

Meeting of the Board of Governors

4.00 - 6.00 pm* on Thursday, 12 October 2017
in Boardroom - Technopark, SE1 6LN

* 3.30 – 4pm pre Board presentation on St George’s Quarter proposals in the Boardroom

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 - 10	JC
4.	Matters arising	11 - 12	JC
Items to discuss			
5.	Vice Chancellor's report	13 - 24	DP
6.	Chief Financial Officer's report	25 - 36	RF
7.	Project Larch update	37 - 42	DP
8.	Equality and Diversity annual report	43 - 68	IM
9.	Risk appetite	69 - 72	RF
10.	Corporate risk register - annual detailed review	73 - 96	RF
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>			
11.	Fire assessment report	97 - 100	ME
12.	Board strategy day report	To Follow	JC
13.	Reports on decisions of committees	101 - 126	JS
14.	Standing orders review	127 - 136	JS
15.	Annual work plan	137 - 146	JS

No. Item

Pages

Presenter

**Date of next meeting
4.00 pm on Thursday, 23 November 2017**

Members: Jerry Cope (Chair), David Phoenix, Sodiq Akinbade, Steve Balmont, Shachi Blakemore, Duncan Brown, Julie Chappell, Michael Cutbill, Douglas Denham St Pinnock, Peter Fidler, Carol Hui, Hilary McCallion, Kevin McGrath, Jenny Owen, Tony Roberts and Suleyman Said

Apologies: Mee Ling Ng

In attendance: Pat Bailey, Richard Flatman, Ian Mehrtens, James Stevenson and Michael Broadway

	CONFIDENTIAL
Paper title:	Minutes of the meeting of 13 July 2017
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor:	Jerry Cope, Chair of the Board
Purpose:	To approve the minutes of the last meeting as a correct record and note the redactions for publication.

Executive Summary

The Board is asked to approve the minutes of its meetings of 13 July 2017 and note the suggested redactions (in grey) for publication on LSBU's website.

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**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 13 July 2017
Boardroom - Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Andrew Owen (Vice-Chair)
David Phoenix
Sodiq Akinbade
Steve Balmont
Shachi Blakemore
Julie Chappell
Michael Cutbill
Douglas Denham St Pinnock
Neil Gorman
Carol Hui
Hilary McCallion
Mee Ling Ng
Jenny Owen

Apologies

Kevin McGrath
Tony Roberts
Suleyman Said
Pat Bailey

In attendance

Richard Flatman
James Stevenson
Michael Broadway
Paul Ivey (for minute 10)

1. Welcome and apologies

The Chair welcomed Julie Chappell and Sodiq Akibade to their first meeting as governors.

The above apologies were noted.

The Chair reported that the Board had just received an informative presentation on internationalisation.

2. Declarations of Interest

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

3. Minutes of previous meeting

The Board approved the minutes of the meetings of 18 May 2017 and 13 June 2017 subject to minor amendments and their publication with redactions.

4. Matters arising

All matters arising had been completed.

The Chair requested that governors respond in a timely manner to decisions made by email. It was agreed that where a decision was required, this would be made clear in the email title.

5. Independent governor recruitment update

The Chair updated the Board on independent governor recruitment. Three new independent governors had been appointed bringing the total on the Board to 12, with headroom of one vacancy.

6. Board and committee composition

The Board noted its composition for the next academic year 2017/18 and the membership of its committees, Academic Board, SBUEL Board and South Bank Academies Board.

The Board noted that Douglas Denham St Pinnock would join the Honorary Awards Joint Committee.

A time limited working group had been established by the Chair of the Board to review the governance structure of the expanding 'LSBU group', reporting in autumn 2017.

The Board noted that a "pulse" survey on board effectiveness would be circulated to governors after the meeting.

The Chair reported that governor pairs should be rotated, where practicable, for the start of the new academic year.

The Board noted that Professor Patrick Callaghan had been appointed Dean of Applied Sciences and would start on 1 September 2017. The Board noted that Professor David Mba, Dean of Engineering had resigned and would leave in August 2017.

7. Vice Chancellor's report

The Board discussed in detail the Vice Chancellor's report, which reviewed progress against the three outcomes in the corporate strategy: student success; real world impact; and access to opportunity.

The Board congratulated the executive and staff on achieving a “silver” rating in the Teaching Excellence Framework (TEF).

The Vice Chancellor updated the Board on student recruitment for 2017/18. Full time undergraduate applications were 2% down on the previous year, compared to 5% nationally. The focus was now on clearing.

The Board noted that the University had expressed an interest in taking the health related provision of BPP. The potential for establishing a School for Medicine and Dentistry focusing on primary care was being developed. Any proposals would go to the Major Projects and Investment Committee for approval.

The Board noted that the proposed charge over the Passmore Centre in favour of the London Borough of Southwark as security for the £5m grant was being negotiated. The Board would be requested to approve the final form of the charge via email.

The Board requested that the fire assessment report is brought to the Board meeting of 12 October 2017.

8. Chief Financial Officer's report

The Board discussed the Chief Financial Officer's report, including the current financial position and the proposed budget and five year forecasts.

