applied for places at LSBU as one of their five options - a significant up-lift on last year. The CEO and Executive Principal are in early stage discussions with

Guy's and St Thomas' NHS Foundation Trust. and within Kingston Hospital Foundation Trust in Partnership with LGC regarding future new school partnership opportunities.

4.2 Lambeth College

Following the Lambeth College transaction on 31st January we are continuing to work at pace to fully integrate the College into the LSBU Group. A dedicated team is in place and a new governance and communication framework has been developed and work is being overseen by Transition Executive Group with representatives from both the College and University.

A number of cross organisational Task and Finish Groups have been established to review and put improvement plans in place for key operational functions and a key challenge for both organisations is that transition work relies on complex multiple team and cross organisational working, whilst also seeking financial turn around and quality improvement. The priorities are around:

- Financial turnaround via control of costs and seeking to improve intake. A new marketing appointment has been made with professional oversight from LSBU and a new Finance Director has been appointed who is working with the Principal to help understand costs and controls.
- Academic improvement – the Principal is seeking to improve data insights and engage staff with improvements in terms of retention and outcomes.
- Transition where a PMO has been appointed to work with the transition steering group.

4.3 Public Affairs and Civic Engagement

Further to an initial meeting in late 2018 between the Chair, Vice Chancellor and representatives of Croydon Council, LSBU has been invited to submit a prospectus to establish a University Centre in Croydon. The Council is keen to secure a higher education offer for the growing population and employer base for the borough as part of substantial and ambitious development plans for the town centre. The Council has suitable space in the centre of Croydon which it will provide in phases. It will consider capital support for phase one and will work with LSBU to secure grant funding for further phases which it hopes will include the creation of purpose built facilities or significant adaptation of the initial site. The Council appears to be in discussion solely with LSBU and swift action is likely to secure the opportunity. The details have been to MPIC and we are preparing the prospectus (included as a supplement) and will seek an agreement in principal with the Council before preparing a detailed business case.

The National College Creative Industries (NCCI) is based in Purfleet and was one of 5 National Colleges announced by the government in 2016 with £80m of funding. The aim was to provide skilled people in industries crucial to economic growth – high speed rail, nuclear, onshore oil and gas, digital skills and the creative industries.

NCCI has an eclectic mix of industry sponsors from the Royal National Theatre to the Liverpool Philharmonic Orchestra, a creative agency and technical companies and unions. It provides courses and apprenticeships but the offer is limited and learner numbers are very low (27 students at levels 3 and 4 linked to University of the Arts; 270 apprenticeships focused on areas such as venue technicians, live event technicians). There are 22 staff employed through a separate commercial company. The site includes commercial facilities which appear to generate some income. The combination of the brand name and our facilities at LSBU and Lambeth College could offer significant growth opportunities in courses, apprenticeships and CPD. We have submitted an Expression of Interest and are reviewing next steps with support of MPIC.

5.0 Strategic Enablers

5.1 Estates - LSBU Phase 1 Development

The project is on time and currently (in advance of precise construction figures) £1.9M over the budget of £65M but the 7.5% contingency has not been allocated and c£0.5M of savings has been identified. Cost pressures arise from London Road itself and provision for ACI: both are believed to be manageable. The remodelling of the former LRR and Borough Road buildings are progressing well. The new Business School will be handed over on the 22nd February, London Road itself has reached the significant milestone of RIBA stage 4 and signed off by the project board on the 19th February. Significant work has been undertaken to engage staff with this project and a communication prospectus for staff and students has been developed. A timetable for staff move announcements is in place finishing before the 2019/2020 academic year, and 'a move SLA' from estates is in place.

5.1.1 Capital Programme - Nine Elms Skills Centre

The demolition contract for the existing buildings is underway. The GLA are in full support of the scheme, and will issue a funding agreement to SBC to contribute c£20M to the £45M. Work has started to contract estate agents for the partial sale of the Clapham site to cover the remaining costs.

Responsibility for the estate has transferred from Lambeth College to SBC: the LSBU estates team are fully engaged, a dedicated project officer is in place, the project board is meeting monthly chaired by the Chief Business Officer and the project remains on time, and at present, on budget. The SBC STEAM centre will be the focus of attention throughout February and March, after this time work will begin with an intent to deliver a SBC estates master plan for the end of the 2018 / 2019 academic year. A possible tension is that Lambeth Council are requesting outline planning for the site to progress the skills centre. We are not due to have planning agreed with DfE until Autumn and require their permission to submit planning.

5.2 Teachers Pension Scheme

The indicative results of the 2016 valuation of the Teachers' Pension Scheme (TPS) (England and Wales) show that employer contributions will need to rise by 7.2 percentage points from the current rate 16.48 per cent to 23.68 per cent. This represents a 44 per cent increase in TPS employer costs with the proposed change be implemented from 1 September 2019.

The reason for this substantial increase is two-fold. Firstly, the overall cost of TPS has risen. This is principally due to a reduction in the discount rate applied to all the public service schemes, including the NHS Pension Scheme and the cost of paying off the higher national deficit.

In addition, costs assessed under the employer cost cap (active, deferred and pensioner costs in the CARE scheme) which are set at a level of 10.9 per cent have fallen by more than 2 per cent. This is because of public sector pay restraint and a slowing down of improvements in life expectancy.

The DfE proposes to provide transitional/financial support to schools that receive public funding, further education colleges and other publicly funded training organisations to help meet costs relating to the increase in their TPS employer contributions. This financial support would apply for the year 2019 to 2020 with further funding beyond this period to be considered within the 2019 Spending Review.

The scale of a 44 per cent increase in TPS employer costs is unprecedented. The short timeframe over which HE institutions would need to find this additional and ongoing funding is an exceptional challenge. Across England and Wales, this is estimated to force additional costs of £130m a year on the affected universities – around 70 of the modern post-92 institutions.

The effect of an increase in pension costs of this magnitude in post-92 institutions, at such a short notice, is likely to affect the teaching and student experience and reduce institutional ability to support disadvantaged students or widen access and participation. It may also lead to reduced investment in facilities for students, reduced capacity to work with local businesses to improve productivity, and reduced ability to develop social enterprise and support the local community.

5.3 Employee Relations

There was a recent UCU ballot with LSBU regarding the national 2018-2019 pay round. UCU are asserting that the pay increase should be 7.5% as opposed to the 2% that was implemented. Sufficient numbers were not achieved hence no further action can currently be taken.

The pension changes plus increments and pension changes to TPS and USS will give an estimated uplifted of c6.25% with a 1% pay raise next year. Given the pay raise is likely to be higher this will cause significant stress on the budget for 19-20 and executive will be reviewing the position in coming months.

Lambeth College are in dispute with recognised unions regarding pay and terms and conditions. Staff were given the pay award of 1.5% in line with national negotiations but unions are requesting 5%. There are also aspects of the T&C's over which Lambeth staff are in dispute based on changes introduced c5years ago.

	CONFIDENTIAL
Paper title:	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting:	14 March 2019
Author:	Richard Flatman, Group Chief Financial Officer
Executive sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	To update the Board on financial matters.
Recommendation:	The Board is requested to note the report and approve the appointment of BDO as Group internal auditors.

Executive Summary – appointment of group internal auditors

PwC have been providing internal audit services to LSBU for the past eight years and are the current providers. Their contract expired on 31 July 2018 but had an option of extension on an annual basis for two further years. In discussion with PwC, the University has extended the contract for 2018/19 only given the potential conflict that may arise following their appointment as change partner for the LEAP project.

Increasing corporate governance requirements are placing greater responsibility and accountability with LSBU Group’s Executive team and Board of Governors. To assist them in effectively discharging these responsibilities, the Audit committee recommends to the Board to appoint BDO as group internal audit provider, to provide the independent assurance on a range of different issues in a timely, objective and reliable manner spanning all entities within the group including SBA. This could include all aspects of governance, risk management, value for money, data quality and security, assurance over operational compliance with systems, processes and controls and reporting outputs.

Attachments:

- Appendix 1: Management accounts summary to 31 December 2018.

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Report from the Chief Financial Officer: March 2019

1. LSBU Financial performance

Management accounts:

The full year forecast as at 31 December 2018 is trending towards a surplus of £1.5M, which would deliver the University on budget.

- The University has had a strong Semester 1 recruitment round and we have enrolled 513 more FTE students than at the comparable period in 17/18, an increase of 10%. The number of continuing students is down compared to last year and down against budget. Overall however, we have 207 FTE more students than last year.
- We have billed £96.7M of Tuition Fees from Semester 1 students as compared to £88.7M at the same period last year. Some of this increase is a timing difference due to the change in funding for HSC students, however we are still expecting Semester 1 to finish between £1M and £2M better than budget due to strong UG and PG recruitment.
- Semester 2 enrolment will end at the beginning of February, applications are strong and we are confident that we deliver on budget.
- We are slightly behind budget in terms of YTD Research income although we are 19% ahead of the comparable position in 17/18. Enterprise income is 10% behind the comparable position in 17/18 and is £0.8M behind the YTD budget position. There is a timing difference particularly with regard to the School of Health & Social Care CPD contracts however we no longer expect to deliver Enterprise on budget. Our Full Year forecast for Enterprise income is expected to reduce by £0.8M in January 2019 to reflect the YTD position. This reduction will be offset by additional Health Contract income and so our total income forecast will be broadly unchanged.
- The total Full Year staffing budget including Third Party Staff but excluding restructuring for 18/19 is £83.8M and so is slightly ahead of the £83.3M that we spent in 17/18. We are slightly ahead of budget in terms of Third party staff expenditure however this is funded by savings in permanent staff and so we are expecting total staffing costs to be within budget and broadly flat as compared to 17/18.

The University is currently holding cash and cash equivalents of £43.2M. This is £0.6M less than at this date last year.

The above position will deliver EBITDA at 11.9% which is ahead of 17/18 and our recurring staff cost expressed as a % of income is currently forecast to be 57.5%.

2. LSBU Financial forecasts / budget for 2019/20

The 2019/20 Planning and Budgeting process has started. The 5 year forecast that we submitted to HEFCE in September 2018 had ambitious targets for next year, with income growing from £145m to £155m and a surplus moving from £1.5m to £2.5m. The Schools are in the process of generating student recruitment targets for the next 2/3 years with the support of Marketing through a series of meetings with Deans, the Director of International and the Chief Marketing Officer. This process should ensure that recruitment targets and associated income streams are robust and reflect changes in the market place.

These student number targets for Home, EU and Overseas students will form the basis for the University's revised 5-year forecasts along with income from our Research and Enterprise & TNE pipelines. As well as confirming the University's financial sustainability and framing our capital investments, the 5-year forecast will also be used to determine Executive budget targets and staffing costs and so inform the detailed budget setting process which will take place over the next couple of months.

It is already apparent that the budget setting process for 2019/20 will be challenging given:

- the potential pay award
- the planned increase in employer TPS pension contributions of 7% in September 2019. The TPS increase would amount to approximately £3m per annum
- the current shortfall in Enterprise income and the softening of the Enterprise pipeline
- The risks surrounding European Funded Research activity
- the need to cover higher depreciation and interest costs associated with planned capital expenditure including London Road

The ALIGN process, which is being delivered with support from PwC will allow LSBU to link corporate priorities with required resource levels. This process will provide recommendations to the Executive in May 2019 which may impact budget targets. See section 5 for further details.

3 OfS matters

3.1 Assurance / risk assessment review

Following approval at the November Board meeting, the Annual Accountability submission was made in advance of the deadline. The OfS review process is underway and we have as yet received no feedback or questions in response to our submission. Normally at this stage of year we receive from HEFCE a risk assessment letter confirming that we are “not at higher risk at this stage”. However, OfS have already confirmed that they will not be issuing similar risk assessments.

As requested last year, we have kept OfS fully updated as the merger discussions with Lambeth College progressed so that they understand the risks and opportunities presented by the merger, and understand how a merger might affect the corporate structure of LSBU group. These regular updates included financial forecasts consolidating the forecast results of LC/SBC as set out in the CFADS model.

3.2 Grant letter

The OfS Board expects to make decisions at its March 2019 meeting to enable grants for 2019/20 to be announced later in Spring. The OfS expects to announce:

Formula capital grants to providers for 2019/20 before the end of March 2019, and

Recurrent grants to providers for 2019/20 on Wednesday 8 May 2019. This is very late but consistent with the timeline in 2018 in relation to recurrent grants for the current financial year.

The OfS advise that the approach to funding in 2019/20 will be transitional, because two major reviews of funding will not be complete in time to inform these allocations. Those reviews are the government’s review of post 18 education and funding and the fundamental review by OfS of its own funding methodology. In the meantime, OfS has advised that it will continue to apply existing HEFCE funding methodology but will decide the balance of funding to reflect priorities as advised in the guidance letter from the Secretary of State. That guidance letter was received by OfS on 27 February 2019 and confirms that its funding priorities should remain consistent with those set in relation to the Teaching Grant in 2018/19. The detail of the financial allocation to OfS for 2019/20 are as follows:

All figures in £m	2018/19 OfS Teaching Grant	2019/20 OfS Teaching Grant
Recurrent teaching grant	1,388	1,387
Capital teaching grant	150	100
TOTAL TEACHING GRANT	1,538	1,487

4 Lambeth College/SBC

4.1 Merger

The merger completed on 31 January 2019.

On 1 February, £13.75 million cash relating to the Lambeth College merger was received from ESFA and has been transferred into our LSBU NatWest current account. The £13.75 million will shortly be placed on deposit, with maturity dates over the next three years, corresponding to the expected cashflows, when greater certainty has been established regarding the Lambeth College estates rationalisation process.

At the same time Lambeth College loans with Barclays Bank amounting to £13.72m were novated to LSBU. Final covenants were as previously discussed. Barclays security over David Bomberg House will be released and their security over McLaren House will be retained.

As part of the novation of loans from Lambeth College to LSBU, The University has agreed to transfer day to day banking business from Natwest to Barclays. The timeline of this move has yet to be agreed but is expected to be in the next 6-12 months.

4.2 Financial performance

The forecast full year deficit in the January management accounts is £3.193m against a budget deficit of £2.729m; an adverse variance of £0.453m. The forecast deficit in the December management accounts was £3.327m, thus there is a marginal forecast improvement of £0.134m between the two months largely through reduced forecasts for expenditure.

Income is forecast to be £0.474m adverse to budget, largely as a result of apprenticeship income and tuition fees falling short of budget for the full year. AEB adult income is forecast to hit budget as a result of increased size of sub-contracts and a new partnership arrangement this year rather than through increased internal delivery. Effort will be made to ensure that all claims for income are made and maximized, particularly bursary support for students.

Pay costs are forecast to be £0.360m over budget at £14.975m. This forecast represents a widening of the budget variance at January and therefore provides an opportunity, with a focus on cost control, to deliver outturn costs at a lower value than this forecast.

Non-pay costs are forecast to remain within budget for the rest of the year resulting in an overall positive variance of £0.521m, this is largely as interest costs for the second six months of the year are not being forecast. These interest costs were for the Barclays

loan which has novated to LSBU. A decision on how to recognize any interest will need to be made and the expectation is that interest will be recharged by LSBU via intercompany account.

Even adjusting for the likely impact of interest costs and any other recharges to SBC, the reported result is expected to be within the forecast deficit of £5.3m included within the model presented to the ESFA during the merger negotiations (the CFADS model).

Priority will be given to developing a business turnaround plan moving SBC to financial balance in a shorter timescale than assumed in the CFADS model.

4.3 Estates development

The Nine Elms STEAM Centre (NESC) project continues. The budget has been set at a target of £45m with a current forecast reported of £45.3m. Funding for this project comes from College funds (via LSBU cash in the short/medium term) predicated on an asset sale generating £22.5m and matched funding from LEAP funds through the GLA of £22.5m. We are close to securing the balance of LEAP funding (£2.6m has already been received).

The project is governed by an LSBU project board. Costs for the project are to be in the SBC books as the asset will be an SBC building on completion. Key challenges will be to avoid scope creep on the project and to deliver project within original budget of £45m.

Project design costs have been incurred to date and a demolition contract for the site has been let with work commencing February. Planning permission for this building and outline permission for the rest of the Vauxhall site will be sought in March and the current intention is to let a contract to a construction company in September for the main build element with a planned occupation date of September 2021.

4.4 Cashflow

The cashflow shows actual inflow and outflows to 31 January and a forecast for the months to the end of July. Further work is needed on this forecast to gain assurance on the numbers. As it stands, with no further LSBU payments, the College would be overdrawn by £7.467m at the year end. £5.268m is forecast as being spent on the NESC scheme which accounts for much of the funding requirement from LSBU.

Arrangements for drawdown of cash by SBC post acquisition (via intercompany balance) are in place and a drawdown has been made under these arrangements (£152k on 11 February for NESC project). Modelling is underway to try to limit drawdowns to one a month with the ability to cover shortfalls if needed.

South Bank Colleges (SBC) has recently received correspondence from Carillion Maple Oak Ltd (now Cedar (Maple Oak) Ltd) (CMOL) that it would like to reopen discussions with SBC and LSBU regarding the settlement of costs incurred on the Vauxhall development. CMOL was a subsidiary of Carillion and has since been taken over by the Dukehill Group. CMOL alleges that these costs are around £6m.

SBC has written back making it clear that it does not consider Maple Oak to have a claim against SBC or LSBU. As SBC is a separate legal entity LSBU is not a party to this matter.

5 Align

The Executive Team has agreed to work closely with PwC, our LEAP project change partner, to deliver project “Align” to Professional Service Groups (PSGs). This is important for two reasons:

- it will deliver the re-baselining of costs and benefits required for LEAP, and
- it will enable a far better understanding of the cost and value provided across our PSGs, thereby providing assurance on effectiveness of service delivery and helping ensure that our finances are fit for the future.

It will help ensure that resources are more closely aligned to our strategic objectives and that budgets are more closely focused on service levels actually provided, rather than primarily on existing organisational structure as at present.

Align develops a common understanding of activity, service delivery and costs as well as exploring options around the level of service provided. It provides decision-makers with a greater degree of insight and understanding of cost and value and embeds an ethos of value for money.

The Align approach will provide a number a key outputs to enable our future financial planning including:

- A service based view of the work we do. A defined set of service titles and descriptions that are outcome focused and quantitative in nature;
- A fully costed baseline that provides the true cost to the organisation of delivering its current range of services;
- A review of current service costs, including internal and external benchmarking to ascertain if and how current levels of service could be delivered more efficiently;
- A range of service level scenarios developed, including associated outcomes, costs and risks to allow LSBU to make decisions on whether it wants to invest, or disinvest in certain services, in line with strategic priorities; and

Transparent and evidence based decision making through the Panel governance process at the end of each phase of work. During these Panels, nominated staff from

each area will present their costed services, identified efficiencies and service level options to a panel of LSBU senior staff to review and approve.

6 Audit matters

6.1 External audit

The University's external auditors KPMG have recently been appointed to produce the closure accounts for Lambeth College at 31 January 2019 replacing Lambeths current auditors Buzzacott. This will provide the LSBU Board with assurance over the opening balances within SBC and facilitate a more efficient process of producing group consolidated accounts at 31 July 2019. A planning meeting has been held and an audit plan prepared for the closure accounts at 31 January 2019.

A recommendation will be made to reappoint Kington Smith as external auditors of South Bank Academies (SBA). The accounts of SBA are not consolidated for group financial reporting purposes.

6.2 Internal audit

PwC have been providing internal audit services to LSBU for the past eight years and are the current providers. Their contract expired on 31 July 2018 but had an option of extension on an annual basis for two further years. In discussion with PwC, the University has extended the contract for 2018/19 only given the potential conflict that may arise following their appointment as change partner for the LEAP project.