The May 2017 management accounts forecast was £144.5m income and £1m surplus for the year end, delivering to target. The Chief Financial Officer updated the Board on the June 2017 management accounts which showed a forecast surplus of £1.5m.

The Board discussed the proposed budget for 2017/18 which had been discussed in detail by the Finance, Planning and Resources Committee. The budget showed target income of £150.5m to deliver a £1.5m surplus. The Board noted that there was £3m contingency to give in-year flexibility for any student recruitment shortfall and to allow investment in any “step change” projects.

The Board noted that the executive was developing “step change” projects on the educational framework; digitally enhanced learning; and student records system. The Board supported additional investment in these areas and requested updates. A report on digitally enhanced learning was due for the Board in autumn 2017.

The Board approved the proposed budget for 2017/18 with a baseline target surplus of £1.5m, with a stretch target of a £3m surplus, which should be achievable, depending on student recruitment and no major unforecast expenditure.

The Board approved the five year forecasts to be submitted to HEFCE. They were in line with the forecasts discussed at the Board strategy day of 26 April 2017. The forecasts would be updated when there was more certainty on Project Larch and proposed estates investment.

9. **Project Larch update**

The Vice Chancellor updated the Board on Project Larch.

Since the extraordinary Board meeting of 13 June 2017, the Vice Chancellor had met the FE Commissioner, Head of the Transaction Unit (TU) and the Deputy Director of the ESFA to address concerns over the proposed governance model, estates plan and restructuring finance for the project.

The Board noted that concerns over the estates plans had been largely addressed.

It was noted that the TU would only consider loan and not a grant. The FE Commissioner had indicated that an interim model where LSBU exercises control over Lambeth College prior to its business being transferred to a wholly-owned designated subsidiary (stage 2) of LSBU could be acceptable. The Board agreed that it would only support entering the interim model if the future position was clear, that designation was approved and that financial consolidation was not required.

During the interim model, consolidation of the college accounts into group was not anticipated, and a loan from the TU would not therefore impact on LSBU's group financial position. Discussions continued as to whether the TU would write off part or all of the loan for stage 2. The Board reiterated its redline that the transaction should not have an adverse impact on LSBU's consolidated financial position.

The Board discussed the senior management time spent in pursuing the project and expressed its desire to resolve the position in a timely manner.

The Board requested a recommendation on Project Larch to its next meeting of 12 October 2017.

10. **Further development of SBUEL and potential joint venture**

Paul Ivey joined the meeting

The Board discussed the proposed changes to South Bank University Enterprises Ltd (the Company) and a proposed joint venture (JV) with Gulf Educational Projects (GEP) (the holding company for Applied Science University in Bahrain with whom LSBU has an academic partnership).

The Board noted that plans for developing a JV with GEP were at an early stage. A high level strategic case would come to the Board of Governors ahead of approval of the business case by the Company Board.

The Board approved:

- the proposed change of name of the Company from South Bank University Enterprises Limited to “London South Bank University – enterprise limited”, subject to gaining the necessary approvals for use of the work “bank” and “university” in the company name;
- the revised composition of the board of the Company as follows:
 - The Pro Vice Chancellor (Research and External Engagement) (or equivalent) of the University (*ex officio*) (Chair of the Board)
 - one director who is an Independent Governor of London South Bank University (the University)
 - up to two directors who are independent non-executive directors
 - The Chief Financial Officer (or equivalent) of the University (*ex officio*)
 - The Director of Enterprise (or equivalent) of the University (*ex officio*)
 - The Executive Director of Organisational Development and HR (or equivalent) of the University (*ex officio*)
- The appointment of Mandy Eddolls, LSBU Executive Director of Organisational Development and HR as a director of the Company; and
- in principle, establishing a JV between the Company and GEP

The Board noted that there were vacancies for two independent non-executive directors on the Company board. A skills analysis and recruitment for these vacancies would start as the strategy of the Company developed.

Paul Ivey left the meeting

11. **Cleaning contract**

The Board discussed the proposed cleaning contract with Churchill Contract Services Ltd for the provision of cleaning and waste services at LSBU with effect from 1 August 2017. The total cost of the contract is £7.6m over three years with the opportunity to extend for a further two one year periods.

The Board noted that financial due diligence on Churchill Contract Services would take place as part of the new supplier approval process.

The Board noted that the SU had raised questions regarding evening and weekend working, which would be addressed outside the meeting.

The Board approved the awarding of the contract to Churchill Contract Services Ltd, subject to the financial due diligence as part of the new supplier approval process.

12. Reports on decisions of committees

The Board noted the reports on decisions of committees.

13. Corporate risk register

The Board noted the corporate risk register.

14. Declaration of interest

The Board authorised Jerry Cope's declared interest as Vice Chair of the University and Colleges Employers' Association (UCEA) Board.

15. Any other business

The Board noted that this was the last Board meeting for Andrew Owen and Neil Gorman. The Chair warmly thanked Mr Owen and Mr Gorman for their contributions, and the wisdom and experience they brought to the Board and University.