Increasing corporate governance requirements are placing greater responsibility and accountability with LSBU Group's Executive team and Board of Governors. To assist them in effectively discharging these responsibilities, the Audit committee recommends to the Board to appoint BDO as group internal audit provider, to provide the independent assurance on a range of different issues in a timely, objective and reliable manner spanning all entities within the group including SBA. This could include all aspects of governance, risk management, value for money, data quality and security, assurance over operational compliance with systems, processes and controls and reporting outputs.

7 Pension schemes

The Executive has been considering options for the future provision of the Local Government Pension Scheme (LGPS). In order to reduce the cost and volatility within the LGPS, a small number of Universities have already closed their schemes to either new or existing support staff, offering defined contribution (DC) schemes in their place. The University already has a DC scheme, the LSBU Group Personal Pension Scheme, which is provided by Aviva, and is used as an auto enrolment pension scheme for a small number of staff employed by SBUEL. During 2018, the University commissioned

a report from a firm of specialist pension consultants, Mercer, to consider its options.

The University automatically enrolls teaching staff into the Teachers' Pension scheme (TPS) which has historically been protected from future cost increases or was at least less volatile than other defined benefit schemes. However, from September 2019 the TPS will be significantly more expensive, with employer contributions rising 7% to 23.68%. TPS recently circulated a reminder that maintained schools, academies, further education colleges and post-92 universities must continue to enrol eligible teachers into the Teachers' Pension Scheme and that this is a statutory requirement. Additional funding has been promised for NHS, Schools and Colleges until March 2020 but Universities will need to absorb these costs without any additional funding. For LSBU the cost will be approx. £3m (3.6% of total staff costs).

USS Members starting employment at LSBU have to date been given the option of continuing in the USS or transferring to the TPS. USS has also announced increases to employer contributions which are currently the subject of consultation but it is likely that employer contribution rates will rise by at least 1.5% in 2019. Employee contributions will also increase. The cost impact for LSBU is limited as we only have 42 active members. However, there is a risk that the membership will reduce, triggering potential cessation payments.

There are a number of significant financial and HR implications of this project and it has been agreed that a Board working group be convened to consider the options available.

Appendix 1

Management accounts summary to 31 December 2018

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December Executive Summary

1) This Executive Summary reports on the draft financial position of London South Bank University as at 31st December 2018.

2) RAG Status

Income Growth	0.3%	Staff Cost Growth	0.6%	Staff Cost %	57.5%	Opex Growth	-5.2%	FYF Surplus	1.0%	EBITDA	11.9%
		<i>excluding restructuring</i>		<i>excluding restructuring</i>							

3) Summary

The full year forecast as at 31 December 2018 is trending towards a surplus of £1.5M, this would deliver the University on budget.

The University has had a strong Semester 1 recruitment round and we have enrolled 513 more FTE students than at the comparable period in 17/18, an increase of 10%. The number of continuing students is down compared to last year and down against budget. Overall however, we have 207 FTE more students than last year. We have also billed £96.7M of Tuition Fees from Semester 1 students as compared to £88.7M at the same period last year, an increase of £8.0M. There are timing differences particularly with regard to the School of Health & Social Care as £9M of students have moved from being funded by the Health Contract to paying their own fees and this explains some of the YTD increase. However we are still expecting Semester 1 to finish between £1M and £2M better than budget due to strong UG and PG recruitment. There is still a risk in terms of Semester 2 recruitment and so the University is holding its income forecast at the budgeted level.

The University is currently holding cash and cash equivalents of £43.2M. This is £0.6M less than the comparable position last year.

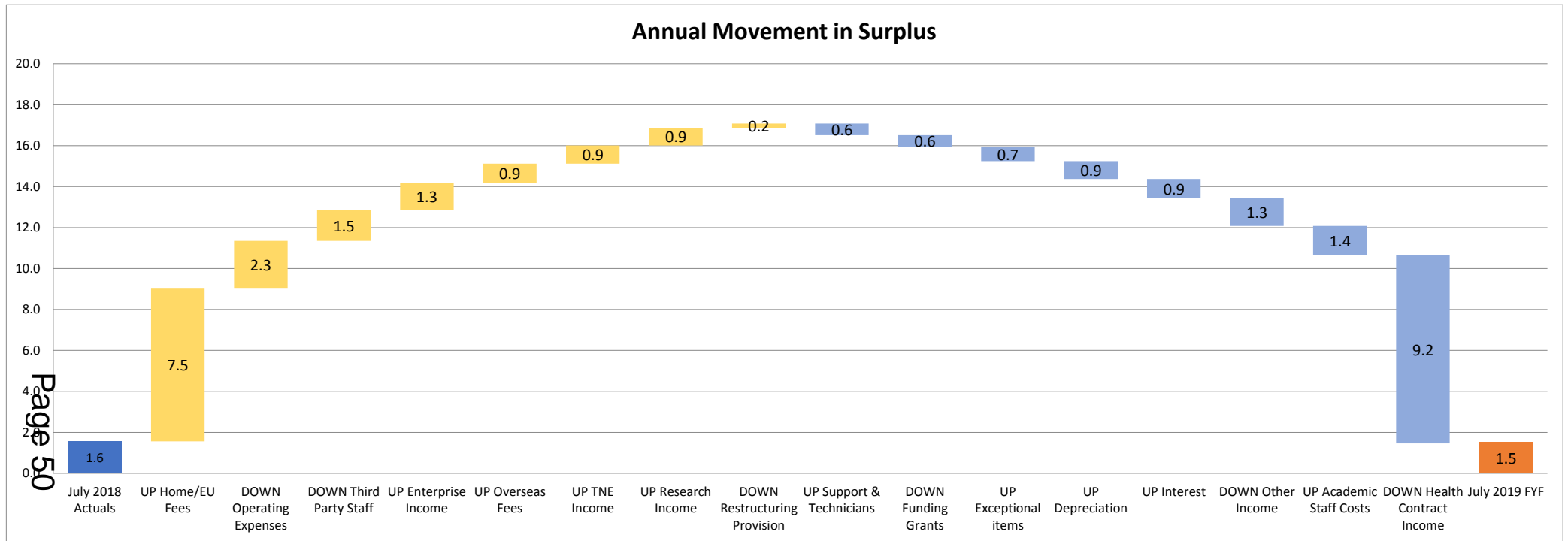
The above position will deliver EBITDA at 11.9% which compares favourably to the 10.7% achieved in 17/18. Our recurring staff cost expressed as a % of income is currently forecast to be 57.5% which is slightly above the long term target of 55% target set by the Board of Governors. Income is broadly comparable with last year.

4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	Budget				YTD Position				Full Year Outturn Position				
	17/18 Actuals	18/19 Budget	Change to 17/18	Change %	17/18 Actuals	18/19 Actuals	Change to 17/18	Change %	Nov 18/19 Outturn	Monthly Move	Dec 18/19 Outturn	variance to Budget	Budget variance%
Funding Grants	13.9	13.4	-0.6	-4%	5.7	6.0	0.3	5%	13.4	0.0	13.4	0.0	0%
Health - Contract	18.9	9.7	-9.2	-49%	8.0	4.8	-3.1	-39%	9.7	0.0	9.7	0.0	0%
Home / EU UG Fees	64.4	70.1	5.7	9%	65.4	73.5	8.2	12%	70.1	0.0	70.1	0.0	0%
Home / EU PG Fees	8.5	10.3	1.8	21%	7.8	9.8	2.0	26%	10.3	0.0	10.3	0.0	0%
Overseas Tuition Fees	9.0	10.0	0.9	11%	7.6	8.6	1.0	14%	10.0	0.0	10.0	0.0	0%
FTE Income	1.8	2.7	0.9	49%	0.1	0.0	0.0	0%	2.7	0.0	2.7	0.0	0%
Research Activities	5.3	6.2	0.9	16%	1.9	2.3	0.4	19%	6.2	0.0	6.2	0.0	0%
Enterprise Activities	10.9	12.1	1.2	11%	3.7	3.3	-0.4	-10%	12.2	0.0	12.2	0.1	1%
Student Related Income	10.4	11.0	0.6	6%	4.1	4.5	0.4	9%	11.0	0.0	11.0	-0.0	-0%
Other Operating Income	1.9	0.1	-1.8	-94%	0.2	0.2	-0.1	-29%	0.1	0.0	0.1	-0.0	-14%
Endowments & Interest	0.2	0.1	-0.1	-39%	0.0	0.1	0.1	182%	0.1	0.0	0.1	0.0	0%
Income	145.3	145.6	0.3	0%	104.4	113.1	8.7	8%	145.7	0.0	145.7	0.1	0%
in £'m													
Academic Staff Costs	40.8	42.2	1.4	4%	16.6	16.7	0.2	1%	42.4	-0.2	42.2	-0.0	0%
Support & Technicians	39.4	40.0	0.6	1%	15.9	16.5	0.5	3%	39.9	0.1	40.0	0.0	0%
Third Party Staff	3.1	1.6	-1.5	-48%	1.1	1.2	0.1	12%	1.6	0.0	1.6	0.0	0%
Restructuring	1.9	1.7	-0.2	-9%	0.1	0.3	0.1	12%	1.7	0.0	1.7	0.0	1%
Depreciation	9.6	10.5	0.9	9%	3.9	3.7	-0.2	-5%	10.5	0.0	10.5	0.0	0%
Operating Expenses	44.5	42.2	-2.3	-5%	16.3	17.8	1.5	9%	42.1	0.2	42.2	0.0	0%
Interest Payable	4.3	5.2	0.9	22%	1.9	1.7	-0.2	-11%	5.2	0.0	5.2	0.0	0%
Exceptional Items	0.0	0.7	0.7	0%	0.0	0.0	0.0	0%	0.8	-0.1	0.7	0.0	0%
Expenditure	143.7	144.1	0.4	0%	55.9	57.9	2.0	4%	144.2	-0.0	144.2	0.1	0%
Surplus for the year	1.6	1.5	-0.1	-7%	48.5	55.2	6.7	14%	1.4	0.1	1.5	0.0	1%
Surplus as % of income	1.1%	1.0%			46.4%	48.8%			1.0%		1.0%		

5) Forecast Summary

As compared to 17/18 we are now forecasting broadly comparable income in 18/19, an increase of £0.5M (0.6%) increase in recurring staff costs Staffing Costs, a £0.2M decrease in the costs associated with staff restructuring, an increase of £0.9M in depreciation, a £2.3M (5%) reduction in operating expenses, a £0.9M increase in interest payable, and an increase of £0.7M in in exceptional items to fund in-year investments. This has led to a reduction of 0.1M in our annual surplus.



The key movement in the year on year position of the University is the reduction of £9.2M in Health Contract income. This is not due to a reduction in activity but is because New Health & Social Care students have transferred to the same funding regime as UG and PG students in the other 6 schools. We are still forecasting a net decrease of £1.7M in our total income outturn for Home / EU students due to the year on year impact of reduced new student recruitment in previous years. This reduction in income may decrease following the strong recruitment in Semester 1. We will reforecast at the end of the Semester 2 enrolment period but are on track to increase our income forecast by between £1m and £2M. Operating Expenses are budgeted to decrease by £2.3M and were set at 85% of the 17/18 budgeted position. One investment as compared to 17/18 is in staffing. The University has budgeted to increase its Academic Staff by £1.4M and its Support Staff including Technicians by £0.6M. In order to fund this, the University must reduce its reliance on third party staff and this is forecast to fall by £1.5M. The overall forecast increase in staff costs is £0.4M, a 0.5% increase on the 17/18 position and is primarily to deliver the £2.0M increase in Research and Enterprise income. The University has ambitious targets for Overseas Tuition Fee income and TNE income and we are trending ahead in terms of year on year billings.

6) Contribution Analysis

In 18/19 the University is continuing its strategy of investing in the Schools, Income is budgeted to be £1.7M higher than in 17/18 whilst costs are budgeted to increase by £3.3M. This means the net contribution from the Schools will fall by £1.5M or 2.4% year on year. The largest decline in terms of contribution is expected to be the School of the Built Environment and Architecture whilst the areas of growth are budgeted to be the School of Business and the School of Engineering.

Contribution per School across Teaching, Research and Enterprise activities

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF
Income (M)	£10.8	£11.4	£11.2	£10.9	£18.3	£17.4	£16.3	£18.0	£16.7	£18.3	£35.6	£35.0	£14.2	£13.8	£123.1	£124.9
Expenditure (M)	£5.4	£5.9	£5.4	£5.3	£7.2	£8.3	£6.8	£7.6	£9.6	£10.5	£19.3	£19.4	£6.8	£6.8	£60.4	£63.9
Contribution (M)	£5.4	£5.5	£5.9	£5.7	£11.1	£9.1	£9.6	£10.4	£7.0	£7.8	£16.3	£15.6	£7.4	£7.0	£62.7	£61.0
Contribution %	50%	48%	52%	52%	61%	52%	59%	58%	42%	43%	46%	45%	52%	51%	51%	49%

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

Contribution per School across Teaching activity only (excluding TNE)

Total Income	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF	17/18 Actual	July 18/19 FYF
Teaching Income (M)	£10.0	£10.3	£10.6	£10.3	£17.4	£16.4	£16.0	£17.5	£14.5	£15.4	£30.2	£30.1	£13.8	£13.3	£112.5	£113.3
Teaching Staff (M)	£3.2	£3.3	£2.9	£3.0	£4.7	£5.2	£4.2	£4.9	£4.6	£4.7	£12.7	£12.4	£4.6	£4.7	£37.0	£38.2
Teaching Expenditure (M)	£1.3	£1.6	£1.8	£1.7	£1.8	£2.3	£2.0	£2.4	£2.6	£2.9	£4.4	£4.5	£1.8	£1.9	£15.8	£17.3
Teaching Contribution (M)	£5.4	£5.3	£5.9	£5.6	£10.8	£8.9	£9.8	£10.2	£7.3	£7.8	£13.2	£13.3	£7.3	£6.8	£59.8	£57.8
Contribution %	54%	52%	55%	54%	62%	54%	61%	58%	51%	50%	44%	44%	53%	51%	53%	51%
Full Year Student FTE	1,039	1,066	1,124	1,089	1,763	1,658	2,020	2,219	1,409	1,503	3,844	3,829	1,528	1,469	12,727	12,814
Contribution per Stud FTE	£5,200	£5,000	£5,200	£5,100	£6,200	£5,400	£4,800	£4,600	£5,200	£5,200	£3,400	£3,500	£4,800	£4,600	£4,700	£4,500
Return on Academic Invest	168%	160%	201%	185%	229%	172%	232%	208%	160%	164%	104%	108%	158%	146%	162%	151%

The School Teaching budget was set using Staff / Student ratios and with a standard investment in Operating Expenses per student. Due to the different levels of funding this can produce different contributions per student particularly for those areas that must fund central laboratory and technical services. The School of Health & Social Care also funds a number of administrative areas that are managed centrally in the other schools which reduces its contribution. In terms of contribution per student, Engineering and Arts & Creative Industries are slightly ahead of average, whilst the School of Business delivers the highest school contribution expressed as a % of income and the highest return on Academic investment.

7) Student Number Analysis

In terms of Student numbers, at the comparable position in 17/18 had 12,140 FTE and finished the year with a student body of 12,727. We currently have 12,347 enrolled FTE and so are 2% ahead of the year on year position. The biggest increase is New students which are now 10% up and there have been significant increases across most schools. There are still a number of students enrolling particularly on Apprenticeship courses and applications for Semester 2 are looking positive.

New					Continuing					Total				
School	Dec-17	Dec-18	Change	% Change	School	Dec-17	Dec-18	Change	% Change	School	Dec-17	Dec-18	Change	% Change
ASC	436	466	30	7%	ASC	609	546	-63	-10%	ASC	1,045	1,012	-33	-3%
ACI	477	478	1	0%	ACI	610	656	46	8%	ACI	1,087	1,134	47	4%
BEA	732	839	107	15%	BEA	1,060	1,049	-11	-1%	BEA	1,792	1,888	96	5%
BUS	767	829	62	8%	BUS	1,072	1,064	-8	-1%	BUS	1,839	1,893	54	3%
ENG	521	589	68	13%	ENG	891	786	-105	-12%	ENG	1,412	1,375	-37	-3%
HSC	1,358	1,533	175	13%	HSC	2,063	1,974	-89	-4%	HSC	3,421	3,507	86	3%
LSS	683	753	70	10%	LSS	861	785	-76	-9%	LSS	1,544	1,538	-6	-0%
YTD Total	4,974	5,487	513	10%	YTD Total	7,166	6,860	-306	-4%	YTD Total	12,140	12,347	207	2%
Y / E Total	5,474				Y / E Total	7,253				Y / E Total	12,727	12,814	87	1%

8) Student Withdrawal Analysis

At 31 July 2018, the total amount refunded to students who withdrew or interrupted in year totalled £4,592k. This is the difference between Income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3. If a student does not progress into the following semester then a refund is generated. . In course type terms, the overall drop-out increases seem to be originating from the UG cohort, as we've seen 345 UG students leaving the University by December, as opposed to 307 in December 2017; an increase of 11.1% - which is in line with the increase to our UG numbers this year. We continue to retain PGT students to 2017/18, falling to 80 last year and now to 79 students leaving by 31 December 2018. All schools are currently forecast to have a lower % of income refunded than last 17/18

Academic year	FY Withdrawals
15/16	1,025
16/17	1,215
17/18	1,096
18/19	424 YTD

'Lost Fee Income' in £000K	17/18 A	18/19 F	% change	% T Inc.		17/18 A	18/19 F	% change	% T Inc.
Applied Science	£653	£649	-0.6%	7.2%	Engineering	£815	£803	-1.5%	6.3%
Arts and Creative Industries	£391	£385	-1.5%	4.1%	Health & Social Care	£482	£871	80.7%	5.0%
Built Environment & Architecture	£601	£638	6.2%	5.0%	Law & Social Sciences	£652	£665	2.0%	5.4%
Business	£997	£879	-11.8%	5.4%	Total	£4,591	£4,890	6.5%	5.5%

9) Income Analysis

YTD Income is significantly ahead of the 17/18 position particularly in terms of UG income which is 12% ahead and Postgraduate income which is 26% ahead. Some of this increase is due to £9.2M of students who were funded through the Health Contract and who now pay their own Tuition fees. The University is now £7.0M ahead of the comparable position for Home/EU students as compared to last year. In terms of Overseas Tuition fees, these are also £1.0M better than the comparable position in 17/18. There is still a risk in terms of Semester 2 income and so we have not changed our overall income forecast yet. We are slightly behind budget in terms of YTD Research income although we are 19% ahead of the comparable position in 17/18. Enterprise income is 10% behind the comparable position in 17/18 and is £0.8M behind budget. This is a timing difference particularly with regard to the School of Health & Social Care however we no longer expect to deliver Enterprise on budget and will be reforecasting our income in January. The budgeted decrease in Other Operating income is due to the £1.6M released in 17/18 to fund the development of the Passmore centre.

10) Staff Cost Analysis

In terms of staffing there will be pressure to deliver to the staffing budget this year. Academic costs are trending on budget and YTD savings in the Business School have been balanced by additional costs in the School of Health & Social Care and so the Schools are on budget overall. In terms of Professional functions, these are currently above budget particularly in Library and Learning Resources, Estates and the wider Executive team. There have been some delays in delivering all of the savings from the Change program but all areas are still expected to deliver to budget. The University has underspent its monthly budget in the last 2 months and is currently £250K underspent YTD.

11) Operating Expense Analysis

In terms of Operating Expenses these have been reduced by 15% in the 18/19 budget as compared to the 17/18 budget to fund Staff growth and our Investment Pots. Total YTD expenses are currently within budget however there are some areas that are overspent including ICT, Marketing and REI. There is a large YTD overspend in terms of Bursaries and Scholarships particularly for Research students and this is contributing to the REI overspend. The University has also invested in terms of transition costs for Lambeth College. The current intention is to recharge these costs to Lambeth once the transaction is closed and this will also reduce our YTD costs.

12) Budget Analysis

The University operates on a Portfolio basis so members of the Executive are expected to manage their portfolio as a whole and if one area requires additional funds this can be generated by reducing investment in another area of the Executive's responsibility. At present all members of the Executive are forecasting to deliver on budget.

13) Investments

In terms of flexible in-year investment the Executive have set aside £2.5M in 18/19 to fund £1M of Research pump priming activities, £1M of normal in-year investments and £0.5M of extra ordinary staff development activity. The Executive approved in June areas for Research Investment and have so far approved £1.2M of in year investments. This has been funded by reducing the forecast amount of interest payable

In terms of the Capital Expenditure investment funds, the University has set aside £0.6M to fund ICT based Innovation activities, £0.3M to fund Teaching and Learning Equipment and £0.6M to fund Estates Minor works. There are some large capital projects that will require monitoring during the year including the investment in the Leap transformation project, the relocation of the Business School to the LRC building and the redevelopment of London Road including Chapel stabilisation works. These are currently within budget.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				FYF less Actual YTD (£)		
			2018 Forecast (£)	2018 Budget (£)	Variance - Forecast to Budget (£)	%	Note	2018 Actuals (£)	2018 Budget (£)	Variance - Actuals to Budget (£)		%	Note
(145,301,325)	(104,381,898)	Total Income	(145,709,658)	(145,629,796)	79,862	%		(113,095,202)	(109,907,204)	3,187,997	3%		(32,614,456)
85,240,117	33,718,650	Total Staff Costs	85,524,818	85,505,577	(19,241)	(%)		34,621,710	34,872,583	250,873	1%		50,903,108
9,625,747	3,927,193	Total Depreciation	10,500,000	10,500,000		%		3,725,876	3,714,213	(11,663)	(%)		6,774,124
44,523,872	16,337,263	Total Other Operating Expenses	42,228,778	42,180,975	(47,803)	(%)		17,818,769	18,218,901	400,133	2%		24,410,009
4,297,781	1,922,608	Total Interest Payable	5,240,000	5,240,000		%		1,708,351	1,869,730	161,379	9%		3,531,649
		Total Exceptional Items	703,244	703,244		%							703,244
(1,613,808)	(48,476,185)	Contribution	(1,512,818)	(1,500,000)	12,818	1%		(55,220,495)	(51,231,777)	3,988,718	8%		53,707,678
58.7%		Staff costs as % of income	58.7%	58.7%				30.6%	31.7%				
1.1%		Contribution %	1.0%	1.0%				48.8%	46.6%				

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	INTERNAL
Paper title:	Group Corporate Strategy
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Dave Phoenix, Mike Simmons
Sponsor(s):	Dave Phoenix, Vice Chancellor
Purpose:	For Approval
Recommendation:	The Board is requested to approve.

Executive Summary

At its strategy day of 27 September 2018, the Board evaluated LSBU's strengths, weaknesses, opportunities and threats and discussed how these could inform the development of the next group corporate strategy, 2020-25.

The draft group corporate strategy has been consulted on extensively and reviewed by the Executive.

It is proposed that the strategy continues with the three pillars of the current strategy, Access to Opportunity, Student Success and Real World Impact, with the addition of a fourth pillar, Fit for the Future, to replace the current strategic enablers.

The Board is requested to approve the Group Corporate Strategy, 2020-25.

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LSBU Group Corporate Strategy (Revised 19 February 2019)

Foreword

In 2014 we consulted with staff on the University's 5 year plan (2015-2020). That plan anticipated a much more regulated and competitive environment. It recognised that student engagement and measures of achievement were going to increase in importance and it sought to address these challenges by ensuring we differentiated ourselves through providing a high quality and truly applied academic environment linked to business and the professions. It further sought to ensure that whilst we would strive to be globally recognised we would be locally embedded – in short we would be seen as an enterprising civic university that addressed real world challenges – a university that truly transforms lives, communities and business.

We have had some significant successes. We are now a leading university for graduate employment. We have one of the largest numbers of part-time sponsored students of any UK university. We are recognised as a leader in higher and degree apprenticeships, and the opening of the Passmore Centre, with investment from Southwark Council, has raised our profile in the local area. Our research income has doubled and we are the leading provider in London of business support for Small and Medium-sized Employers (SMEs), funded by European Union structural funds. We are second only to UCL in London for Knowledge Transfer Partnerships and our business incubation programme has been recognised as second amongst all UK universities. We have been named Entrepreneurial University of the Year, and University of the Year for Graduate Employment (twice). Our global reach is increasing with inclusion in both major international university rankings and our transnational student numbers have grown from around 100 to over 5000.

In addition, we have started to lay down a new group structure. This has the potential to differentiate what we do even further, creating new opportunities to grow our offer to students and employers and to provide benefits to the communities we serve. We have successfully launched University Academy of Engineering, South Bank (12-18 years olds) and achieved an Ofsted rating of Good. We have set up the South Bank Engineering UTC (14-18 year olds) which, with a diverse student entry, has achieved above the national average for its GCSE results and had a 100% success rate in its Engineering BTEC programmes. Both are housed in new facilities created during this period and are managed through South Bank Academies. South Bank Colleges, which includes Lambeth College, launched in January - and we have started to develop South Bank Enterprises to run commercially led activity such as our new employment agency and a range of CPD programmes.

Over the last 5 years, the educational and political environment has changed even more rapidly than was anticipated, and much of the effect is still to be fully felt. The Higher Education Act 2018 made substantial changes, including opening the door to a wider range of education providers. The long-standing higher education funding council (HEFCE) was replaced by a new regulator (the Office for Students), whilst research funding has been transferred to a separate body (UKRI), threatening links between teaching, research and enterprise. Now, higher education funding is being reviewed (again) and questions are being asked about restricting access to university for those under 21 years old based on prior qualifications. At the same time, Brexit has the potential not just to impact on recruitment but also on skills, collaborations and the country's financial health. Added to this, there is a growing distrust of universities in the media and open questioning of the worth of higher education. More positively, there has been a growing acknowledgment of the importance of professional and technical education as evidenced by developments such as the Apprenticeship Levy, T-Levels, the review of Levels 4 and 5 education and recognition of the need to invest in

further education. This has provided an opportunity to promote our work, and our strengths have been increasingly recognised.

As LSBU's current 5 year strategy comes to an end, we have now prepared a new strategy for 2020-2025 which covers the educational group we have developed – not just the university. This builds on the strong foundations of the previous university strategy, evolving to incorporate the opportunities that each part of the group provides to create true benefit for all our stakeholders. We need at the same time to make sure that what we do is aligned with the rapidly changing environment.

This document lays out the overarching mission for our Family and a high level group strategy aimed at achieving our three shared educational outcomes of: access to opportunity, student success, and real world impact. It provides a framework within which each institution can determine how best to deliver excellence in its own area of activity, taking account of its distinct accountabilities. In addition as we recognise the need to evolve. It introduces a new outcome, Fit for the Future, recognising the need for us to adapt to the digital agenda, the new organisational structure and changing stakeholder expectations.

Each part of the group will set out its own vision as part of this mission and create its own detailed institutional plan for delivering these outcomes. These will also take account of a series of group-wide plans that support joint working across the group. These plans will set out the key challenges, targets and activities that will underpin our ambitions.

(NB: Interpolated into each section will be brief case studies illustrating the contribution of each member of the group in key areas, in particular, examples of professional and technical education)

The LSBU Family

The LSBU Family comprises South Bank Academies (South Bank Engineering UTC and University Academy of Engineering, South Bank), South Bank Colleges (Lambeth College), South Bank Enterprises and London South Bank University. These organisations work to a shared mission and values and use a shared educational framework to achieve shared outcomes. The group structure is born out of a recommitment to our original civic mission. It enables us to create strategies and pathways by which people of all characteristics and talents can be supported through the education system to achieve their full potential, and so contribute their skills, energies and commitment to wider society throughout their lives.

Our Values

As a group we adhere to five core values:

- **Excellence:** we are known for working to a high standard and providing a quality service to all
- **Professionalism:** everyone takes personal accountability and responsibility, leads by example and inspires others
- **Integrity:** we communicate with transparency and respect, creating a working and learning environment based on trust
- **Inclusivity:** we celebrate being a diverse and vibrant community, where there are no barriers to inclusion and where we view the differences between people as a source of strength
- **Creativity:** we are innovative, generating ideas and opportunities that are useful in solving problems and enhancing the reputation of the university

Our Mission

Our mission is to be recognised for

Transforming lives, communities, businesses and society through applied education and insight.

At the heart of the LSBU group is high quality applied professional and technical education. This is underpinned by first class academic insight – applied research and knowledge exchanges, which provide valued knowledge to employers and currency to the teaching and student experience we offer.

The content and delivery of our education is based on a detailed understanding of employer expectations and built around the personal and career needs and ambitions of our educational partners – whether we call them pupils, learners, students or clients.

Our civic mission means that our work is place-based, whether that place is our home in south London, or around our multi-touch international partnerships. Our courses, research and other activities are informed by our detailed understanding of local needs. Our international links provide global context.

We work collaboratively with our students, employers and a wide range of organisations – educational, civic, governmental, public, private and voluntary – locally, nationally and internationally.

We work professionally, consistently providing high quality customer service and outcomes to our students and to our civic, funding and knowledge exchange partners.

We work ambitiously, providing wide-ranging and high quality support to our students, employees and partners enabling them to achieve their fullest career and personal potential.

We work innovatively, insightfully and sustainably, anticipating and preparing for a changing world; making sure we secure the resources we need to achieve our current and future objectives.

Our mission will be delivered through achievement of four strategic pillars:

Access to opportunity: *Our learning and support pathways will create societal change*

Student success: *Our educational framework will empower our students for future success*

Real world impact: *Our teaching, research and enterprise will deliver outstanding impact locally and further afield*

Fit for the future: *Our organisation will transform to ensure it thrives*

Access to Opportunity

We will provide high quality applied education - with a focus on professional and technical programmes - for all who can benefit. Through our Family and with our partners locally, nationally and internationally, we will provide excellent, accessible, supportive and flexible educational pathways. In doing so we will make a vital contribution to all our communities and a diverse education sector. Our public engagement will inform and inspire communities and provide opportunities for our staff and students.

Socio-economic characteristics can effect peoples' progress through education and into the labour market. People who engage in education benefit from better life chances, ranging from enhanced career outcomes to improved health and well-being. Our education Family helps people transcend disadvantage. We offer non-selective entry to our schools and college, and university entry tariffs based on potential rather than past achievement. Our personalised approach to learning and support enables students to meet their personal and professional aspirations – to maximise their chances to become what they want to be.

As people live longer, changing jobs and careers more frequently, there is a growing need for continuing access to education and training for those seeking to learn more, retrain or to refresh their skills and knowledge. We provide people and employers with flexible pathways across the group to the workplace-oriented education and skills they need when they want them.

We offer vocational programmes - those aligned to particular career pathways - which supplement theoretical understanding and the development of critical thinking with knowledge and skills relevant to a particular career.

1. Using contextualised learning and assessment strategies, along with student services and support, to maximise academic achievement and minimise variations in outcome due to background: (academic achievement - equality of attainment, retention, progression)

2. Working with local partners we will provide opportunities for students and employees to enhance their development whilst facilitating widening participation and addressing issues of local need (aspects of entrepreneurship, WP, AEB, volunteering, other support for social change)

Social Impact: between 2020 and 2025 we will positively impact on 1 million lives through education, business and community engagement.

Student Success

We will offer personalised high quality applied education, professionally delivered, flexibly available, digitally enhanced, employment focused and enterprise informed. Our teaching will deliver sector-leading attainment whether that be in added value or student employment and further study. In an ever-changing job market, our Family will provide the opportunity for students to equip themselves throughout their lives with the knowledge and skills they need at the time and the attributes they need to adapt and develop.

Our educational framework has four key components:

- Knowledge – in its applied context
- Currency - the latest insights informed by employers, professional bodies and researchers
- Competency - the skills to apply that knowledge
- Confidence – the personal attributes to put those skills and knowledge into practice in the workplace and beyond

Our acclaimed learning infrastructure, educational assistance, employment support, well-being services and extracurricular programmes provide the additional confidence and experience our students seek – helping to level the playing field for those whose opportunities have been less advantageous.

Enterprise informs our teaching across the group; providing exciting and accessible pathways into education, and programmes which build personal attributes, including the creativity, problem-solving, resilience, team-working, and communication skills, that are key to employability.

We can further serve the individual needs of our students by developing this framework, using a competency based model and digitally enhanced learning opportunities to enable everyone to move at their own pace. This approach will reinforce the power of personalised learning and better serve our diverse student body.

*3. Providing students with an individualised learning experience and student service that will make sure they develop the skills, personal attributes and aspirations to enable them to enter employment, further study or start their own business: (**Employment/further study outcomes**);*

*4. Making sure that students are seen as participants in their learning and that student voices are both encouraged and listened to (**Student engagement/satisfaction**)*

Develop a value add measure with each part of the group being top quartile
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Real World Impact

We will be recognised as a vital resource for our teaching, research, knowledge exchange, enterprise activities and community engagement. We will coalesce with local partners around shared objectives be they in south London or overseas. Our enterprise and business support programmes will contribute to local growth and national productivity. The group’s contributions to communities will be evident and measurable in direct economic benefits and in the socio-economic impact of our students, staff and alumni.

Civic engagement is at the heart of our mission. It is based on a detailed understanding of our local impact and of the needs and aspirations of our communities and our local partners. What we teach and research are informed by the societal concerns and needs of our local communities, businesses and partners and are valued and used by them. Our offer to businesses and entrepreneurs is coordinated across the group ensuring they have easy access to the education, skills and insight they need to develop. Our interaction with local people and businesses is underpinned by strong working relationships with borough councils, partners in health and social care, other public, voluntary and private organisations, and local businesses. We reach out to our communities ensuring they have informed access to the educational opportunities that we provide and our students are ambassadors for the value of education.

Our international “multi-touch” partnerships replicate our UK offer, comprising education, research and enterprise. They make a substantial contribution to their locality whilst providing global context to all our work and creating opportunities for our students and employees.

Our approach to place-based innovation recognises the importance of involving citizens and civil society acting both as consumers and co-producers of knowledge. This approach attracts, develops and retains people who have the knowledge and skills we need to work with communities to address society’s biggest challenges – global and local - such as environmental sustainability and social cohesion. By drawing on our new group structure and working with local communities, businesses and organisation we are delivering a south London innovation zone which, through our international networks, has global connections.

5. By making sure our research and enterprise activity provides solutions to business and societal challenges we will build our reputation for innovation both locally and globally (R&E income, KTPs, start-ups innovation etc)

Economic Impact: Between 2020 and 2025 we will generate an economic impact of £5Bn as an employer and through our research, innovation, education and community activities
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Fit for the future

Our high quality professional and technical education will provide employers with the well-educated and workplace-ready employees they need. Our applied research and knowledge exchange programmes will keep staff at the forefront of their disciplines and impart currency to our teaching and the experience of our students and provide the insight and support which employers need to grow their business. To deliver this mission and strategic outcomes we must be thoroughly professional in all that we do. We need to adopt operational models that enable us not just to survive in an ever more competitive and commercial world but to thrive. In so doing, we must protect the best of what we do and, where required, modernise our approach.

We need to develop our employees, align our infrastructure with our strategy, and operate effectively as a group. We must make sure that we have the culture and processes – educational and customer-facing - required to deliver the transformational opportunities which our students, employees and stakeholders deserve and take advantage of developing digital environments to ensure we are operating as effectively as possible as we seek to meet the demands of constantly changing requirements

We must maximise both our effectiveness and our efficiency, where necessary working in partnership - locally, nationally and internationally – to achieve our ambitions. Indeed to be competitive it may not be feasible to provide all the skills and infrastructure we need without new and novel forms of partnership, hence we should be open to new ways of working

Our employees need to be innovative, empowered, able to deal effectively with complexity, and committed to delivering our strategic outcomes. We must attract, develop, reward and retain the best employees and provide an environment and culture that motivates them. It will be the skills of our academic and professional colleagues and our teams that will enable us to differentiate ourselves and make sure of future success.

We need a sound financial platform that enables us to develop the estate and digital infrastructure our students, employees, partners and communities need and we will need to be highly entrepreneurial, identifying and seizing opportunities which both generate surpluses to support our mission and which support that mission themselves.

We will operate as:

- **One Organisation:** a group strategy and operating framework driven from the centre; with Family members focussed on excellent academic delivery, and professional functions providing consistently high quality services across the group **Customer Centred:** with professional staff delivering clearly articulated services at agreed high standards for our students, employees and stakeholders
- **Accountable:** with clearly identified and accepted responsibilities for performance and processes and delegated authority wherever possible
- **Efficient:** with streamlined and affordable processes and functions
- **Effective:** with an embedded culture of achievement driving continuously improving delivery based on assured and clear data.

6. We will create a strong and sustainable organisation where all employees feel aligned with our mission and empowered to deliver on our ambitious agenda (engagement score, EBITDA, surplus, measure of effectiveness)

	CONFIDENTIAL
Paper title:	International Branch Campus (IBC) Cairo
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Stuart Bannerman, Director of International
Sponsor(s):	Paul Ivey Chief Business Officer and DVC (Innovation)
Purpose:	For Approval
Recommendation:	To approve the strategic business case and agree to proceed with the IBC licence application to the MoHE Egypt

Executive Summary

The Major Projects and Investment Committee (MPIC) has considered the proposal in detail and recommends to the Board to approve the strategic business case as outlined below.

The University is reviewing the opportunity to set up a campus in Egypt. A branch campus based in Cairo provides an opportunity to:

- Grow a base that could recruit from the wider Arab world and which would be well-positioned for growing markets in, for example, Africa.
- Provide an opportunity for staff and student exchanges as part of our internationalisation work.
- Provide access to additional sources of funding and wider employer base for Enterprise and research
- Provide additional revenue source to LSBU mainly through students who might decide to study for a semester or year in the UK as part of their experience

The proposed development would also help protect our investment with BUE by providing an in-country presence to compete with other incoming institutions, which currently include formal confirmation from Coventry.

This paper gives background of the proposed International Branch Campus Cairo and the operating context which was discussed in detail by MPIC. It is intended to give a comprehensive overview of the IBC and how it will operate in order to approve the submission of an application to the Ministry of Education in Egypt. Subject to approval there will then be 3 months in which to put together a detailed business case and complete further documentation for the Egyptian government.

Recommendation

- To approve the strategic business case and agree to proceed with the IBC licence application to the MoHE Egypt

LSBU Cairo Business Case Outline

A. Executive Summary

- | | |
|--------------------------------|---------------------------------------|
| 1. Background and Introduction | 5. Parties |
| 2. Overview | 6. Key dates |
| 3. Corporate vision | 7. Key Personnel and responsibilities |
| 4. Core goals | 8. Approvals required |

1. Background and Introduction

LSBU was approached in 2018 by the owner and Chair of the Board of Trustees of British University in Egypt (BUE), Mr Mohamed Farid Khamis, in regard to establishing a new campus on undeveloped land on the BUE campus site in El Shorouk City, northeast Cairo.

The context of this invitation was the decision in 2018 by the Egyptian government to encourage the establishment of international branch campuses (IBCs) in Egypt. This followed a series of meetings with university sectors in the UK, Germany and elsewhere, through which this intention was indicated. The Egyptian Minister for Higher Education & Scientific Research and the UK Minister for Universities & Science signed a bilateral MoU on establishing branch campuses in Egypt in January 2018.