**Date of next meeting
4.00 pm, on Friday, 28 July 2017**

Confirmed as a true record

..... (Chair)

BOARD OF GOVERNORS - THURSDAY, 13 JULY 2017
ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
6.	Board and committee composition	Board effectiveness survey to be circulated Governor pairing to be rotated by September	Secretary Secretary	Completed Completed
7.	Vice Chancellor's report	Proposed charged over the Passmore Centre to be approved by email decision Fire assessment report to come to Board meeting on 12 October 2017.	Pat Bailey Mandy Eddolls	Awaiting charge wording from Southwark Completed
8.	Chief Financial Officer's report	Digitally Enhanced Learning report to Board in autumn 2017	Shân Wareing	To do
9.	Project Larch update	Recommendation on Project Larch to Board meeting on 12 October 2017	David Phoenix	On agenda
10.	Further development of SBUEL and potential joint venture (to approve)	Change of SBUEL company name Amend SBUEL Board composition Appoint Mandy Eddolls to SBUEL Board	Secretary Secretary Secretary	Underway Completed Completed

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	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	12 th October 2017
Author:	David Phoenix, Vice Chancellor
Executive sponsor:	David Phoenix, Vice Chancellor
Purpose:	To update the Board on University matters
Recommendation:	To note the report.

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

Executive Summary

The academic year has started positively having been named University of the Year for graduate employment, as well as moving up 14 places in the 2018 Times & Sunday Times League Table from 120th to 106th.

Our biggest challenge however remains recruitment. The latest projection for non-health related FT UG's joining in Semester 1 is 2,150, assuming we convert at the same rate as last year, which is 14% below target. As of 5th October, based on the current position for Firm Accepts across all schools and all modes, and using planning conversion rates based on prior year actuals, we are currently forecasting a shortfall in Semester 1 revenue ranging from £5.6m to £7.4m – with Executive modelling a £7M gap. We are also reviewing data to help assess implications for future years recruitment.

In addition the report notes the Executive approved the strategic business case for a joint venture in Bahrain and that this is now with SBUEL. If SBUEL agrees to progress a short presentation will be made to the Board to seek approval to proceed.

Vice Chancellor's Report October 2017

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 Times & Sunday Times League Table 2018

As previously reported we have increased on our 2017 position in the 2018 Times & Sunday Times League Table by 14 places, moving from 120th to 106th. We increased our score from 400 points to 443, a 10.8% increase and the 8th biggest increase in the league table. A further 3 points would have resulted in a 1 place increase in rank and a further 7 points would have resulted in a 6 place improvement to position 100th.

We improved in rank against all measures with the exception of Student Staff Ratio and Research. SSR declined by 6 places, despite an improvement from 17.2 to 17. These declines in rank were not as a result of a material deterioration in performance, but rather other institutions entering the table or improving their performance.

Particularly strong improvement in rank was seen for the two NSS measures, where LSBU gained 34 and 27 places for the two measures, and the DLHE measure where LSBU gained 28 places. We fall outside the top 100 in 3 of the 8 measures:

- Entry standards – 124th
- Firsts / 2:1s (%) – 111th
- Completion rate (%) – 123rd

Within the Aspirational Group, five Institutions have shown an overall improvement in rank with LSBU achieving the greatest improvement (14 places), followed by Westminster (11 places) and East London (9 places). Improvements were seen in rank for DLHE and SSR for Westminster, and East London made significant gains in ranking in the NSS measures this year.

At subject level, LSBU now appears in the top three quartiles in 15 out of 30 subject tables. The top performers are: Law (40th centile), Social Work (44th centile), and Subjects allied to medicine (45th centile).

1.2 Lambeth College

As the Board will recall the application for funding to support the Larch acquisition was submitted on 26th May 2017 to the Transaction Unit. Since that time the College and LSBU have been in frequent dialogue with the ESFA and TU.

There has been a lot of positive progress over the last few months. However, there remains three key issues which need resolving:

1. Funding – TU has offered a conditional grant of £25m with proceeds from the sale of Clapham being used to pay back this grant. The College and LSBU have suggested an alternative commercial structure in which the full £25m is treated as grant with the condition that where net capital receipts from the disposal of Clapham and development of Vauxhall exceed £13m then the net capital receipts will be shared on a 50/50 basis with up to £13m being payable to TU. We have requested that the remaining £12m of the grant should be written off as it relates to historical debts which the University has had no control over.
2. Governance – It has now been agreed 60% representation on the college board will be from LSBU and it is likely that we can progress this.
3. Estates – TU is broadly aligned with the estates strategy (divesting of Clapham and using the proceeds to create a revised Vauxhall campus). However, some additional technical detail will be required to conclude the acquisition.

Whilst finalising the transaction is taking longer than anticipated it is suspected that it will be concluded in the next few working weeks – in terms of agreement or termination.