Later in 2018, the legislation passed specifically for this purpose was 'Law No. 162 of 2018: On the Establishment and Organization of International Branch Campuses within The Arab Republic of Egypt and University Institutions' (www.universitiesuk.ac.uk/International/Documents/Annexe%20A.PDF).

Article 16 states that the 'State authorities guarantee [that] the branch shall operate within a framework of academic and institutional autonomy and freedom'. UUK International, which worked on the IBC MoU with the two sectors, do not consider this to be 'an absolute statement' and said in December 2018 that they would seek clarification of what 'within a framework' means in practice. They would also aim for reassurance that IBCs will be free to discharge their responsibilities under UK law, for example in relation to equalities legislation (www.universitiesuk.ac.uk/International/Documents/2018%20iNote_Egypt%20IBC_final.pdf).

UUKi further indicate that they will seek clarifications in regard to the role of the Ministry in IBC governance and operations. Article 15 states:

The Concerned Minister shall appoint an adviser to the branch who shall be his representative for a period of two years, renewable for one time. He shall serve mainly as liaison between the concerned governmental authorities and the administration of the branch, in addition to contributing to the supervision of the IBC various activities. The Representative shall join the membership of the Council concerned with the IBC administration.

UUKi note that this was presented to them as a mechanism to ensure good relations between the Ministry and the IBC, and that it was established practice in Egypt. Other items in the legislation include Ministerial vetting of non-Egyptian staff appointments, government representation on the

UIE Board, a requirement for ministerial approval if the curriculum diverges from the home campus, and Ministerial power to suspend admissions.

Some will see this as carrying reputational risk. But those on the ground in Egypt, including at BUE, are comfortable with the less-than-arm's-length relationship between the state and higher education. Sarah Khamis at the British Council in Cairo said that the Committee charged with vetting IBC license applications are not interested in hindering future curriculum innovations. 'They just want to have their say', she advised. It is a means of exercising symbolic sovereignty in an uncertain new landscape with foreign providers.

Under the legislation, foreign institutions will for the first time be able offer stand-alone foreign degrees. Unlike the state universities of Egypt (and to a lesser extent the private universities such as BUE), the new IBCs will have autonomy in regard to course provision, fees, student numbers, income repatriation, quality provision, educational structure, human resources, student admission policies, audit and risk, use of campus and activities conducted.

Egypt is the fifth-largest host country for UK transnational education (TNE), mostly through joint programmes. In 2016-17 there were 19,600 students studying for UK degrees in Egypt, by far the largest number among African countries. The BUE programmes validated by LSBU account for more than a quarter of these TNE students. This ongoing and successful relationship comprises 19 undergraduate and four postgraduate programmes from BUE.

A new LSBU campus in Cairo would therefore augment its existing provision in Egypt. Students who complete the validated programmes are awarded both UK and Egyptian degrees. In contrast, completion of programmes at the proposed new IBC will result in LSBU awards only.

The Egyptian government's reasons for attracting IBCs are rational and consistent with those employed by governments elsewhere, including in the Middle East and Southeast Asia. They include:

- injecting vitality and innovation into the domestic higher education sector,
- shift to becoming a higher education exporter by attracting more international students (The aim in the government's 'Vision 2030' development strategy is to double the current number of 70,000. Of these, fewer than 100 are UK students),
- the promise of new teaching and research collaborations between domestic and foreign institutions,
- enhancing the economic competitiveness of the country through the support and nurturing of knowledge industries,
- better labour-market opportunities for graduates,
- strengthening the country's prestige and reputation on the global stage.

2. Overview

Work on the new IBC (provisionally 'LSBU Cairo') is advanced and ongoing. LSBU and BUE have undertaken this work together every step of the way. A formal licence application will be submitted to the Egyptian authorities by 18 March 2019. The first cohort of students will begin studies in September 2020. Three programmes are to be offered in the first instance.

Preparation for the licence application has involved a number of high-level agreements with BUE, foremost of which is the choice of actual route to be followed. As was mentioned in the cover note for the Executive meeting on 5.12.18, two routes are offered in the regulations that attend the IBC legislation. The ‘Article 5 route’ is for LSBU to be the licence applicant, with or without an Egyptian funding partner, but this would require LSBU to take on a long lease or demonstrate a major capital commitment to Egypt.

The ‘Article 9 route’, which we have chosen, stipulates that the licence application is lodged by a ‘university institution establishment’ (UIE), an Egyptian vehicle with which LSBU will have a number of contractual agreements on the nature of the relationship and on such things as the provision of infrastructure and services to be supplied to the IBC. The UEI in this case has not yet been named but its shareholders will be BUE, El Shorouk Academy, and Mohamed Farid Khamis. LSBU is not a shareholder.

This structure means that the UIE is able to have equivalent and simultaneous relationships with other programme providers, in addition to LSBU. It is not necessarily an exclusive relationship.

The IBC Model

There are few examples of universities adjusting their model of an existing operation to incorporate an international branch campus, the closest of which is probably to be found in Nottingham Ningbo, in which Nottingham University worked with the Wan Li group to create a spin-off University from the Wan Li operation. This was an extension of Wan Li business model with the brand of Nottingham. While LSBU will be working closely with BUE in Cairo there should be considerably more freedom to operate than the constrained environment in which Nottingham Ningbo functions. Even so, Nottingham Ningbo has proved to be a resilient operation and has added considerably to Nottingham’s international reputation.

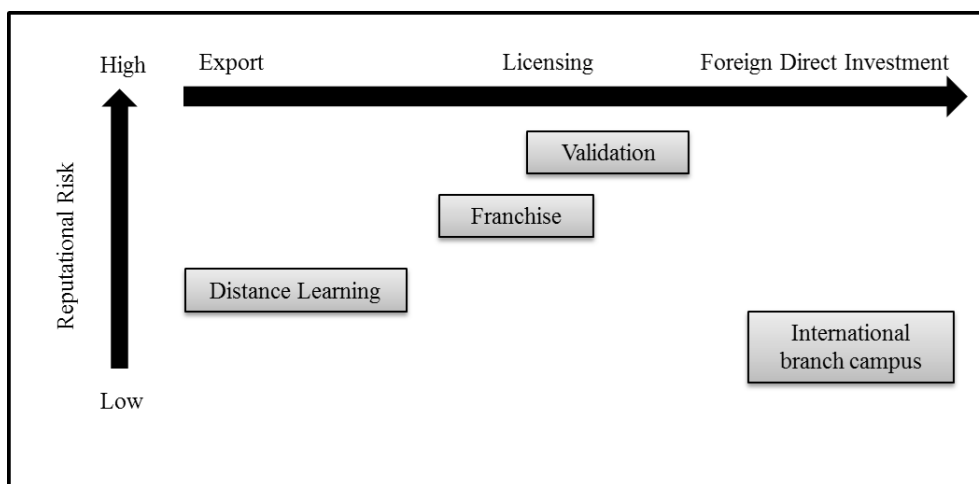
Risk

		Institutional uncertainty in host country	
		Low	High
Institutional difference in host country	High	<p>Adapt Moderate risk, complexity, effort Establish international branch campus but adapt structures and processes to suit institutional context in host country</p>	<p>Avoid High risk, complexity, effort Do not establish international branch campus in this host country – the risks are too high</p>
	Low	<p>Transfer Low risk, complexity, effort Establish international branch campus using the same structures and processes used at the home campus</p>	<p>Hedge Moderate risk, complexity, effort Establish international branch campus but as a joint venture with a local partner or obtain funding and assurances from host country government</p>

Fig. 1 Transnational strategies for a university based on institutional difference and institutional uncertainty. Adapted from Phillips et al. (2009, p. 341)

In the above diagram, LSBU Cairo appears to fall into the ‘Hedge’ category with its attendant moderate risk level.

There are other ways of understanding risk. The LSBU Cairo IBC can be seen as a lower reputational risk for LSBU than the existing validation partnership with BUE. The diagram below characterises IBCs as representing a later or more mature stage of HE internationalisation, and as presenting the lowest risk in reputational and quality assurance terms of any of the main delivery modes for TNE. This is because the campus is a satellite of the home university: LSBU will control marketing and student recruitment, the hiring of academic and administrative staff, the systems and processes, and the delivery and assessment of the curriculum. By contrast, validation represents the highest potential quality assurance risk because the partner designs the syllabus.



The next diagram also suggests a lower reputational risk for IBCs in relation to other TNE delivery modes. However, it characterises IBCs as having higher financial risk. This is undoubtedly the case when the parent institution is responsible for the substantial capital investment required for new buildings and infrastructure. This does not apply to LSBU Cairo (nor does it apply to Coventry’s new venture in Cairo – see Section C, below). While there is inevitably some financial exposure and reputation vulnerability by evolving the IBC from the existing validation model, these capital costs are being assumed by our local partner. Furthermore, LSBU has an established presence in Cairo and a proven track record. Uncertainty is further reduced by the established LSBU-BUE partnership. This should provide some reassurance to the Executive and MPIC.

	Validation	Franchise	Supported	Campus
Reputation risk	High	Medium	Low	Low
Financial risk	Low	Medium	Medium	High
Control exerted	Low	Medium	High	High
Institutional relationship	Adoptive Parent	Parent - child	Diverse	Clone
Market responsiveness	High	Medium	Low	High

3. Corporate vision

LSBU Cairo will operate according to the same vision that informs its mission in the UK. It will be an enterprising civic university that addresses real world challenges in the Egyptian context. It will be geared towards student success and employability. It will seek out new partners in Egypt as a longer-term strategy, including for research collaborations relevant to the Egyptian context.

LSBU decision-making on its proposed academic programming in Cairo flows from a consideration of five principles:

1. The existing areas of teaching excellence at LSBU in London,
2. LSBU's internationalisation goals,
3. Complementarity to, rather than competition with, BUE's existing provision, future plans, and the validation partnership,
4. Adding value in Egypt, ie, distinctiveness in the context of Egypt's higher education sector and differentiation in relation to other new academic programmes from emerging competitors, including new international branch campuses,
5. Consistency with Egypt's national developmental priorities, the government's Sustainable Development Strategy: 'Vision 2030', and the STEM-focused subject-area priorities of the Ministry of Higher Education and Scientific Research.

The principles of engagement for a LSBU Cairo campus to be established on the premises of BUE are:

1. The LSBU Cairo IBC should not detract from either the BUE operation with LSBU, or BUE's operation with other UK partners. It should rather provide complementarity with these operations. Complementarity could look at student intake. BUE is subject to admissions controls. Given the IBC freedom on both student numbers and fee, LSBU Cairo could develop competitive undergraduate products for both highly qualified students (above the BUE intake threshold) and access students via a 'CEG like' year 0 offer.
2. LSBU Cairo operations are to deliver UK awards using UK processes. But to generate sufficient return on investment any I&E model will only assume income supportable within the Egyptian

market for higher education, and expenditure using Egyptian resources. This has significant implications for delivery, staffing and other resourcing.

3. LSBU Cairo is a partnership between Egyptian capital and UK higher education. LSBU has no capital to invest in establishing systems, processes or critical infrastructure such as libraries and accommodation. LSBU Cairo will be hosted by the Egyptian UIE. LSBU Cairo provides the education.
4. The UIE will consult with LSBU in the event that it intends to open an IBC with a different partner; any such new partnership requires the agreement of LSBU.

4. Core Goals

LSBU's goals in this venture are:

- To enhance the university's global presence and reputation
- To enhance the university's strategic position vis-à-vis its closest competitors
- To enhance mobility opportunities for LSBU students and staff
- To provide a quality education and employment opportunities to young people in Egypt and the Arab world
- To enhance the university's TNE portfolio
- To enhance and secure the partnership with BUE
- To diversify the university's revenue stream

5. Parties

The four main parties in this venture are:

- LSBU: operator of the IBC
- BUE: partner and service provider to the IBC
- The UIE: legal entity under Egyptian law that holds the licence to operate an IBC
 - Can have equivalent relationships with universities in addition to LSBU
- The HE Ministry: approves the licence application and has a seat on the Board of the UIE

6. Key dates

- 13 February 2019 LSBU Executive
- 28 February LSBU MPIC (Major Projects & Investment Committee)
- 11-13 March BUE visit to LSBU; certification of documents at Embassy of Egypt
- 15 March LSBU Board of Governors
- 18 March Licence application to the HE Ministry
- 3 months post-approval: detailed study of IBC contribution to raising quality of HE in Egypt
- Sept 2020 Launch and first cohort of students at LSBU Cairo

7. Key personnel

At LSBU

- Paul Ivey University DVC and Project owner
- Stuart Bannerman Director International; Project lead and manager
- Aissata Edmondson Senior Partnerships Manager; Project Coordinator
- Indre Petrauskaite Head of Global Partnerships
- Mandy Maidment Academic Director for Collaborative Partnerships
- Judith Barnard Director, Brand & Communications
- David Kotula Finance Analyst
- David Mead Resources Director
- Carol Rose Director of Estates and Academic Environment
- Antonia Goodyer University Solicitor and Head of Legal Services
- Janet Bohrer Director of Academic Quality & Enhancement
- William Lawton External consultant

Input from other LSBU staff on an as-needed basis.

At BUE

- Sharon Page University Registrar and project lead for BUE
- Leslie Croxford Senior Vice-President for Teaching and Learning
- Mohammed Eid Director of the Internationalisation Office
- Fatih Abdel Moneim Finance Director
- Kevin Millam Teaching and Learning Coordinator

8. Approvals required

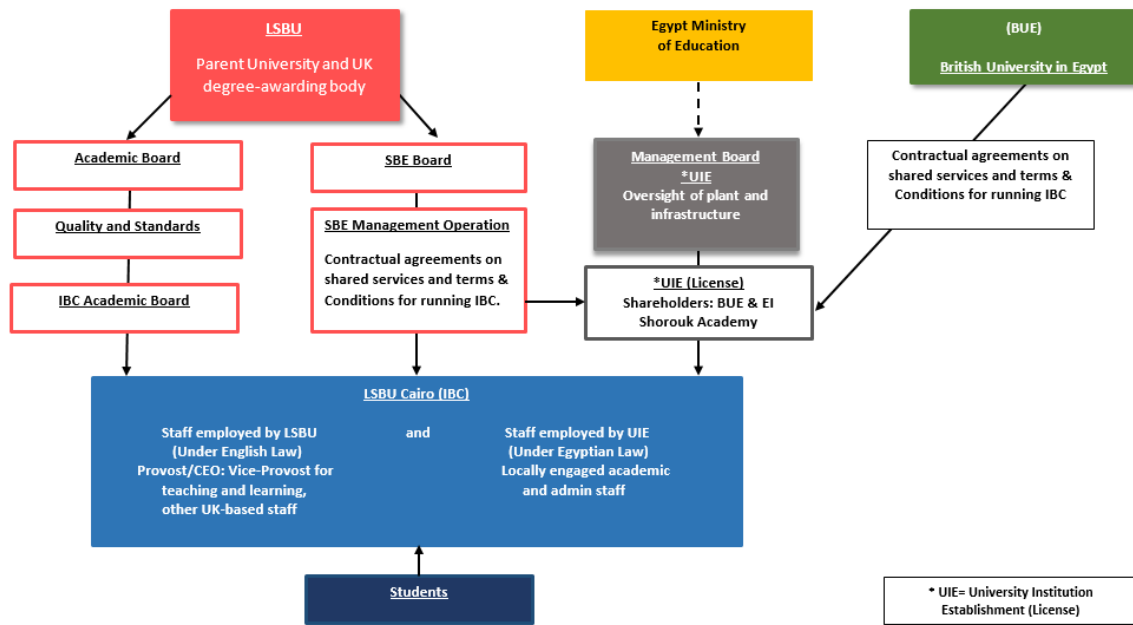
- 13 February 2019 LSBU Executive
- 28 February LSBU MPIC (Major Projects & Investment Committee)
- 12 or 13 March Documents certification at Embassy of Egypt
- 14 March LSBU Board of Governors
- 18 March Licence application to the HE Ministry

B. Governance

The University Institution Establishment (UIE) applies for the licence and is responsible to the MoE for the success of the IBC hosting. In order to do this the IBC requires a Board which will have representation from the MoE, the shareholders of the UIE (BUE and others) and the Academic Partner (LSBU). See governance diagram, below.

The UIE has the right to employ staff and contract services. It is likely that most of the services will be contracted from BUE and that the UIE will not have significant staff. It is also true that the UIE has the power to host several branch campuses and LSBU needs to ensure its interests are protected.

The main vehicle for the operation of the IBC will be the contract between LSBU and the UIE. It has been noted in the Quality section below that for academic purposes there has to be a direct line to LSBU but for management purposes the oversight of contractual responsibilities and the delivery of services LSBU can choose to delegate this to SBE in this role.

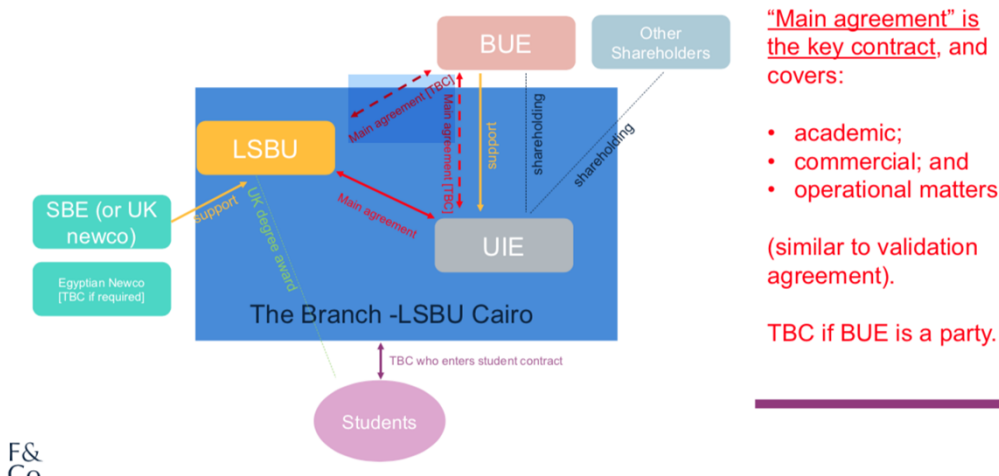


Legal structure

See legal structure diagram devised by Farrer & Co, below. “The Branch” is created when the licence is issued by the Egyptian authorities. It is, in essence, the envelope of permitted activity: the collaborative relationship between LSBU and UIE which ultimately leads to the running of the branch campus and issue of degrees to students;

- “The Branch” will have eg a president and governing body, which will be constructs flowing from the main agreement between LSBU and UIE (and framed with reference to the requirements of the IBC law);
- The IBC law envisages that the parent UK university will be directly involved. It does not expressly preclude the use of a subsidiary for certain elements of the relationship, but the Egyptian authorities will, we expect, expect a degree of direct involvement from LSBU (particularly around academic oversight and protecting the students in the event of termination);
- For now, the structure chart shows SBE acting as a sub-contractor, ie LSBU duties are delegated to SBE or other new company;
- The parties are still in discussion as to who enters into the contract with Egyptian students, and how tuition fee income will flow.

IBC legal structure – current proposal



C. Academic programme

1. Academic programme rationale
2. Programme design/offerings
3. Programme delivery
4. School structure
5. Enrolment profile
6. Quality assurance
7. Student care

1. Academic programme rationale

We envisage rolling out a portfolio of programmes that is based on our market research, that reflects available excellence at LSBU, that complements our existing validation provision with BUE, and that responds to Egypt’s national priorities.

The portfolio will balance the government of Egypt’s preference for STEM provision with the real demands of the local market. A minimum of three initial programmes is desired.

Responding to the local market are the BA Tourism & Hospitality Management (T&HM) and BA Events and Entertainment Management. LSBU research in 2018 found that Cairo hotel managers and the Ministry of Tourism are enthusiastic about the prospects for new programmes in T&HM. These stakeholders are clear that they are dissatisfied with the quality of graduates (largely from the state university sector) and they support any initiative that will raise quality. Interviewees claimed that the private institutions are not producing more qualified or dedicated graduates. These findings are consistent with extensive survey research conducted by BUE in 2014.

The USPs for LSBU in T&HM provision are:

- Summer work placements in London,

- A formal partnership with one or more top hotel chains in order to promote employability,
- Shaping the curriculum towards areas of the greatest future demand: medical/health tourism, events management, tour design, and the international marketing of tourism.

Responding to the government's priorities in STEM are Bioscience, Robotics, and Cyber Security. It is envisaged that the first two of these will be launched in 2020 – Bioscience as a straight BSc and Robotics as a distinctive and unique top-up pathway to MSc study for the extremely large number of Egyptian engineering and computing graduates (including those from BUE).

Research and 'Hot topics'

Adding value to the Egyptian higher education landscape will also involve the development of a research strategy at LSBU Cairo. The Egyptian government clearly has an interest in new IBCs localising their research agendas in order to address the needs of the country. Both the Malaysian and Chinese governments fund research at the IBCs and actively encourage academic staff to bid for grants. Major employers and local governments have also directly funded research of direct interest to the country or region – for example, the Centre for Sustainable Energy Technologies at Nottingham Ningbo is a joint initiative between the University of Nottingham, the Zhejiang provincial government and local donors, set up to address China's growing demand for energy and reduce the environmental impact of energy consumption.

But research output is a longer-term goal of international branch campuses. The process of establishing tailored research that accommodates both the home institution's expertise and the host country's public policy priorities and requirements takes a number of years – almost a decade in the case of Nottingham in Malaysia.

One indication of Egypt's policy priorities is contained in a list of 'hot topics' that originated in the Ministry of Higher Education and Scientific Research and was received by LSBU via BUE. These STEM subject areas largely lend themselves to postgraduate study and high-end research. Nanotechnology is a good example. LSBU does not offer programmes in nanotechnology but it has nanotechnology research expertise at its Centre for Advanced Materials in London. Nanotechnology research is likely to feature at the newly launched Science & Innovation Park adjacent to BUE. Tsinghua University is a partner in this venture. For LSBU Cairo there would therefore appear to be an opportunity for collaboration in nanotechnology research that would be highly visible to the Egyptian authorities.

New competitor programmes

We have information on three competitor operations being established under the IBC legislation: Coventry University, University of Prince Edward Island (Canada), and a consortium of 10 German universities of applied sciences.

Coventry University's Egyptian partner and funder is El Sewedy Education, a new and bespoke subsidiary of the El Sewedy manufacturing and electrical equipment group. There is little question that all financial risks are being assumed by El Sewedy, which leaves only reputational risk for Coventry. The UIE (licence-holder) is the Knowledge Hub/International University Institution in Egypt, under the direction of Professor Mohamed Loutfi, an Egyptian who relocated from Cardiff

Met to take up this post. The new campus will be at the New Administrative Capital (further east in greater Cairo) and they claim the first intake of students will be in September 2019.

‘Subject to institutional approval’, this first student cohort will have a choice of undergraduate degrees in Engineering, Computing, Design, and Media, as follows:

- BEng Civil Engineering
- BEng Mechanical Engineering
- BEng Electrical and Electronic Engineering
- BSc Computer Science
- BA Digital Media
 - To include Media and Communication; Creative and critical digital practice; Digital storytelling and media design
- BA Graphic Design
- BA Interior Architecture and Design
- (Possibly) BA Psychology

Coventry has opted for a combination of conservative and innovative programmes. There is no shortage of programmes in engineering and computers in Egypt. Although Coventry has a top reputation in tourism and hospitality, their first phase of operations does not include it. El Sewedy characterises these programmes as responding to Egypt’s need for technical education to support the country’s skills requirements.

Professor Loutfi advises that subsequent phases include business studies, environmental sciences, a technology and entrepreneurship centre and possibly a medical school. Throughout 2018 they attempted to contact every university in the UK, including LSBU. Their next UK partner to be announced could well be one of Birmingham City, Glasgow, Napier, Queen Margaret, Cranfield or Surrey. They have indicated plans for German partners as well.

Among Coventry’s USPs are exchange programmes between Egypt and UK, some of which will be fully funded, and a semester in the UK option for all students because all Coventry campuses start the academic year at the same time with the same content and teaching materials.

Coventry also claims that it will be the first university in Egypt to have a ‘flipped classroom design’. This suggests that they intend to use a blended learning model for at least some of their teaching. (AUC offers a Professional Certificate in Engineering Management on a 50/50 campus and online basis. In common with most other Arab states, fully online qualifications are not recognised.)

Coventry in Egypt have started a marketing and recruitment campaign, although it is not clear if the licence has already been approved. They held a public information session at the Renaissance Mirage City Hotel on 28 January.

The **University of Prince Edward Island** (UPEI) does have a licence to operate, as evidenced by a Presidential decree in January 2019. Its first intake of students was in fact in September 2018.

The UIE licence-holder is Canadian Universities in Egypt. For marketing and recruitment purposes, the host and web presence is called the University of Canada. The University of Canada is also located in the New Administrative Capital. It has two other Canadian universities lined up as degree awarders thus far:

- Memorial University of Newfoundland, which already operates in Cairo at Canadian International College (CIC). CIC and University of Canada are both owned by Magdy El Kady, President of CanWell Educational Consultants. The intention is to move Memorial's MBA to the new University of Canada campus.
- Carleton University, not yet operating in Egypt; the intention is for Carleton to offer a MEng in Infrastructure Protection & International Security.

The Presidential decree lists three initial undergraduate offerings from UPEI:

- BSc Sustainable Design Engineering
- BSc Mathematical Science and Computer Science
- BSc Entrepreneurship

These programmes do not precisely coincide with the existing programmes at UPEI in Canada. There is an existing BSc in Sustainable Design Engineering, but apparently not the other two degrees. (Recall the requirement, in the IBC legislation, to transplant currently running programmes.)

UPEI is already teaching additional programmes that are not indicated in the Presidential decree. A BSc Computer Science & Video Gaming started in September 2018; its success in recruitment is not yet known.

The University of Canada website also promises a suite of undergraduate programmes in future from UPEI as follows:

- Analytics & Big Data
- Financial Mathematics
- Actuarial Science
- Climate Change
- Accounting
- Marketing
- Finance
- International Business
- Organisational Management
- Economics & Political Studies
- Graphic Design
- Performing Arts

University of Canada claims that '50% of Faculty are Canadian professors'. As with Coventry, one of their USPs is that students can transfer to the Canadian campus at any point in their studies.

This inter-campus mobility is increasingly becoming a standard offer for UK transnational education degree programmes. A number of UK universities, including Heriot-Watt and Nottingham, have increased their outward mobility numbers from the UK through this route in recent years.

Information on the **German consortium** is sketchy. Egyptian media reported that the Minister of Higher Education, Khaled Abdel Ghafar, the Minister of Investment, and the German (federal) Economic Affairs and Energy Minister Peter Altmaier laid a foundation stone for the 'German International University of Applied Sciences' in the New Administrative Capital on 3 February. The Applied Sciences universities (Fachhochschulen) are a large component of the German HE system that are heavily teaching-focused and require one year less of high school for admission.

Programme areas are reported to be medicine-manufacturing technology, food industry technology, agricultural technology, computer technology, robotics and artificial intelligence.

2. Programme design/offerings

LSBU's initial and subsequent degree programmes will be notably distinct from those that have been proposed thus far from competitors. We envisage rolling out a portfolio of programmes that is based on market research and that also responds as closely as possible to the hot topics list. Examples of the former are Tourism & Hospitality Management and Game Design; examples that respond directly to the hot list are Bioscience, Robotics, and Cyber Security. Further down the road Teacher Training and Public Health are viable possibilities.

It is envisaged that programmes in three distinct areas will be offered commencing in September 2020, as follows:

Phase 1: September 2020

1. BSc Bioscience
2. Robotics – 1-year top-up to gain entry to the MSc Mechatronics, Robotics and Embedded Systems or MSc Digital Architecture and Robotic Construction
3. BA Tourism & Hospitality Management; BA Events and Entertainment Management

Phase 2: September 2022

4. Cyber Security

Phase 3: September 2023 or 2024

5. BSc Game Design

Phase 4: September 2024 or 2025

6. Teacher Training
7. Public Health

Three entry points for LSBU Cairo students

Undergraduate programmes in Egypt are typically four years in duration. Foreign institutions, however, are permitted to offer degrees based on their own standards. The BSc Bioscience and BA Tourism & Hospitality Management will therefore be three-year programmes.

A Foundation year will be offered for those entrants who require it, based on both academic and language qualifications and capabilities. Entry to Foundation programmes at LSBU normally require an IELTS score of 4.5. Entry to undergraduate programmes require an IELTS score of 6.0.

The precise modules for the Foundation year have yet to be finalised but will include:

- Academic English; Academic study skills; Mathematics; Sciences – English for Academic Purposes;

In Egypt, LSBU proposes to offer a one-year ‘top-up programme’ for new Engineering or Computing graduates, including BUE graduates, in September 2020. This year is designed so that successful completion allows entry to the LSBU MSc in Mechatronics, Robotics and Embedded Systems in September 2021. The MSc can be taken at either LSBU Cairo or in London (subject to the usual student visa requirements). The Cairo price point will be lower than the London price point but the LSBU degree awarded will be identical.

The same top-up approach can be employed to gain access to the MSc Digital Architecture and Robotic Construction.

In sum, therefore, there will be three possible entry points in September 2020: Foundation year; Year 1 for those not requiring the Foundation year; and the one-year top-up programme for Robotics if all prerequisites are in place.

BSc Bioscience

This programme will include the following modules:

Year 1

- Cell Biology; Physiology and anatomy; Nutrition, health and disease; Scientific skills; Numerical methods for Bioscientists; An option from a specialist path in Applied Sciences, including food, nutrition, sport, biomechanics, psychology and forensics

Year 2

- Research methods; Disease and immunity; Physics for life; Human nutrition; Two options from specialist paths

Year 3

- Project; Aetiology of disease; Current perspectives in biosciences; Two options from specialist paths

BA Tourism & Hospitality Management

Year 1

- Studying for sustainability; Leisure and consumption; Management and leadership; Geographies of tourism; Fundamentals of hospitality; Professional development

Year 2

- Business development; Marketing strategy and communications; Research for management; Travel distribution or Hospitality operations

Plus two modules from:

- Destination management; Trends in food and beverage; Tourism in the global south; Hospitality design

Year 3

- Human resource management; Management challenge; Extended essay

Plus three modules from:

- Major and mega events or Destination marketing; Tourism and social justice or International hospitality operations; Heritage management or Urban tourism or International transport planning

Robotics

LSBU is one of the top robotics and mechatronics teaching and research centres in the UK. The Robotics Centre develops mobile robots for the inspection of safety infrastructure in extreme and hazardous environments.

LSBU currently offers:

- MSc Mechatronics, Robotics and Embedded Systems
- MSc Digital Architecture and Robotic Construction

Robotics – Landscape in Egypt

Mechatronics is widely taught at Engineering faculties in Egypt, including at state institutions such as Helwan, Alexandria and Ain Shams. A number of private Egyptian universities, including GUC, Future, MSA, MUST, and October 6, run BSc programmes in 'Mechatronics Engineering'. AUC runs both the BSc and MSc in Mechanical Engineering with an optional Mechatronics specialism, as well as the MSc and MEng in Robotics, Control and Smart Systems.

German University in Cairo appears to be the most active in robotics research, with its Mechatronics and Robotics Research Group, Medical Robotics Research Group, and Medical Micro- and Nano-Robotics Laboratory.

In the Egyptian government, there is a Mechatronics Department within the Information Technology Institute, a government agency that is part of the Ministry of Communications and Information Technology.

In an apparently crowded field, the LSBU Cairo top-up pathway to the MSc will be distinctive.

3. Course delivery

Course delivery will be face-to-face and modelled on delivery in the UK to the greatest extent possible. It would be desirable for some teaching to be delivered by digital means so that LSBU Cairo students may have exposure to senior academic staff in London. Physical contact hours with academic staff will be comprised of lectures, seminars, and (where appropriate) lab-based study. Some study will be self-directed.

Class hours vary depending on subject. A science-based degree such as Bioscience will include at least one weekly practical laboratory session, in addition to one lecture and seminar per module each week. There is an expectation that students will spend time in private study and reading.

LSBU makes extensive use of the Moodle Virtual Learning Environment to support student teaching, learning, communications and assessment. This will provide a student experience similar to that provided in London and distinct from that provided by the current validated programmes at BUE.

The two main USPs at undergraduate level will be based on employability and mobility. On employability: Tourism & Hospitality Management, for example, will incorporate one or more partnerships with high-end hotels that have presence in Cairo and London. On mobility: summer work placements in either London or with another European partner would be an attractive offer that does not appear to be part of the current HE landscape in Egypt. LSBU will have to work on inter-campus mobility opportunities in both directions, consistent with emerging practice of other UK universities with multiple locations. Note that new competitors in Cairo (eg, Coventry and University of Prince Edward Island) intend that inter-campus mobility will be core to their new programmes.

Undergraduate assessment methods are typically a mix of exams, assessed essays, and assessed project work.

Personal Tutoring support, including for advice on work experience, is an established part of course delivery at undergraduate level. See below.

4. School structure

LSBU has a 7-School structure; BUE has a 10-Faculty structure (soon 11). Most other Egyptian universities have a Faculty/Departmental structure, although American University in Cairo operates a School structure.

For LSBU Cairo, discussions with BUE have suggested a simplified 4-School structure in the first instance. These are envisaged as follows (bracketed titles indicate programmes to be introduced further in the future):

- School of Tourism, Business and Enterprise
 - Tourism & Hospitality Management
- School of Life Sciences
 - Bioscience
 - (Forensic Science; Biomedical)
- School of Advanced Technologies
 - Robotics
 - Mechatronics
 - (Games Design & Development)
 - (Nanotechnology)
- School of Future Science
 - Cyber Security
 - (Artificial Intelligence; Data Science)

5. Enrolment profile

In Year 1 (2020-21) it is envisaged and hoped that a total of 150-200 students will enrol across the three programmes. A conservative estimate of the total cohort in Year 3 (2022-23) is 600. See also Section G for Finance.

The great majority of the first cohort are expected to be domestic Egyptian students. BUE has students from about 47 countries but the total of non-Egyptians in 2018-19 was only 308 out of 10,500. LSBU Cairo should aim for an enrolment profile that includes a greater proportion of students from the MENA region and sub-Saharan Africa.

Inter-campus mobility between LSBU London and LSBU Cairo should be encouraged.

6. Quality assurance

The IBC is an integral part of LSBU which therefore requires the alignment to all the current academic quality and enhancement practices. The “Quality Culture” of LSBU will need to be maintained. This will be achieved in number of ways:

- 1) The IBC will have an academic management board which will report directly to the Quality and Standards Committee that has from the Academic Board delegated academic quality and standards responsibilities. The IBC academic management board will have representation from the academic and management staff of the IBC and also reps from the UIE. The annual monitoring reports etc will be passed through this board to Q&S. (In future it may be possible to have a TNE Board which has academic oversight of all TNE operations of which the IBC would be a part.)
- 2) It is a requirement of the MoE that there is direct oversight by LSBU which is also necessary for the award of foreign degrees in Egypt. In order to deliver this unequivocally as LSBU there will be a number of key appointments of staff directly employed by LSBU. This will include but not be limited to an academic manager role, an administration head role and link tutor. In the financial plan provision is made for at least one link tutor to be present at any one time.
- 3) All academic staff at the IBC must participate in an induction programme designed by relevant LSBU staff to equip IBC staff to be able to fully understand their responsibilities and the relevant processes they will participate in. The majority of the staff employed on local terms and conditions will be recruited with full oversight by LSBU.
- 4) The pedagogy will reflect as far as possible the student experience of Southwark through the use of VLE, access to online resources via the library and other digital sources. This will also scaffold the mobility of students in both directions.
- 5) Support from Teaching Quality and Enhancement (TQE) will be essential to the operation of the IBC, as at BUE, in providing oversight of the academic quality. Embedding academic quality and standards into a robust academic management structure is required for future sustainability.

7. Student care

The goal of providing a student experience equivalent to that provided in London extends to student care and support services. BUE is in the process of reviewing and upgrading its student welfare

services in particular. Its student support mechanisms are extensive and will be integrated with those for LSBU Cairo students where appropriate. See Appendix 2 for a list of BUE's current student care and support services.

BUE's range of student support services includes provision for physical health, emotional wellbeing and social engagement. LSBU students in London enjoy perhaps one of the best careers and jobs services in England; the Careers Service at BUE likewise provides support for CV writing, job search skills, interview preparation, mock interviews, networking, as well as the development of Employability Skills required by successful graduates. It also helps students to secure internships and work experience placements.

Personal Tutoring

At both BUE and LSBU, undergraduate students at LSBU are each allocated a personal tutor. Tutors are the primary contact for academic and professional development support. When students enter the Preparatory Year Programme they are allocated a Personal Tutor to guide and support them through their programme of study.

Given the lower initial student numbers at LSBU Cairo, personal tutoring support will be provided by module Directors.

D. Sales, Marketing and Admissions

1. Market Overview
2. Competition
3. Sales and marketing
4. Admissions

1. Market Overview

In early 2019, Egypt's population has just reached 100 million, of which about 18 million are in the 15-24 year age group. This population segment is expected to see significant growth in the coming years. Youth unemployment is high at 33% and is a serious concern. High unemployment among graduates with intermediate and advanced levels of education is a consequence of skills and knowledge not fitting market needs. This is common throughout the Middle East and parts of Asia. The Egyptian government has historically been a key graduate employer, but public-sector employment is shrinking.

The gross enrolment ratio for higher education is 35%. In 2014-15 there were 2.6m higher education students, of which only 111,000 (4%) attended private institutions.

State universities are crowded and almost free to attend for all but specialist programmes. The quality of provision in higher education is generally poor and perceived as such – though there are exceptions to this rule, for example, in engineering. The poor quality of provision and graduates is a core motivator for the government's decision to invite foreign institutions to offer their programmes in Egypt.

Market overview research on the Egyptian HE landscape has been conducted for Bioscience, Robotics, Tourism & Hospitality Management (T&HM), Public Health, Teacher Training, and Game

Design & Development. T&HM research included interviews with managers of luxury and middle-ranked hotels, the Egyptian Ministry of Tourism, and British Council and DIT at the British Embassy. This yielded the clear signal that a niche exists for LSBU if the USPs regarding employability, work placements and mobility are part of the programme.

2. Competition

Competition from new entrants to Egypt under the IBC legislation – for example, from Coventry – was discussed above in Section B. Our market research also included a close look at the potential competition from the existing private providers, notably AUC, GUC, MSA, Future, Newgiza, 6th October, Nile, Pharos and Arab Academy for Science, Technology and Maritime Transport.

AUC is in a category of its own in Egypt in terms of both fees and reputation: both are very high. GUC is invariably considered the next best. A recent article by Mohamed Loutfi (mentioned above) categorised BUE and the not-for-profit Nile University as ‘higher quality–lower price’, which seems a fair description based on our private-sector fees survey. Anecdotally, however, some students rank Newgiza and MSA University higher than BUE in terms of quality of provision.

3. Sales and marketing

LSBU is working with BUE on the marketing strategy. A local agency will be engaged to provide marketing support on the ground.