1.3 Student Retention

In-year monitoring of withdrawals and interruptions for 2017/18 shows that the total number of withdrawals and interruptions in year have increased in comparison to previous years. For the year to date 1215 students have withdrawn or interrupted versus 1025 in 15/16 and 1102 in 14/15 for the equivalent periods. We will have figures for re-enrolment towards the end of October when we will be able to identify if there has been evidence of deterioration in retention or if the in year changes were due to more effective systems.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
14/15	4	43	80	122	176	78	93	175	106	98	92	35	1102
15/16	2	28	91	119	131	61	70	136	178	59	104	46	1025
16/17	36	21	81	121	165	86	114	253	67	111	89	71	1215

1.3.1 Looking Ahead

We have budgeted for an increase in year one progression for full time undergraduates of 2%. To achieve the best case revenue gap in Semester 1, we require 5,147 fully enrolled students. Today the number stands at 4,537 leaving a gap to convert of 610. To achieve the worst case revenue gap referred to in the executive summary, we require a further 317 FAs to convert. Executive are currently modelling a £7M gap and expect this to provide some headroom for any variation in retention

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

For the 2016/17, we secured £2.8m of research income, £243k ahead of budget and £9.1m of enterprise income, £772k behind budget. Compared to 2015/16, this represents a growth in research income of 52% and a growth in enterprise income of 19%. (table 1) For 2017/18, we have a research income target of £3.1m, of which £3m is contracted and an enterprise income target of £10.5m of which £6.2m is contracted (table 2).

At the end of August 2017, we had a research pipeline of 89 bids totalling £12.5m and an enterprise pipeline of 60 bids totalling £5m. Significant research income in 2016/17 was achieved through the TWI partnership, to further support growth we will be establishing a 3rd Innovation Centre, focussed on Polymers, and broadening the scope of the collaboration to look at enterprise income too

	2016/17	2015/16	% increase
Research Income	£2,836,742	£1,862,811	52%
Enterprise Income	£9,167,489	£7,708,785	19%

Table 1: Previous year comparison

2017/18	Target	Contracted	To Find
Research Income	£3,100,000	£3,035,240	£64,761
Enterprise Income	£10,512,247	£6,293,922	£4,218,322

Table 2: 2017/18 Contracted income analysis

2.2 School of Health & Social Care

Sept 2017 recruitment was a challenge following a decline in UCAS applications of 22% following the replacement of the NHS Bursary system with Student Loans. The overall impact on the School is for intake targets to be lower than anticipated in Children's Nursing, Learning Disability Nursing, and Therapeutic Radiography. In the case of Learning Disability nursing recruitment has been a challenge nationally. All other courses met their intake targets (including Adult Nursing, Mental Health Nursing, Midwifery, Social Work, Physiotherapy, Occupational Therapy, Diagnostic Radiography). Some – Social Work and Adult Nursing – exceeded their intake targets. The PGDip pathways (eligible for NHS bursary this year only) have met targets overall. Acupuncture failed to recruit a viable cohort for this intake and the course is being reviewed for Sept 2018.

As a result of recruiting well for Adult Nursing (in particular) more NHS partners are seeking to work with LSBU to provide clinical placements for these students. We are now working with additional partners for Adult Nurse pre-registration education (Kings College Hospital; Kingston Hospital; and from Sept 2018 Queen Victoria Hospital who will also provide additional child nursing placements). Guy's & St Thomas' Hospital will also provide additional Midwifery placements for LSBU students from Sept 2018 onwards, allowing us to increase numbers for this extremely popular course.

Health Education England reduced CPPD budgets across London for 2017-18 by 40%. This has impacted directly on our NHS CPPD 'indirect' contract income. We will therefore work to achieve our income stream for CPPD through both directly funded students and NHS block contracts.

We remain significantly ahead of our competitors in respect of delivery of health and social care apprenticeships, and will be delivering several hundred apprenticeship places this academic year for Level 2, 4 and 5 awards. We have recently won competitive tenders to provide apprentice training for Moorfields Eye Hospital (£192k) with other tenders in progress.

We have been selected by the NMC as an 'early implementer site' for the new NMC nursing standards. This will mean we will revalidate our Nursing pre-registration courses in Spring 2018 to comply with the new standards and for delivery from Sept

2018. This will also give us an ideal opportunity to include part-time pathways, an integrated Masters (4 yr) pathway and the Nurse Degree Apprenticeship into our pre-registration portfolio, keeping us ahead of competitors in this regard.

2.3 Recruitment Agency

We have moved forward with the launch of an employment agency with SBUEL to support our students with part time work. The aim is to help with financial hardship and provide experience that supports future employment. The Recruitment Agency has recruited a Centre Manager to deliver the operational implementation and roll out of the project, with a projected launch date of January 2018. This will be a soft launch, using the Graduate Internship Programme. The Agency is presenting at the SBUEL Board to sign off on requested financial mark up, pension provider and rate cards, this will inform an updated budget.

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

Across the main recruitment cycle, LSBU experienced a downturn in applications for both UG and PG segments. Downturn was not significantly adverse to the wider market based on UCAS monitoring with application variance of -6% going (-17% including HSC) versus prior year compared to -4% nationally and -10% for local competitors. Going into clearing LSBU Firm Acceptances were broadly flat (-1% or 22 accepts against 16/17) indicating the potential to achieve a similar position to 2016/17, providing that demand via clearing followed a similar pattern as prior year.