A range of techniques will be employed, including advertorials and public information sessions at hotels. Hoardings along main roads are a feature of the Cairo landscape. An important tool is social media, especially Facebook. New entrants such as the University of Canada appear to rely heavily on Facebook for responding to prospective student queries.

The primary student market for LSBU Cairo is within Egypt. Marketing strategies for the MENA region and sub-Saharan Africa will be rolled out to supplement enrolments from Egypt.

4. Admissions

The number of students at BUE is capped by the government so the recruitment process is not entirely market-driven.

Recruitment and admissions for LSBU Cairo will be the same as in London, and managed by the team in London. This will include visas, enquiries, offers, conversions and induction information. Once an offer is made the student will be handed to QS Enrolment Solutions, as in the UK.

As in London, prospective students at LSBU Cairo will provide pre-enrolment information online and then be invited to a face-to-face appointment for enrolment, at which time qualifications and other documentation will be checked in person. Once a student has been admitted to LSBU Cairo, there will be a point of contact and support on the ground in Cairo. LSBU will have a person to meet and greet

Students will be registered as students of LSBU and have the same registration status as LSBU students in the UK. The LSBU Student Record System will be tweaked so that it can be accessed from LSBU Cairo.

Entry to Foundation courses at LSBU requires an IELTS score of 4.5. Entry to undergraduate programmes requires a 6.0 score. Both of these will be maintained at LSBU Cairo. Admission to BUE requires a 6.0 score.

The basic requirement for university entry in Egypt is the high school diploma known as the Thanaweya Amma. AUC, for example, requires a score of 75% to be considered for admission. GUC requires a score of at least 5% higher than the annual minimum set for private universities by the Ministry of Higher Education. Admission to technical programmes such as engineering and biotechnology require completion of relevant specified courses at high school level. These are indicated in the Thanaweya Amma.

Scholarships

A requirement for an annual allocation of scholarships or grants to Egyptian students is contained in the new IBC law. BUE's main scholarship scheme, like others, is based on the Thanaweya Amma scores. It has five gradients. Seven other scholarship categories exist. At its inception, GUC had a generous scholarship scheme funded by DAAD. Indeed, GUC's success in Egypt is attributed in part to its having introduced a comprehensive scholarship scheme from the start. This scheme now includes a number of categories for new entrants and continuing students. Scholarships are generally maintained throughout whole programmes if the overall GPA is better than 3.5.

For LSBU Cairo, a substantial scholarship programme will therefore be agreed with the UIE and implemented.

E. Service provision for LSBU Cairo from LSBU in UK and the UIE

To the greatest extent that is feasible, services for LSBU Cairo will be provided directly from the home campus in London. This will include the Student Records System, digital access to the Moodle VLE and LSBU library, and student support that can be offered digitally.

The UIE will provide LSBU with serviced premises to run LSBU Cairo. The UIE will provide LSBU with a range of services to facilitate the operation of LSBU Cairo where it is not practical for LSBU to provide them directly. A partial list is as follows:

- Fees collection and cash handling
- Other financial services
- Academic advice and support services
- Student advice and support services
- Employment and careers services
- English language skills
- Other academic skills
- IT infrastructure to access LSBU resources
- IT support services
- Access to student accommodation

- Access to staff accommodation
- Access to catering facilities
- Access to student events and activities
- Employment and HR services

F. Property/estate

Estate

For the estate strategy there have been two proposed sites. The first site suggested (Plan 2) was to occupy buildings adjacent to the Science & Innovation Park (image 3) and Nanotechnology buildings of BUE. The site is approximately 800 m from the main BUE campus and also houses the EL Shorouk Academy.

Use of this site is favoured by our Egyptian partners. The LSBU Executive approved the use of this site in its meeting on 13 February, subject to confirmation that all appropriate facilities will be in place – for example, a student cafeteria.

The Science & Innovation Park area is a new development and the buildings on it have been constructed as shells and are being tailored to the use being made of them. As this is very much a development site there is currently no landscaping and the shared services of the library, student cafeterias and other services are thus far based on the main BUE campus. Landscaping of the site will make a considerable difference to its attractiveness.

Plan 2

Science & Innovation Park Plan - approx. 800m from BUE main campus

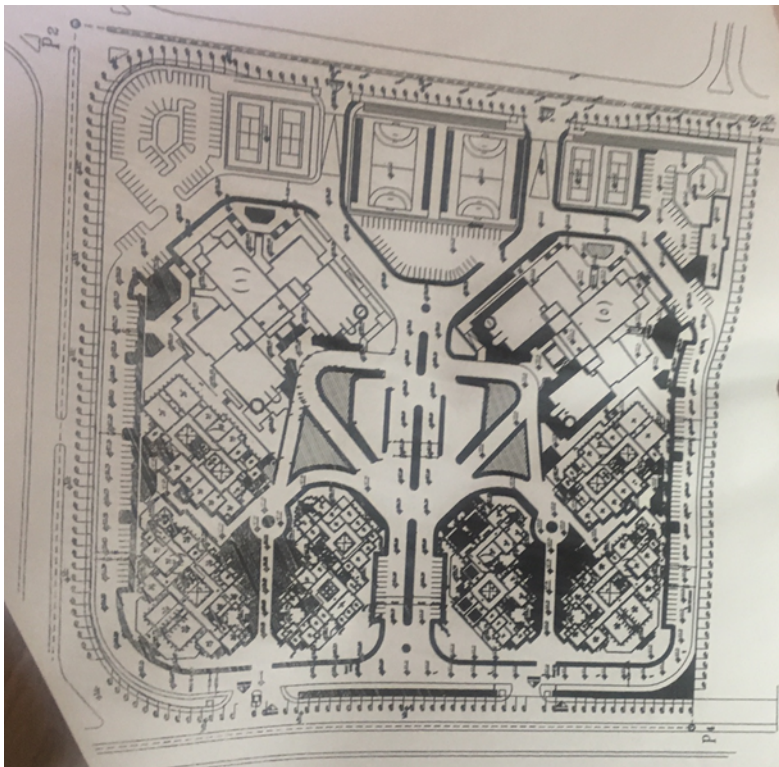
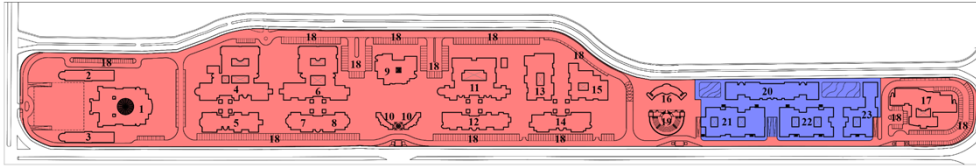


Image 3 Science Park



The second site proposed is in the rear part of the current main BUE (Plan 1) campus which is currently used for parking and for a sports field (image 2). It is largely underused and would have the advantage of adjacency to the food courts and main library. It is possible that from the Ministry of Higher Education point of view, use of this site would mean insufficient separation between LSBU and BUE. It is also likely that Mr Farid Khamis would wish to see maximum use being made of the buildings on the new Science & Innovation Park site.



THE BRITISH UNIVERSITY IN EGYPT

LONDON SOUTH BANK UNIVERSITY

Building (20) Ground Floor Built Area = 2202 m² - Total Built Area (Ground + 3 Typical) = 8808 m²
 Building (21) Ground Floor Built Area = 2354 m² - Total Built Area (Ground + 3 Typical) = 9416 m²
 Building (22) Ground Floor Built Area = 1996 m² - Total Built Area (Ground + 3 Typical) = 7984 m²
 Building (23) Ground Floor Built Area = 1640 m² - Total Built Area (Ground + 3 Typical) = 6560 m²
Total Built Area = 32768 m²

Plan 1 Building 20



Image 1 Building 20

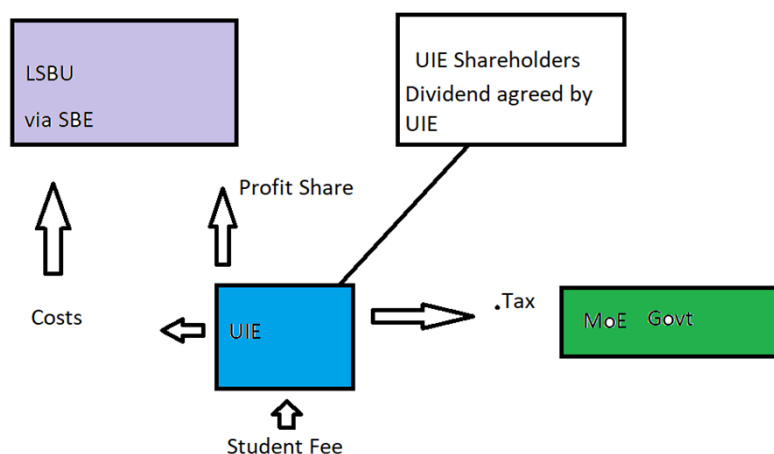


Image 2 - Area set aside for Building 20

G. Financial Information

The financial model is driven by the fee income from students recruited to LSBU Cairo. The UIE hosts the IBC and receives a reasonable and agreed return for the services provided. The charging is agreed by the contract between LSBU and the UIE. This is shown in the diagram of income flow below. The UIE collects the income and covers the costs. The UIE income is reconciled with LSBU and the surplus (or loss) is shared with the UIE. The UIE pays tax and pays dividends to shareholders.

Income Flow Cairo IBC



The key to the success of the IBC is the recruitment of staff on T&Cs in line with BUE current levels which allows the IBC to run with lower than current LSBU international fees but higher than BUE fees to prevent any favourable gradients developing.

Fee

LSBU agrees to pay the UIE the fee of £1 on the signing of the agreement. Thereafter the fees due to the UIE are set out in the Financial Model. The student fee is expected to be around £6500 before discounting.

IBC Premises

The UI will provide LSBU with serviced premises to run an IBC at EL Shorouk in Cairo. This is shown on the financial plan as the Estates Charge. This is based on m2 usage of the site which is variable.

IBC Services

The UIE will provide LSBU with the services at the IBC premises according to an agreed schedule. This is a bundle of services expressed a % of student fee on a per capita basis. This will need to be further defined with limits.

Staff

There is small core of LSBU staff at full cost to LSBU. Staff to be employed in Egypt will be employed by the UI but LSBU will be closely involved in eh recruitment. Some staff will be found locally and others will come from the UK and elsewhere. The latter group will receive an accommodation allowance and flights package. There will be a scale of Local Salary rates commensurate with responsibility and grade.

LSBU Student Services

There is an amount set aside to cover direct charges to LSBU student services. This is still be worked through in detail but student counselling and other time heavy activities will need to be “bought” directly and cannot be absorbed in central charging.

Marketing and Recruitment

Some resource will be bought in via the UIE but 3rd party services will be contracted to the IBC either via the UIE or directly but the IBC. Additions to existing LSBU contracts such as with QSES may be advantageous and which may also be shared with BUE to make the 3rd party investment costs effective and to the benefit of all parties.

Financial Summary

See also Appendix 1, below, for the Financial model.

Assumptions in GBP's							
Net Fees		Ratio's		Staff Costs	Amount	Inflation	Other
UG Fee	£6,500	Link Tutors	0.2	Local Academic	£23,000	5%	Corporation Tax 22%
PG Fee	£8,000	Staff Student Ratio (SSR) UG/PG	25	Local Ts and Cs +Travel and Accom	£32,000	5%	Space Usage £ 50
Research Rate	£10,000	Staff Student Ratio (SSR) Masters	10	LSBU Contract G8 Tutor	£68,235	2%	M ² per student 8
Fee Inflation	5%	Admin Staff Ratio	500	Local Admin	£15,000	5%	
		Local Ts&Cs to Local +Accom and Tr	66%	Local Acadmic Management FN	£37,000	5%	

After much modelling with BUE and looking at their historic data 50 students per stream is achievable. For three streams in the first year that would give an intake of 150. There is a split between staff on local Ts and Cs, with and without accommodation and travel and Staff employed directly by LSBU.

The model is dynamic and can be run with lower and higher student numbers. The lower staffing bill however allows for much flexibility and 60 students shows a modest surplus. There is room for further negotiation around charging on both the side of the UIE and LSBU so this model should be seen as indicative only as this point.*

There is a service cost to UIE and a separate charge for space and FM to the UIE. This is the main instrument for covering the services contracted to the UIE from the tuition fee. There will be a request to the UIE to waive the space charge for number of years which, it is understood, will be treated sympathetically.

There is cost attributed to LSBU services with a label of student services and a contribution line.

The model will be continually refined and a more advanced version will be produced for submission to MPIC.

*Taxation is yet to be applied and should be available shortly.

Appendix 2 – BUE Student Support Services

BUE's range of student support services includes provision for physical health, emotional wellbeing and social engagement. It has a Writing Centre to help undergraduates develop the writing skills required for their programme. The Careers Service at BUE provides support for CV writing, job search skills, interview preparation, mock interviews, networking, as well as the development of Employability Skills required by successful graduates. It also helps students to secure internships and work experience placements.

Annual Internship and Careers Fair

An annual employment/ Internship fair is held on campus for BUE students to obtain the best career opportunities possible. The fair is for both graduates and students and provides an opportunity to meet representatives of companies seeking to hire and train fresh graduates and students.

Welfare Counselling Service

A Student Welfare Counsellor provides a professional service on a confidential basis to individual students who are experiencing personal difficulties which may affect their studies.

Student clubs and societies

The Student Activities Department offers a broad range of clubs and societies to suit everyone. Students can join existing clubs and societies, or set up new ones. The list of clubs and societies at BUE is extensive, and include:

- Drama club
- Evona club
- BUE student chapter
- Society of Electrical Engineering
- Multicultural club
- BUE Hawks
- Google student club
- Utopian club
- Young Entrepreneur Society
- International Student Association
- ACELTA
- MODEL United Nation
- Talent Crew
- Musicians club
- The Pharmacist Society
- Society of Mechanical Engineering
- Fight for Light
- IEEE BUE SB
- GDI CLUB
- Spwla club
- Tedex @ BUE
- Actors City 1895
- Impact and Empower
- Enactus
- Smoove

- Sky club
- Society of chemical engineering

Students are also encouraged to participate in youth conferences in Egypt and around the world with support from the University.

Sports and Recreational Facilities

BUE offers a great variety of recreational and cultural trips, competitive sports and activities for students' participation and enjoyment. Sports facilities include football, tennis, volleyball, and basketball courts as well as a swimming pool.

Student Union

Student Union structures in Egypt are different from those in the UK. It is common for Unions to be established at Faculty level. BUE has active Student Unions in each faculty. Students can run for the officer positions through annual elections. This allows them to represent students and make a contribution to the governance of the University. The President of the BUE Student Union has a seat on the University Senate.

Shuttle bus service

A fleet of air-conditioned Mercedes buses is available to transport students to and from the campus from different areas in Cairo.

BUE Ambulance

BUE offers an ambulance which obtains all necessary medications and equipment. It is available to transport emergency cases to the nearest hospital.

Student dormitories

Student dormitories are available for students who want to move closer to campus or for international students.

Our dorms are right next to campus in a closed compound called Nakheel Residence. Networked and air conditioned dorms are provided separately for female and male students.

There is a weekly shuttle bus for shopping and 24 hour security and emergency cover.

Other facilities

- Bookshop
- Clinic
- Photocopy Centre
- Express Copy Centre
- Cafeterias
- Bank
- Sport facilities

Personal Tutoring

At both BUE and LSBU, undergraduate students at LSBU are each allocated a personal tutor. Tutors are the primary contact for academic and professional development support. When students enter

the Preparatory Year Programme they are allocated a Personal Tutor to guide and support them through their programme of study.

	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	The Board is requested to: approve the Academic Board new membership proposal (recommended by the Academic Board and attached as an appendix), and approve the opening of a new deposit account with Nationwide (discussed at FPR)

Executive Summary

A summary of Committee decisions is provided for information. Minutes and papers are available on modern.gov.

The membership of the Academic Board has been reviewed to increase representation of academic staff and the diversity of view on the Academic Board. The terms of reference and membership of the Academic Board is in the standing orders, which require Board approval to be changed. Proposed changes to the composition of the Academic Board are included in Appendix 1 for approval by the Board.

Academic Board Membership Proposal

Following a review of the Academic Board membership the Chair has proposed that changes are to be made. The changes will allow for an increased representation of academic staff on the Academic Board.

The Academic Board met on the 13 February 2019 and recommended to the Board the proposed membership changes:

- Three academic staff (a Dean and two senior academic staff from each school) will become part of the new membership structure. Senior academic staff has been defined as a member no less than the level of a senior lecturer.
- The non-teaching staff will consist of six members (Director of Academic Quality development, a research staff member, a technical staff member and three student representatives).

The diagram below shows the current membership structure (in blue) and the proposed membership changes (in pink). Updated terms of reference setting out the proposed membership is included in the appendix. The remit of the Academic Board remains the same.

The terms of reference and the membership of the Academic Board are set out in the standing orders. Any changes require Board of Governors approval.

Notes on committee meetings

South Bank Academies Board – [11 December 2018](#)

The Board noted:

- Governance update and recruitment of independent chairs' for the SBA Board and School Advisory Board's;
- Annual cost of living pay awards - the SBA Board approved the SBA proposed salary increases 2018/19;
- External audit findings – which identified a number of high risk areas. The report had been reviewed in detail by the SBA Audit committee and safeguarding by the LSBU Audit committee;
- Annual report and accounts 2017/18- the Board reviewed and approved the annual report and accounts 2017/18.

South Bank Colleges Board – 21 December 2018 (Email decision)

16 January 2019 and 29 January 2019

The Board discussed preparations for the transfer of Lambeth College (LC) to SBC, including the financial risks and legal completion documentation, and recruitment to the SBC Board of Directors. At its meeting of 29 January 2019, the Board approved the transfer of LC to SBC.

Audit Committee – [5 February 2019](#)

The Committee recommended to the Board:

- Approval of recommendation for appointment of BDO as the new internal auditors of LSBU Group – covered in the CFO's report.

The Committee approved:

- The changes to the LSBU financial regulations;
- On behalf of LSBU the members, the appointment of KPMG as external auditors for the closure accounts of Lambeth College up to 31 January 2019, subject to confirmation on the liability cap.

The Committee ratified:

- The TRAC return to the OfS, subject to Shachi Blakemore's confirmation of review.

The Committee discussed:

- The internal audit progress report from PwC – further updates to be provided at the June and September committee meetings;
- The external audit progress report from KPMG;
- The SBA internal audit report which looked at key financial controls, budgeting and financial monitoring and safeguarding. The report was rated as high – risk;
- The SBA external audit report, which identified a number of high –risk findings; noting the progress made;

- The corporate risk register including work to align the risk and corporate planning process;
- The “no deal” Brexit risk register – the executive would consider the potential impact on assumptions in the 5 year plan.

The Committee noted:

- The external return assurance processes and data quality governance processes;
- The changes in the Finance and Management Information structure;
- The update on compliance with GDPR;
- The anti-fraud, bribery and corruption report – no incidents reported;
- The speak up report – no new issues raised.

SBUEL Board – [7 February 2019](#)

The Board discussed:

- The SBE quarterly update including the year to date progress towards budget targets.

The Board noted:

- The risk of a lack of patent application oversight – update to be provided at the next SBUEL Board meeting.

The Board recommended:

- The debtors’ policy, with minor amendments to be circulated to the LSBU Audit Committee for approval.

Academic Board – [13 February 2019](#)

The Academic Board discussed:

- An update on the proposed degree algorithm changes;
- An update on Student Union issues – the Board discussed the work and promotion of the National Student Survey;
- The ASU Bahrain interim update report – the Board discussed the quality issues presented in the report.

The Academic Board noted:

- Those awarded Emeritus Professorships during the academic year 2018 -19;
- The Academic KPI’s performance for 2017/18 and the targets set for the academic year 2019/20.

The Academic Board recommended to the Board:

- Academic Board proposed new composition. The proposed terms of reference including the revised membership is included in Appendix 1.

The Academic Board approved:

- Education strategy 2018-2020;
- Framework for monitoring LSBU Apprenticeship Provision.

Finance, Planning and Resources Committee – [26 February 2019](#)

The committee discussed:

- Management accounts to 31 Dec 2018 – the full year forecast as at 31 December 2018 is trending towards a surplus of £1.5M, which would deliver the University on budget. Further information is available in the CFO report;
- Student recruitment update – the semester 2 2018/19 has been strong, as LSBU has presently enrolled 510 students against an overall new starter target of 500 across LSBU. With further intakes planned between February and June 2019 (for HSC UGPT and Apprenticeships courses), this is expected to take LSBU even further above its overall target. The committee recommended to the Board for approval; the opening of a deposit account with Nationwide. The semester 1 2019 main cycle performance continues to be strong. Further details are in the VC report;
- Student retention, lost income and service demand - As of 31 January 2019, there has been a reduction in the number and % of withdrawals and interruptions compared to prior year – further detail is provided in the VC report;
- Research & Enterprise and International update
- People and Organisation – the committee noted the report and that the search for a Director of HR is continuing.

The committee noted:

- Treasury management report;
- The proposed performance management framework 2020-25;
- ICT strategic update including the development of a long term digital strategy.

South Bank Colleges Board – [27 February 2019](#)

The Board noted:

- The Executive Principal's report which provided an overview of the progress in key areas such as performance, workforce planning and quality;
- The Accounting Officer's report which was focussed on the transition programme and capital programme (NESC). The Board would be provided with a presentation on the NESC project at the meeting in April 2019;
- The Chief Financial officer's report which provided an update on financial matters including the management accounts for the six months ending 31 January 2019;
- An update report on due diligence that was undertaken on the transfer of Lambeth College to SBC.

Major Projects and Investment Committee – [28 February 2019](#)

The committee discussed:

- Project LEAP – the committee received an update on the progress of the work package 1.5, which commenced in January 2019 and will run until May 2019.
- University estate redevelopment updates – Phase 1 of the Southwark redevelopment is in progress. A pre board presentation will be given at the Board of Governors meeting;

- SBC estates redevelopment update – demolition of the current Vauxhall site is underway. For occupation in August 2021; the meeting in May 2019, MPIC will be asked to recommend to the Board, the contract for the construction of the Nine Elms skills centre. Construction should be completed by June 2021;
- International Branch Campus – the committee discussed the benefits of a partnership with the University in Cairo. Subject to Board approval a licence application will be submitted to the Ministry of Education in Egypt by 18 March 2019 – separate item on the agenda;
- Croydon campus – the Committee discussed the potential to develop a campus in Croydon in partnership with Croydon council. The committee approved the submission of a proposal and a full business case for the Croydon campus;
- National College Creative Industries – the committee discussed that the NCCI based in Purfleet, Essex is one of 5 National Colleges in the UK. The benefits of having a National College brand name as part of the group was noted. The committee agreed that LSBU should continue to express interest in the College.

Academic Board: New membership structure

Current membership			New membership structure	
Posts	No. of members		Posts	No. of members
Holders of Senior Posts (3)	Provost (Chair) Chief Operating Officer (DVC Education) Chief Business Officer (DVC Innovation)	Pat Bailey Shân Wareing Prof. Paul Ivey	Holders of Senior Posts (3)	Provost (Chair) Chief Operating Officer (DVC Education) Chief Business Officer (DVC Innovation)
Senior Academic Staff and Professors (8)	Deans (x7) Nominated professor (x1)	Prof. Craig Baker – Dean, Law & Social Sciences Prof. Charles Egbu – Dean, Built Environment and Architecture Prof. Janet Jones- Dean, Arts and Creative Industries Prof. Patrick Callaghan- Dean, School of Applied Sciences Prof. Asa Barber - Dean, Engineering Sarah Moore- Williams - Dean, School of Business Prof. Warren Turner- Dean, Health and Social care NP: Prof. Shushma Patel	Senior Academic Staff and Professors (21)	3 members from each school: 1 Dean 2 Academic staff members (level no less than that of a senior lecturer)
Academic and Research staff (2)	Nominated research staff member (x1) Nominated academic staff member (x1)	Ian Albery Jenny Owen Janet Bohrer	Non-teaching staff/students (6)	Director of Academic Quality Development 1 nominated research staff member 1 nominated technical staff member 3 Student members - Students' Union, President - Students' Union, Vice President (Education) - Postgraduate student representative
Non-teaching staff (3)	Director of Academic Quality Development Director of Student Support and Employability Nominated member of professional staff	Kirsteen Coupar Lesley Roberts		
Technician (1)	Nominated member of technical staff	Tony Roberts		
Students (2)	Students' Union, President Students' Union, Vice President (Education)	Nelly Kibirige Sajjad Hossain		
Total members		19	Total number of members	30

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Academic Board

Terms of Reference

The Academic Board is responsible for academic standards and the direction and regulation of academic matters.

1. Remit

1.1 The remit of the Academic Board is to:

1.1.1 develop academic strategy and monitor progress against academic key performance indicators

1.1.2 monitor development of academic portfolio

1.1.3 oversee the development of the academic environment

1.1.4 have oversight of academic ethics

1.1.5 approve academic regulations and oversee their enactment, including for:

- admission of students;
- granting and annulling of degrees, qualifications and titles;
- exclusion of students for academic reasons;
- appointment of internal and external examiners;
- assessment and examination of academic performance of students;
- character of curricula;
- quality of courses including validation and accreditation by external bodies; and
- granting distinctions including honorary degrees and academic titles.

2. Membership

2.1 Membership consists of the following:

Holders of Senior Posts (3)	Provost (Chair)
	Chief Operating Officer (DVC Education)
	Chief Business Officer (DVC Innovation)
Senior Academic Staff and Professors (21)	Deans (x7) Two nominated senior academic staff members from each

	school (x14)
Non-teaching staff (6)	Director of Academic Quality Development
	Nominated member of research professional staff
	Nominated member of technical staff
	Students' Union, President
	Students' Union, Vice President (Education)
	Postgraduate student representative

2.2 A quorum consists of 7 members.

2.3 The term of office of nominated members is three years.

2.4 The Academic Board meets three times per year.

3. Reporting Procedures

3.1 The minutes (or a report) of meetings of the Committee will be circulated to all members of the Board of Governors.

[To be approved by the Board on 14 March 2019]

	INTERNAL
Paper title:	Project Larch update
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, University Secretary and Clerk to the Board of Governors
Purpose:	For Approval
Recommendation:	The Board is requested to note

Executive Summary

At its meeting of 12 July 2018, the Board of Governors established and delegated authority to a Project Larch sub-committee: “to approve the transaction {of transferring Lambeth College to South Bank Colleges} on behalf of LSBU and to grant any security to Barclays as necessary” (minute 10 of 12 July 2018 refers). Members of the committee were Jerry Cope, Douglas Denham St Pinnock, David Phoenix and Richard Flatman.

The committee met on 11 October 2018, 16 January 2019 and 29 January 2019 and the minutes are provided in a separate supplement for your information.

Meeting of 11 October 2018

At its meeting of 11 October 2018, the committee discussed legal advice on exiting the proposed arrangements, and discussed the updated legal due diligence report in detail. The committee’s conclusion (as reported to the Board meeting of 18 October 2018) was that “the committee considered that the risks identified in the report were manageable in the context of the strategy that the university is pursuing”.

At this meeting the committee discussed an update on pensions and approved a parent company guarantee for South Bank Colleges in relation to its admission to the LPFA.

At this meeting, and as reported to the Board meeting of 18 October 2018, the committee authorised South Bank Colleges (SBC) to approve and exchange the transfer agreement with Lambeth College (LC).

Meeting of 16 January 2019

At its meeting of 16 January 2019, the committee discussed the financial position of Lambeth College and key risks. At this meeting the committee “was reassured that good progress was being made on improving Lambeth College’s financial position” (minute 5).

The committee identified LEAP funding for the Lambeth College estates strategy as a key risk and requested an update at its meeting of 29 January 2019.

The committee also discussed an update on the legal completion process.

Meeting of 29 January 2019

The purpose of the meeting on 29 January 2019 was to consider, and if thought fit, approve:

- The proposed transfer of undertaking of LC and its associated property, assets and liabilities to SBC; and
- The consolidated banking arrangements with Barclays Bank PLC.

After due and careful consideration the committee, on behalf of the Board, approved the terms of, and entry into, the following documents by LSBU:

- (a) Admissions Agreement to admit SBC to the LPFA pension fund. LSBU has given a parent-company guarantee under this agreement to meet SBC’s obligations if SBC is unable to do so.
- (b) Facilities Agreement between LSBU and Barclays Bank Plc. As part of this agreement Barclays released security over David Bomberg House and took fresh security over McClaren House.
- (c) Governance Agreement between LSBU and SBC setting out the relationship between LSBU and SBC. The agreement restricts SBC making certain decisions without LSBU consent.

Legal completion

Legal completion happened on 31 January 2019. At this point, the assets and liabilities of LC transferred to SBC and the transaction documents listed above became effective.

Recommendation

The Board is requested to note the decisions of the Project Larch sub committee under delegated authority of the Board:

- The giving of parent-company guarantee in the Admission Agreement with the LPFA;
- The issuing of fresh security to Barclays Bank Plc over McClaren House; and
- The authorisation to SBC that it could accept the assets and liabilities of Lambeth College Corporation.

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	CONFIDENTIAL
Paper title:	Corporate Risk Report
Board/Committee	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Richard Duke, Director of Strategy & Planning
Sponsor(s):	Richard Flatman, Group CFO
Purpose:	For Information
Recommendation:	Board is requested to note the report

Executive Summary

The corporate risk register currently has:

- Two critical risks;
- Four high risks;
- Twelve medium risks;
- Three low risks

These risks are detailed in the paper, as well as mitigation and progress against actions.

The alignment of the current risk process with corporate and business planning is currently under review. A survey has been distributed to Operations' Board members where questions relating to corporate risk, local risk and risk systems are asked. When answers are reviewed, it is envisaged that a process that ensures risk management alignment with planning processes, that is undertaken as efficiently as possible will be designed and implemented.

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LSBU Corporate Risk: Board Summary Report – Feb 2019

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

Severity Rating	Critical	High	Medium	Low
Risk Types:				
Financial (Open)	<p>2: Revenue reduction if activity does not achieve H/EU UG recruitment targets (NL)</p> <p>3: Sustainability of pension schemes (RF)</p>	<p>625: Impact of Govt. Education Review on HE funding (RF)</p>	<p>14: Loss of NHS contract income (WT)</p> <p>402: Income growth from Research & Enterprise unrealised (PI)</p> <p>457: Anticipated international & EU student revenue unrealised (PI)</p> <p>624: LSBU Family integrated service benefits (IM)</p>	<p>517: EU Referendum Impact on regulation & market (DP)</p>
Legal / Compliance (Cautious)			<p>305: Data not used / maintained securely (SW)</p> <p>519: Negative Curriculum Assessment (SW)</p> <p>584: External incident compromises campus operations or access (PB)</p>	
Academic Activity (Seek)		<p>467: Progression rates don't increase (SW)</p> <p>37: Impact and affordability of Capital Expenditure investment plans (RF)</p>	<p>398: Academic programmes not engaged with technological and pedagogic developments (SW)</p> <p>495: Higher Apprenticeship degrees (PB)</p> <p>518: Core student system inflexibility / failure (SW)</p>	<p>494: Inconsistent delivery of Placement activity (SW)</p>
Reputation (Open)		<p>626: Impact of assurance activity & new initiatives fails to address issues around student experience (PB)</p>	<p>6: Management Information perceived as unreliable, doesn't triangulate or absent (RF)</p> <p>362: Low staff engagement or staff cost containment programme impacts performance negatively (PB)</p>	<p>1: Lack of capability to respond to policy changes & shifts in competitive landscape (DP)</p>

Risk summary reports: a high level overview of risk exposure by appetite risk type for risks with severity ratings of critical, high and medium.

Risk Type 1: Financial		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>2: Home UG Recruitment: (NL) Increased competition & narrowing candidate pool put pressure on applicant numbers. Brand positioning doesn't articulate LSBU offer effectively & impacts on conversion rate, leading to shortfall in anticipated income, or < tariff score</p>	<ul style="list-style-type: none"> • Weekly review of numbers in DARR report by MAC leadership team & Leadership group • LEAP programme workstreams • Annual MAT & Lambeth liaison plan • Course development lifecycle project will ensure organisation insight informs validation cycle 	<ul style="list-style-type: none"> • Response protocols completed for full 19/20 application cycle • Phase 1 School website content updated • Research project underway to assess impact of current 'value add' applicant offer.
<p>3: Pensions scheme sustainability: (RF) Increasing life expectancy & poor performance of funds post 2008 leads to greater deficit</p>	<ul style="list-style-type: none"> • Annual FRS 102 valuation • Strict control on early access to scheme 	<ul style="list-style-type: none"> • Mercers costed scenarios being considered in autumn, with HR representation.
<p>457: International Income: (PI) Government policy & UKVI process creates additional burdens to recruitment, and TNE partner models still in development</p>	<ul style="list-style-type: none"> • Annual cycle of training events with staff on UKVI • Recruitment reports to Executive by exception • Overseas offices support in-country recruitment • Partnership model established for new activity 	<ul style="list-style-type: none"> • School Roadshows on developing & managing partnerships delivered • UKVI Consultant report received & actioned • Egyptian Joint Venture in development
<p>625: Impact of Government HE Review: (RF) If a reduction in the funded unit of resource for HE students is recommended, and approved by parliament, it would undermine current operating model & contribution rates.</p>	<ul style="list-style-type: none"> • Annual Board approval of 5 year forecasts • CFO access to sector & professional expertise • Scenario planning for reduced resource levels 	
<p>14: NHS Contract Income: (WT) Changes to NHS management structures, and move from bursaries to loans for pre-Reg courses impacts on levels of income</p>	<ul style="list-style-type: none"> • QCPM & NMC course review processes demonstrate quality of provision to funders • Literacy & Numeracy no longer tested 	<ul style="list-style-type: none"> • New programmes in development • Havering lease now extended • Applicant process re-engineered

402: Research & Enterprise contracting:
(PI)

Forward financial plans anticipate increases in income which will need to be supported through reaching into new markets and areas of activity

- Bid writing workshops for academic staff delivered
- Sharepoint & FEC Research & Enterprise Approval Process for authorisation of new opportunities
- R&E activity Pipeline Reports (Financial & Narrative) provided to Business Planning Group

- Health Innovation Lab director appointed, and premises options under review
- ACEEU accreditation application underway
- Heads of Terms agreed for Cambridge research partnership

624: LSBU Family integrated service: (IM)
Obstacles may hinder planned synchronisation

- Interim appointments at Lambeth College

- Plans underway for transfer at year end

Risk Type 2: Legal / Compliance		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>305: Data use and access: (SW) The rise of cyber-attacks, and malicious attempts to circumvent existing controls pose a threat to data security. Evolving standards of good practice take time to become articulated within an institutional context and fully adopted as salient culture. European GDPR legislation came into force on 25th May 2018.</p>	<ul style="list-style-type: none"> • GDPR Project programme approved by Executive • Data Protection now included within suite of Mandatory Training modules for staff • ICT project process requires Privacy Impact Statements and changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board • IT access now linked directly to live info from i-Trent staff record system, and logical security protocols require 6 monthly change • Vulnerability tests scheduled weekly 	<ul style="list-style-type: none"> • GDPR project programme reviewed by project board
<p>19: Curriculum Compliance: (SW) The transition from sector funder (Hefce) to Regulator (OfS) sees a move away from the Annual Provider Review approach to quality assurance of provision, to achievement of registration conditions, which now connect explicitly to the stipulations of the CMA (Competitions & Markets Authority) around consumer protection. The links between Course Approval documents and Marketing content is not currently assured, and tolerance thresholds for changes to course content may vary in practice.</p>	<ul style="list-style-type: none"> • Academic Audit process is monitored by Academic Board, through reports from QSC (Quality & Standards Committee) • Curriculum creation process being transferred to the Registry function • All Course Specs being translated into new Educational Framework format • LEAP workstreams including CRM elements will help mitigate this risk, along with outputs of OEG project 3 	<ul style="list-style-type: none"> • Full audit of Course specifications now completed • OfS Registration process being overseen by project board & Company Secretary • Educational Framework specification documents now mandatory for all new programmes • LSBU Subject TEF pilot participation has informed review of core review cycles
<p>584: External Incident impact on campus: (PB) UK government's current terror threat level</p>	<ul style="list-style-type: none"> • Building Lockdown plans in place • Business continuity plans for critical activity reviewed annually by resilience team 	<ul style="list-style-type: none"> • Review actions now being implemented • Gold Command transferred to VC & COO.

of 'severe' and incidents during 2017 mean that a central London location places LSBU at greater risk of being impacted by a future event.