Immediately following A Level results day, UCAS reported a -13% drop in applicants available through clearing with almost all of the impact affecting lower tariff institutions. This fell further to -18.5% in England. Whilst the LSBU operational set up for clearing was robust, call volumes and corresponding applications started off low in contrast to prior year and have continued to fall short of levels required to achieve budget for Semester 1.

Progress against health contracts is updated above and overseas recruitment is described in section 3.3.

2017/18 Clearing Stats to Date	17/18	16/17	Count	+/- %
Calls Handled	16,000	Not available	Not available	
Applications Received	3,300	4,100	-800	-20%
Firm Acceptances	800	1,200	-400	-33%

Clearing Data at 5th October

Undergraduate Recruitment Home & EU

The latest projection for non-health related full time under graduates joining in Semester 1 is for c. 2,150 students. This is based on 2365 firm accepts and assumes that current firm accepts convert with the same rate (10%) as prior year. Whilst this outcome would represent 14% reduction versus prior year and a variance of -350 to budget, it reflects a significant in-house conversion effort given the reduced number of applicants through clearing.

The latest projection for non-health related part time UGs joining in Semester 1 is for 513 which is just -14 to budget

Postgraduate Recruitment Home & EU

The latest projection for non-health related full time Post graduates is 486 which is -54 to budget and for part time places, the projection is 441 which is 5 ahead of budget.

3.3 International Recruitment

As of today, 28/09/17, we can see the full picture of recruitment as far as applications go. International firm accepts were over 10% up on last year, the unconditional offers slightly down and conditional offers up a large 46%. Enrolments are still a little behind with 459 students currently either enrolled or in the enrolment process. This year the UKVI brought back to the UK all processing of visas which has resulted in longer processing times. As we are a late enrolment university this may be affecting us disproportionately. Currently however we are on track to equal the income of 16/17. This would generate a shortfall of £1.5-2M which has been built into the income gap analysis referred to previously. The challenge is to convert the new conditional offers to January entry, where possible with the use of our new Pre-session course, to attack the higher income target set for this year. The direct entry in January went well last year and with new programmes being offered in Business this should do well again this year.

EU is similarly up 10% on firm accepts from last year with 506 students either enrolled or in process. The final enrolment figures will become available in a few weeks as we are still enrolling up to the 16th October.

3.3.1 Collaborations

BUE continues to do well with an expected 3800 students this year. Further modes of co-operation are being explored on a mission to Cairo at the start of October and particularly around the financial model and how we might add more value to the relationship. Teaching has begun in Applied Science University with 3 members of staff from LSBU, one of them in a Dean role. Beginning with 40 students the numbers are expected to reach 3-400 over the next 2 years. In order to reach Trans national education targets new initiatives of scale are currently being pursued.

3.3.2 Joint Venture Bahrain

As previously reported to the Board (minute 10, 13 July 2017 refers) we been developing a strategic business case for a joint venture in Bahrain. This work has now been completed by Grant Thornton and identifies an opportunity for a joint venture with a key focus on CPD and consultancy. The financial risks of start up are deemed small (up to c.£50K from each partner) and the reputational risks – given we are working with an existing partner – also appear limited by current exposure. Executive therefore supported the strategic business case and recommended consideration by the SUBEL Board. If approved by SBUEL we will need approval of the University Board to proceed with setting up the JV alongside the development of the detailed business case. Subject to SBUEL discussion it is proposed that a short update presentation is given with the aim of:

- a) seeking approval to proceed
- b) confirming delegation to SBUEL to oversee the development of the detailed work plan through the JV.

3.4 Apprenticeships

Exact figures for apprentice enrolment will be confirmed in the coming weeks however the projected number of apprentice enrolment during the course of 2017-8 is 503 with an annual income of £2,929,250. This is spread over the Schools of BEA, Engineering, Business, HSC and Law and Social Sciences with a contract value of £10,623,000. The majority of enrolments are for the Schools of Built Environment and Architecture and Health and Social Care.

Around 195 further applications have been received for apprenticeship programmes that LSBU planned to deliver in 2017/8 but for which the Apprenticeship Standards (programme specifications) have not yet been approved by government (see below). Those applicants that receive as an alternative an offer to study at LSBU as

an employer sponsored student may have the option to transfer to the apprenticeship route once these Standards are approved.

The main challenges to apprentice recruitment have been factors beyond the control of LSBU, namely:

- 1) 60% (13) of the 21 Apprenticeship Standards that LSBU planned to deliver for 2017/8 are still not approved by government
- 2) The University has had to halt marketing to non-levy paying employers (which make up approx. 98.7% of all employers) until ESFA funding for non-levy employers is confirmed.
- 3) Anecdotal evidence from LSBU employer links indicates that many levy paying employers have not put in place plans for recouping their levy. This is backed up by government statistics that show that less than 50% of the employers eligible to register on the digital apprenticeship service had done so by end of May 2017 so as many as 11,000 large employers have yet to sign up to spend their levy.