- Emergency Information sets at receptions
- Halls Accommodation aid agreement in place with London School of Economics
- Annual scenario testing with Executive

Risk Type 3: Academic Delivery		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>467: Progression: (SW) Despite a revised focus on the re-enrolment process, the progression rate fell by 2% to 75% for full time students, and is featured as a negative flag on some of the metrics supplied through the Subject TEF pilot process.</p>	<ul style="list-style-type: none"> • Range of data in the Corporate Warehouse being expanded to utilise the MIKE platform to provide greater insight and analysis to academic staff • Study support provided by Library & LRC • CRIT embeds support in high impact modules • Personal tutoring minimum specification published 	<ul style="list-style-type: none"> • Course Director Role Description completed & provided to the School DESEs • New Progression dataset tested and added to Data Warehouse for ongoing reporting • 1 LEAP workstream will impact on this
<p>37: Capex impact on business: (RF) Project ambitions and scales do not achieve planned impact, or not in alignment with current cash generation capacity or asset valuations.</p>	<ul style="list-style-type: none"> • Capex reporting embedded into management accounts provided to FP&R Committee • Estates project methodology controls & governance • Financial Regs require Board approval >£2m 	<ul style="list-style-type: none"> • Sino-campus Steering Panel ongoing • Perry disposal options being considered • St Georges options being tested with Clive Crawford Associates
<p>398: Technology & Pedagogy: (SW) Some competitors have made greater investment in using learning analytics to support the learning experience, & embedding Classroom technology. There are sector concerns with regard to the priority attached to teaching support by OfS & Advance HE, and CRIT Reorganisation could impact on delivery.</p>	<ul style="list-style-type: none"> • CRIT (Centre for Research Informed Teaching) reports to the Student Experience Committee & to the Quality & Standards Committee. • Delivery of the Technologically Enhanced Learning Strategy (TEL) through Educational Framework & Quality Processes monitored by Academic Board. • Digital baseline created for all Moodle sites 	<ul style="list-style-type: none"> • CPD sessions for Course Directors delivered utilising TESTA framework • Lecture capture facilities being provided to pilot group using Panopta on laptops, with associated training sessions • Moodle baseline available to all staff & contained within new site template
<p>495: Apprenticeships: (PB) Some issues with system adaptations in order to accommodate all requirements of running Apprenticeship programmes, and some sector reports have introduced some uncertainty over future enrolment patterns.</p>	<ul style="list-style-type: none"> • The Apprenticeships team is now fully established within LSBU • 6 monthly progress report from Apprenticeships Steering Group scrutinised by 	<ul style="list-style-type: none"> • Passmore Centre refurbishment project now underway • Launch events in preparation stages • Ofsted preparation task group in place

	Academic Board covers IPTE and the Passmore Centre.	
<p>518: Core Student Systems: (SW) Although the LEAP project is underway to create a paradigm shift in administration of the student journey, existing platforms will be required in the interim, and are patched and burdensome.</p>	<ul style="list-style-type: none"> • LEAP Programme project Updates scrutinised by Academic Board, & Exec & FP&R. • Operational Issues reported & tracked through ICT TopDesk system, with internal escalation protocols. 	<ul style="list-style-type: none"> • Timetabling review completed, and some recommendations implemented • PWC appointed as LEAP Programme Change Partner

Risk Type 4: Reputation		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>626: Assurance activity & new initiatives fail to address student experience issues (PB)</p> <p>Changing expectations, a value media focus and campus developments may impact negatively on student perceptions of experience, and new initiatives may not address known issues or variations in performance levels</p>	<ul style="list-style-type: none"> • Action plans for each School & for Institution • Year 1 & Year 2 UG Student Experience Survey (SES) identifies issues with cohorts ahead of Y3 • Funding ring fenced for staff mini project submissions to address student experience issues • Comms plan aims to shift student perceptions • Long term roadmaps in development to identify greater opportunities for incorporation of student feedback in provision of professional services 	<ul style="list-style-type: none"> • New module questionnaire in development • New invigilation approach being rolled out • Courses below agreed performance threshold identified for further activity
<p>6: Management Information: (RF)</p> <p>Past concerns expressed regarding triangulation of data from separate returns made to the designated data body, and controlled internal access to this business intelligence.</p> <p>Lack of detailed articulation of interdependencies between data systems and use of multiple system fields</p>	<ul style="list-style-type: none"> • Data Assurance Group mechanism • MIKE platform for sharing data & visualisations using corporate warehouse • Continuous Audit programme reviews student and financial data for accuracy • Systemised data checks and reviews completed by PPA team prior to external submission. 	<ul style="list-style-type: none"> • Performance scorecard project underway to develop measures for professional services • LEAP programme includes an information & reporting work stream • MIKE phase 2 datasets in testing phase prior to formal release • Subject TEF pilot submission outcome being analysed and metrics integrated into MIKE
<p>362: Low staff engagement or staff cost containment impacts performance: (PB)</p> <p>Systems and structures don't achieve intended facilitation of collaborative working across the institution.</p> <p>Reward and recognition packages perceived to be out of line with other sectors or institutions, or not applied equally across full range of protected characteristics.</p> <p>Frozen fee levels and continued challenges in recruitment market have contributed to flat income predictions and planned staff cost reduction programme, which could lead to lower engagement, disruption in service provision or skills / knowledge gaps that impact on delivery.</p>	<ul style="list-style-type: none"> • Town Halls cascade corporate messages • Regular engagement with Unions on staff matters • Shape & Skills approach to review • Comms strategy approved by Exec for MAC team • HR Business Partners manage all change activity • Direct staff feedback is encouraged through VC 'Continuing the Conversation' events & Yammer • Employee engagement champions network • Planning process promotes golden thread connection from Corporate Strategy, through Local Roadmaps to Staff Appraisals. • OEG project 5 will develop an approach to service levels and business partnering 	<ul style="list-style-type: none"> • All Staff email introduced programme remit • Leadership forum group established • Procurement completed on Sodexo platform to deliver benefits to all staff & contractors • Engagement survey results provided to management teams in Schools & PSGs

Appendix: LSBU Corporate Risk Register - Cover page, Risk overview matrix; by impact & residual likelihood

Date: 21st January 2019 **Author:** Richard Duke – Director of Strategy & Planning **Executive Lead:** Richard Flatman – Chief Financial Officer

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>		2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)	3. Sustainability of current pension schemes (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>	6: Management Information (RF) 37: Affordability of Capital Expenditure investment plans (RF) 305: Data not used / maintained / processed securely (SW) 362: Low staff engagement (PB) 457: Anticipated international & EU student revenue unrealised (PI) 495: Higher Apprenticeships (PB)	3: Increasing pensions deficit reduces flexibility (RF) 467: Progression rates don't rise (SW)	
	2 Medium <i>failure to meet operational objectives of the University</i>	1: Capability to respond to change in policy or competitive landscape (DP) 517: Impact of EU Referendum result on regulation & market trends (DP) 494: Inconsistent delivery of Placement activity across the institution (SW)	14: Loss of NHS contract income (WT) 398: Academic programmes not engaged with technological and pedagogic developments (SW) 402: Unrealised research & enterprise £ growth (PI) 584: External incident compromises campus operations or access (PB) 518: Core student system inflexibility / failure (SW)	
	1 Low <i>little effect on operational objectives</i>			
		1 - Low	2 - Medium	3 - High
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>
		Residual Likelihood		
	Executive Risk Spread: VC – 2, DVC – 3, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 1, CMO -1, Dean Health – 1, US - 0			

Update Summary: Overview of changes since presentation at previous Operations Board, and overdue action progress updates:

<i>Reference</i>	<i>Risk title</i>	<i>Actions in Progress</i>
Goal 1: Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise		
398 (SW)	Low engagement with tech or pedagogic developments	
467 (SW)	UG Progression rate doesn't rise	Dashboards progress note: Dashboards have been created, but there is still progress to make in terms of integration into review processes and reports for the Academic Quality & Standards Committee. This work is envisaged to be developed in 2018/19.
Goal 2: Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.		
518 (SW)	Core Student System inflexibility / failure	Student enquiry management progress note: The necessary funding wasn't allocated during 17/18, and this requirement will now be incorporated into the LEAP programme.
519 (SW)	Negative assessment of curriculum compliance	Curriculum set up transfer progress note: The capacity within TQE is not currently available for transfer, due to complexity of current JDs & structures.
Goal 3: Employability: Ensuring students develop skills, aspiration and confidence.		
494 (SW)	Inconsistent delivery of Placement activity across institution	
Goal 4: Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.		
402 (PI)	2020 £ growth through Research & Enterprise	Health CPD action progress note: Business case completed, and is due for review by the SBUEL board, and confirmation awaited regarding premises for operation. LSBUEL revised operating structure: Clearance received from Governing body to expand remit. Paper going to Executive for approval.
Goal 5: Access: Work with local partners to recruit, engage and retain students with the potential to succeed.		
495 (PB)	Impact of Higher Apprenticeship degrees	IPTE structure progress note: Pat Bailey appointed to national UCAS Advisory Group re apprenticeship application processes, to inform marketing/recruitment strategies, and link to LSBU family approach.
Goal 6: Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.		

457 (PI)	International & EU student £income unrealised	EU Partners progress note: Potential partnerships with Latvia & Portugal are in development, along with a new partnership with ISM from Vilnius in Lithuania, who visit LSBU in Sep. Movement to Medium severity rating due to good second semester recruitment, thus reducing impact.
517 (DP)	Impact of EU Referendum	
Goal 7: People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.		
1 (DP)	Response to environmental change & reputation	
362 (PB)	Poor Staff Engagement	

<i>Reference</i>	<i>Risk title</i>	<i>Overdue Action Progress Notes</i>
Goal 8: Resources & Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.		
2 (NL)	Home UG Recruitment income targets	<p>School & College Outreach progress note: MAT & Lambeth liaison plans already in place. Further action on hold pending recruitment to a new Grade 8 position to develop a more tactical approach to outreach, involving greater linkage with academic staff.</p> <p>Corporate Comms plan progress note: PR agency appointment on hold pending restructure of the team. Revised plan to be developed by Dec, to shift focus towards strategic approach to conveying brand strengths to audiences.</p> <p>Brand Architecture & Narrative progress note: Proposal to be shared with Exec in Autumn when agendas permit.</p> <p>School Web pages progress note: Stage 1 updates were completed ahead of Clearing. Stage 2 updates; a further re-design to incorporate LSBU group aspects, is being actioned for Feb 2019.</p> <p>Institutional Brand Campaign: Marketing & Recruitment plan for 19/20 entry is being reviewed in early September, with School level marketing plans (digital) being approved & finalised by the end of September.</p>
3 (RF)	Pensions deficit	
6 (RF)	Quality and availability of Management Information	<p>Phase 2 of MIKE Data Warehouse contents progress note: The PPA team has been restructured & includes the BI & Reporting team, & this action is included within the agreed 18/19 objectives of the team.</p> <p>Performance Scorecards progress note: These metric sets are being taken forward as part of the development process for the next Corporate Strategy, and will be operationalised during 18/19.</p>

14 (WT)	Loss of NHS income	Health CPD action progress note: Re risk 402 - business case for a training company has been drafted, approved by Executive, & is due for review by SBUEL board meeting.
37 (RF)	Impact & affordability of Capital Investment plans	
305 (SW)	Corporate & personal data security & use	Windows 2003 action progress note: We have circa 300 servers at LSBU, and those running Windows2003 have reduced from about 30 to 5 in the past 9 months, and these 5 are scheduled for upgrade or shutdown in the next couple of months.
584 (PB)	External incident impacts operations or access	
624 (IM)	Benefits of LSBU Family integrated service project unrealised	

	CONFIDENTIAL
Paper title:	SU code of practice
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Shân Wareing, DVC and COO Pat Bailey, Provost
Purpose:	For Information
Recommendation:	The committee is requested to note the proposed changes to the SU code of practice.

Executive Summary

Under Section 22 of the Education Act 1994 the LSBU is required to take such steps as are reasonably practicable to secure that the Students' Union (SU) operates in a fair and democratic manner and is accountable for its finances. In addition it is required to agree a Code of Practice to ensure that a number of requirements are complied with by the SU. The Code of Practice was last agreed by the Board in 2012.

A proposed updated Code of Practice is attached along with a proposed pro forma annual compliance report from the SU to LSBU. The funding agreement between LSBU and the SU has been updated to reflect the revised Code of Practice.

The SU have been consulted on the proposed changes and are broadly content. The SU trustee board and the LSBU board will be requested to approve the revised documents at their spring 2019 meetings.

The committee is requested to approve the revised Code of Practice and pro forma annual compliance statement

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CODE OF PRACTICE
(subject to approval by LSBU Board of Governors)

LONDON SOUTH BANK STUDENTS' UNION

(Education Act 1994 Section 22)

Under Section 22 of the Education Act 1994 London South Bank University ("the University") is required to take such steps as are reasonably practicable to secure that the London South Bank Students' Union ("the Union") operates in a fair and democratic manner and is accountable for its finances. In particular the University is required to take such steps as are reasonably practicable to secure that the following requirements are observed by the Union.

This Code of Practice sets out how the below requirements are to be carried into effect by the Union and sets out, in relation to each of the requirements, details of the arrangements made to secure its observance.

1. *Constitution 22(2)(a)& 22(2)(b). The union should have a written constitution. The provisions of the constitution should be subject to the approval of the governing body and to review by that body at intervals of not more than five years.*

The Union has its own written Constitution, which is subject to approval by the Board of Governors of the University ("the Board"), and is reviewed by the Board at intervals of not more than 5 years. Anything described in this code as "constitutional" is contained in the Union Constitution.

2. *Opting Out 22(2)(c). A student should have the right not to be a member of the union, and students who exercise that right should not be unfairly disadvantaged, with regard to the provision of services or otherwise, by reason of their having done so.*

Any enrolled student of the University has a statutory right to opt out of Union membership. The option to opt out of membership is clearly signposted as part of the University enrolment process.

3. *Election to major Union offices by secret ballot 22(2)(d). Appointment to major union offices should be by election in a secret ballot in which all members are entitled to vote.*

Election provisions, including the election of major union offices by secret ballot, are outlined in Regulation D of the Constitution

4. *Fair and proper conduct of Union elections 22(2)(e). The governing body should satisfy themselves that the elections are fairly and properly conducted.*

The Union elections are monitored on behalf of the Board by the appointed Returning Officer. The Returning Officer shall supply the Board with a certificate each year that the elections of the Union's Sabbatical Officers and Student

Trustees have been fairly and properly conducted..

5. Limit on terms of office 22(2)(f). *A person should not hold sabbatical union office, or paid elected union office, for more than two years in total at the establishment.*

There is constitutional provision for no person to hold sabbatical or paid union office for more than two years in total.

6. Union finances 22(2)(g) *the financial affairs of the union should be properly conducted and appropriate arrangements should exist for the approval of the union's budget, and the monitoring of its expenditure, by the governing body.*

The Union will produce monthly reports on its income and expenditure against the approved budget. Monthly reports will be made available on request by the Board or University Executive.

A six monthly financial report and Annual Accounts will be provided to the Board, or appropriate subcommittee.

7. Financial reports 22(2)(h). *Financial reports of the union should be published annually or more frequently, and should be made available to the governing body and to all students, and each such report should contain, in particular (i) a list of the external organisations to which the union has made donations in the period to which the report relates, and (ii) details of those donations.*

The Union will publish Annual Accounts. The Union shall have its accounts audited annually by a public accountant in the active practice of their profession. The audited accounts shall be presented annually to the Board, or appropriate sub-committee. They will also be presented to the Union's Members at the Union's Annual General Meeting.

Annual Accounts will be made available on-line and will include:

- A list of external organisations to which the Union has made donations in the period to which the report relates; and
- Details of those donations.

8. Allocation of Union resources to groups or clubs 22(2)(i). *The procedure for allocating resources to groups or clubs should be fair and should be set down in writing and freely accessible to all students.*

The Union will publish online the procedure for applying for and allocating funds to groups and societies. The Union will provide an annual report summarising how resources were allocated to the Board, or appropriate sub-committee, and the Union's Members.

9. Notice of decision to affiliate 22(2)(j). *If the union decides to affiliate to an external organisation, it should publish notice of its decision stating (i) the name of the organisation, and (ii) details of any subscription or similar fee paid or proposed to be*

paid, and of any donation made or proposed to be made, to the organisation, and any such notice should be made available to the governing body and to all students.

The Union will publish online notice of all decisions to affiliate with external organisations and the details of any payments made to those organisations.

10. *Annual report on affiliations 22(2)(k). Where the union is affiliated to any external organisations, a report should be published annually or more frequently containing (i) a list of the external organisations to which the union is currently affiliated, and (ii) details of subscriptions or similar fees paid, or donations made, to such organisations in the past year (or since the last report), and such reports should be made available to the governing body and to all students.*

The Union will provide an annual report summarising its affiliations to the Board, or appropriate sub-committee, and the Union's Members.

11. *Review of affiliations and right to requisition secret ballot 22(2)(l). There should be procedures for the review of affiliations to external organisations under which (i) the current list of affiliations is submitted for approval by members annually or more frequently, and (ii) at such intervals of not more than a year as the governing body may determine, a requisition may be made by such proportion of members (not exceeding 5 per cent.) as the governing body may determine, that the question of continued affiliation to any particular organisation be decided upon by a secret ballot in which all members are entitled to vote.*

There is constitutional provision for the annual submission and approval of affiliations to external organisations at an Annual General Meeting of the Union.

The Union will notify its members of the right of secret ballot in which all members are entitled to vote for or against continuation of any particular affiliation, provided that (a) 150 or more of members sign a request for the ballot and (b) 365 days or more have passed since the last request relating to the same affiliation.

12. *Union complaints procedure 22(2)(m). There should be a complaints procedure available to all students or groups of students who (i) are dissatisfied in their dealings with the union, or (ii) claim to be unfairly disadvantaged by reason of their having exercised the right not to be a member of the union,*

The Union will provide an annual report to the Board, or appropriate sub-committee, summarising all complaints pursued by means of the constitutional complaints procedure, including those from students who allege unfair disadvantage after opting out of membership.

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London South Bank Students' Union
Annual Report on compliance with Code of Practice

1. Constitution:

The Union's constitution was last reviewed on [date] and revisions approved by LSBU's Board of Governors on [date]. The Union's constitution is next due for renewal in [Year].

2. Opt-Out

The option to opt out of Union membership is clearly signposted as part of the University enrolment process.

3. Union Elections

The elections for the Union's Sabbatical Officers were held on [date], in accordance with Regulation D of the Union's constitution.

The elected Officers are:

- President
- Vice President, Education
- Vice President, Welfare and Equalities
- Vice President, Activities & Employability

4. Conduct of Union Elections

The Union's elections were monitored by the appointed Returning officer. LSBU's Board of Governors received the report of the returning officer on [date] confirming that the elections of the Union's Sabbatical Officers and Student Trustees were fairly and properly conducted.

5. Terms of Office

In [Year] no Union Sabbatical Officer had held office for more than two years in total.

Role	Individual	Date Appointed	Previous Positions held	Total years in Office
President	Nelly Kibirige	[DATE]		
Vice President, Education	Sajjad Hossain	[DATE]		
Vice President, Welfare and Equalities	Samantha Robson	[DATE]		
Vice President, Activities & Employability	Kat Colangelo	[DATE]		

6. Union Finances

The Union produced monthly reports on its income and expenditure against the approved budget.

A six monthly financial report was provided to the [Executive/Board and/or Committee] on [date].

Annual Accounts were provided to the [Executive/Board and/or Committee] on [date].

7. Financial Reports

The Union's annual accounts were audited by [insert name]. The auditors provided an [unqualified opinion which stated: [insert auditor's opinion].]

The audited accounts for [date] were approved by its trustees on [date]. The annual accounts include a list and details of donations made by the Union to external organisations during the year.

The audited accounts were presented to the [Board and/or Committee] at its meeting on [date].

The accounts were presented to the Union's members at its Annual General Meeting on [date] and are published on the Union's website [insert hyperlink].

8. Union Resources

The Union's procedure for applying for and allocating resources to groups and societies is published on the Union website [insert hyperlink].

In [year] [amount] was allocated to groups and societies.

Group / Society	Amount
Total allocated:	

9. Notice of Decision to Affiliate

In [year] the Union [did not affiliate with any new external organisations / made the decision to affiliate with the following external organisations]. [Details of the individual organisations and any payments made to those organisations are included in the table below.] [Notice of all decisions to affiliate were published on the Union's website [insert hyperlink].]

External organisation	Subscription/fees paid	Date of affiliation

10. Report on Affiliations

The Union is affiliated with the following external organisations.

External organisation	Subscription/fees paid in [year]

A list of the Union’s affiliations is published on the Union’s website [insert hyperlink].

11. Review of Affiliations

The current list of affiliations was submitted for approval by the members of the Union at its Annual General Meeting on [date].

Union members were notified of their right to hold a secret ballot to vote for or against continuation of any particular affiliation, in line with the requirements stipulated by the Board. [No requests for a secret ballot were submitted/ a request for secret ballot was submitted in relation to x but did not obtain the required number of signatures to proceed / a request for secret ballot was submitted and upheld in relation to x organisation...]

12. Complaints Procedure

The Union’s complaints procedure is published on the Union’s website [include hyperlink].

In [year] the Union received [number] complaints.

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	CONFIDENTIAL
Paper title:	Standing declaration of interest
Board/Committee:	Board of Governors
Date of meeting:	14 March 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For approval
Recommendation:	The Board is requested to authorise the newly declared interests of Michael Cutbill, independent Governor.

Executive Summary

1. Under the Companies Act 2006, governors have a duty to avoid a "situation" in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of LSBU, unless this has previously been authorised by the Board. Michael Cutbill has recently declared new interests to the Secretary.
2. The Board is requested to authorise the new interests.
3. When authorising their interests, the Board will need to consider whether to attach any conditions to the authorisation.
4. The Board is requested to authorise the declared situational conflicts of Michael Cutbill.

Michael Cutbill:

- Director of Age UK Information and Advice Lottery CIC
- Director of Age UK Local Programmes Lottery CIC
- Director of Age UK Education and Research Lottery CIC

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