3.5 South Bank Academies Update

Following the departure of the Dan Smith, the Chief Financial Officer, we appointed Claire Viner as his replacement. Before joining the Trust on 1st August 2017, Claire was the Finance Director at St Paul's Academy in Greenwich, where worked for 12 years. She has now assumed all the responsibilities of the CFO. The Trust staff were busy during July and August period to advance the delivery of the new building (Phase 1) for the UTC in time for the new school year. With support from the Directors of the contractors, the work on the new building was completed well ahead of the contractual hand over date and the UTC opened in the new building. Procurement and installation of science, engineering and IT equipment was also undertaken over the summer to ensure that the new building was fully equipped for the new school year. A faulty gas guard led to a major flooding problem affecting the building in the second week after the UTC re-opened. The UTC was closed to students for one day. However, prompt intervention and extensive work by our consultants and additional contractors enabled the re-opened a day later. The University's Head of Estates visited the site and provided the CEO with an independent assessment. The Building Contractors have now accepted liability. The Trust continues to develop further professional services to support the schools.

3.5.1 South Bank Engineering UTC

The UTC staff and students have relocated into the new building. The student recruitment was better than last year with 108 new students joining this school year. However, we expected significantly larger numbers in view of significantly greater application numbers. The student recruitment at the UTC continues to be a challenge and therefore we are considering options for further developing the UTC's

provision to ensure viability . We equipped the UTC with high quality furniture and excellent range of equipment including video walls that interlink with the Academy to facilitate interaction between the two schools remotely. The employers have continued to be extremely supportive of the UTC and its students with substantive commitment of time and expertise. For example, 60 staff from Skanska came to the UTC to provide careers advice and project support to students in July in addition to on-going visits from King's College and Skanska staff.

3.5.2 University Academy of Engineering South Bank

The new Principal, John Taylor, joined the Academy on 1st September 2017. He is beginning to review the structure and operations at the Academy to build on the Good Ofsted rating which the Academy received in May 2017.

Recruitment at the Academy remains buoyant. We have currently 144 students in Year enrolled. We are expecting that this number will grow to the permitted number of 150 over the first term. We have recruited 29 students into Year 12 so far bringing the total sixth form student numbers to 55. We expect this number to grow substantially when our own Key Stage 2 students complete their GCSEs.

We were successful in recruiting staff for the expanded student numbers and the Academy has the full complement of staff in all subject areas. Recruitment into STEM subjects remains a challenge.

We undertook extensive maintenance work at the Academy over the summer. Further work to reflect the engineering specialism will take place over half term to create a high technology demonstration unit for students to experience advanced industrial technologies.

3.6 Public Affairs and Civic Engagement

On 4 July we launched our Families of Learning paper, produced in association with PA Consulting. This paper has been distributed to a wide range of education and other policy think tanks with further follow up planned for the autumn.

LSBU is one of the UK's leading universities in part-time education. During the last few months we have working closely with the Open University and Birkbeck University of London to draw attention to the problems surrounding funding for part-time students. Jointly we commissioned, from London Economics, a report on the causes of the dramatic fall in part-time student numbers which was published on 14 September. Our submission to the House of Lords Select Committee on Economic Affairs Inquiry on the Economics of higher education, further education and vocational training focused in particular on the need to better support part time education.

We are now working with Birkbeck and the OU to ensure that part-time study is explicitly taken into account of in any review of tertiary funding and that specific measures are introduced to help address the dramatic fall in numbers. Beginning on 27 September we are hosting a short series of policy breakfasts on topics of particular interest to LSBU. The first is on part-time education and has secured acceptances from leading opinion formers on the subject.

Our focus for the beginning of the parliamentary year is MPs with a particular interest in the education sector, including members of the Education Select Committee and related junior and shadow ministers. On 11 October we will hold our parliamentary event celebrating 125 years for which approximately 20 members of the House of Lords and House of Commons have currently accepted invitations.

We are working closely with our local councils around educational provision in south east London. We also continue to engage closely with local council and local business sponsored organisations including Southwark Business Forum, South Bank Employers Groups, Lambeth First with the aim of further strengthening local relationships We have been running a series of public engagement events around the St George's Quarter development plans.

4.0 Strategic Enablers

4.1 Business restructure

Under the restructuring proposal for the Business School, 38 senior lecturer posts were disestablished and replaced with a range of 43 posts at grades 11, 9, 8 and 7. Initially 26 senior lecturers applied for posts in the new structure, 10 indicated that they wanted to explore an enhanced redundancy settlement, and 2 did not respond either way. The final position is as follows:

21 members of staff have been appointed to new grade 8 posts in the School

- 1 member of staff has been promoted to Grade 9
- 15 have negotiating an enhanced redundancy settlement with the University with the majority having left on 31st August 2017
- 1 member of staff who did not engage with the process has opted to work their one year's notice period and is due to leave in July next year.

**Vice-Chancellor
6 October 2017**

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Agenda Item 6

	CONFIDENTIAL
Paper title	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting	12 October 2017
Author	Richard Flatman, Chief Financial Officer
Executive Sponsor	Richard Flatman, Chief Financial Officer
Purpose	To update the Board on financial matters including the draft financial result for 2016/17 (subject to audit).
Which aspect of strategy will this help deliver	Financial performance and future financial sustainability
Recommendation	The Board is requested to note the report.

Matter previously considered by	Executive	27 September 2017
	Finance, Planning and Resources Committee	26 September 2017
Further approval	N/A	

Attachments:

Appendix 1: Management accounts summary to 31 July 2017.

Report from the Chief Financial Officer: October 2017

1. Financial performance

Year end result

The latest summary management accounts to 31 July 2017 are included as Appendix 1.

The draft year end result for 2016/17 is a surplus of £1.8m which compares favourably to the June forecast of £1.5m and the budget of £1m. Full year income is also in line with budget at £144.5m. This result is after taking account of all known year-end adjustments, including pension adjustments following receipt of our year end FRS102 pensions report. We have also prudently taken the opportunity to expense in year the costs of demolishing Hugh Astor Court and some of the preliminary development costs associated with St George's quarter, otherwise the operating result would have been significantly better than plan. Recurrent staff costs are 54.3% of income, which is static compared to previous year. We also ended the year with cash and investments of £48.3m.

The results are subject to audit which is in progress with KPMG, our new external auditors.

2. Year end audit

The production of the year end financial statements is well advanced and the audit is progressing well. The external audit team from KPMG are onsite and the results from the testing and review they have done so far is as expected. The audit and year end process is expected to be more straightforward this year following all the changes associated with the implementation of FRS102 last year. Areas of focus will include revenue recognition, pensions and current year recruitment. No matters were reported to Audit Committee arising from any audit work done to date.

3. 2017/18 recruitment

As discussed in some detail at Finance, Planning & Resources Committee recently, it is now almost certain that we will fall short of our semester 1 recruitment target across all student types and modes of study. This is not dissimilar to the position last year although the scale of the shortfall is higher. Latest estimates are for an income shortfall in the range of £5.5m to £8.5m.

Last year the estimated shortfall was largely offset by better than anticipated re-enrolment of continuing students. That is unlikely to be the position this year. At the time of writing this report we had 7,591 fully enrolled continuing students which represents 88% of the eligible population. This compares with 7,633 (92%) last year. There remains an additional risk therefore around re-enrolment income.

At this stage we are confident that we can manage the in-year budget position although the precise details of any mid-year budget changes are still being worked up. It will, however, inevitably involve utilisation of the £3m contingency which had been set aside for investment in step change projects and hence all areas of spend will be subject to close scrutiny.

4. Risk and control

The internal audit programme for 2016/17 is complete and the draft annual report from the internal auditors PwC has been received. The annual opinion is that governance, risk management and control, and value for money arrangements in relation to business critical areas are generally satisfactory with some improvements required. This is the second highest of 4 assurance categories with the highest being satisfactory.

Over the past 3 years the number of internal audit findings overall has remained relatively consistent. There has been a small increase from 20 to 25 this year but that reflects new areas covered and whilst the number has increased the rating of those findings has decreased.

There was one high risk report this year covering the review of Apprenticeships which was selected in response to our objective to expand the current apprenticeship training provision. The high risk rating was caused by the late external approval of apprenticeship standards. For these exceptional courses, the decision was taken that there was a lower risk in starting courses a week or two before all of the agreements has been signed rather than waiting, which would have been detrimental to the learning experience of students. The findings from the report are not considered by the internal auditors to be significant in aggregate to the system of internal control.

The auditors have also recently completed their review of our risk management processes and have assigned a low risk rating. The auditors note that despite a similar low risk rating in 2015/16, we have continued to make improvements across the University and there has been a decline in both the number and rating of findings since last year.

97% of agreed actions have been implemented in year compared with 88% last year and a benchmark of 75%.

On the basis of these results (and other management checks), the year-end financial accounts will include a full compliance statement in relation to LSBU's system of internal control. A detailed report setting out the assurance sources was reported to Audit Committee which approved the statement.

5. Other matters

- The national pay award has now been implemented in the September payroll and backdated to August 2017.
- Discussions regarding the financial structure of any proposed merger with Lambeth College are continuing.
- As reported to MPIC the University is considering a range of alternative estates options in response to the current recruitment challenge.
- We have appointed Mercers to work with us in evaluating potential options for future LPFA pension provision.

APPENDIX 1

Management accounts summary to 31 July 2017

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July Executive Summary

1) This Executive Summary reports on the draft financial position of London South Bank University as at 31 July 2017. The position remains subject to audit.

2) RAG Status

Income Growth	5.2%	Staff Cost Growth	5.1%	Staff Cost %	54.3%	Opex Growth	7.0%	FYF Surplus	1.2%	EBITDA	12.0%
	<i>excluding Hanban</i>		<i>excluding restructuring</i>		<i>excluding restructuring</i>		<i>excluding Hanban</i>				

3) Summary

The current Year End position for the 2016/17 Academic Year is a surplus of £1.8M. This compares to a June Forecast of £1.5M and a budgeted surplus of £1M

This position will deliver EBITDA at 12.0% which is ahead of the 11.8% delivered in 15/16 and the target for 16/17 of 11.7%. Our recurring staff cost expressed as a % of income is likely to be 54.3% which is below the 55% target set by the Board of Governors and marginally better than the 54.4% delivered last year. The University also ended the year with cash and investments of £48.3M. This is the 4th year in a row that we have ended the year with approximately £50M of liquidity.

As well as exceeding the £1M budgeted surplus, we have also met our corporate income target of £144.5M, this represents year on year income growth in excess of 5%. Research Income is 22% ahead of the comparable position in 15/16, Post Graduate Income is 20% ahead, Overseas and TNE income is 14% ahead, HSC Contract income is 3% ahead and each of these 4 income streams has finished the year ahead of budget. These improvements largely offset reductions against budget in Home / EU Undergraduate Fees and Enterprise income.

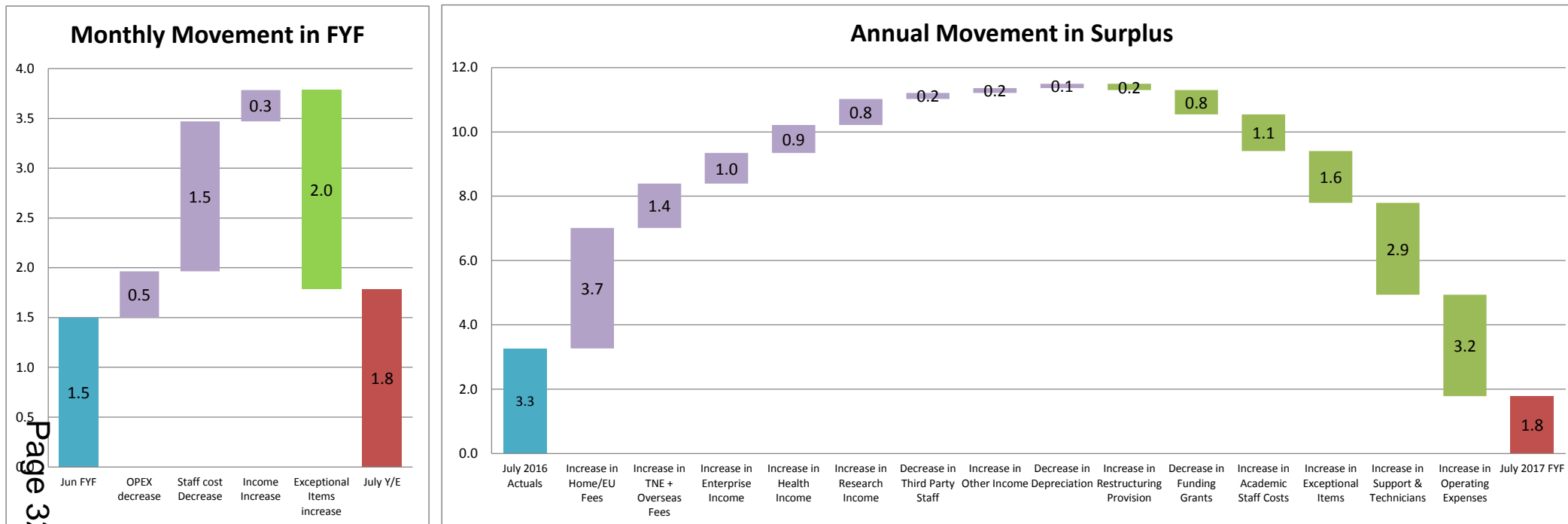
4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	15/16 Actuals	16/17 Budget	Change to 15/16	Change %	Jun 16/17 Forecast	Monthly Move	Jul 16/17 Year End	variance to Budget	Budget variance%	Change to 15/16	Change %
Funding Grants	13.3	12.8	-0.5	-4%	12.9	-0.3	12.6	-0.3	-2%	-0.8	-6%
Health - Contract	25.1	25.5	0.4	2%	26.0	-0.1	26.0	0.4	2%	0.9	3%
Home / EU UG Fees	57.2	60.7	3.5	6%	59.4	0.0	59.4	-1.3	-2%	2.2	4%
Home / EU PG Fees	7.7	8.2	0.5	7%	9.1	0.2	9.3	1.0	13%	1.6	20%
Overseas + TNE Fees	9.8	10.7	0.9	9%	11.2	-0.0	11.2	0.5	5%	1.4	14%
Research Activities	3.7	4.4	0.7	18%	4.1	0.4	4.5	0.1	3%	0.8	22%
Enterprise Activities	7.8	9.9	2.2	28%	8.5	0.2	8.7	-1.2	-12%	1.0	12%
Student Related Income	11.1	11.4	0.4	4%	11.4	0.1	11.6	0.1	1%	0.5	5%
Other Operating Income	1.4	1.3	-0.0	-3%	1.3	-0.1	1.1	-0.2	-14%	-0.2	-16%
Endowments & Interest	0.3	0.2	-0.1	-40%	0.2	-0.0	0.2	-0.0	-1%	-0.1	-41%
Income	137.3	145.3	8.0	6%	144.2	0.3	144.5	-0.8	-1%	7.2	5%
in £'m											
Academic Staff Costs	38.3	42.5	4.3	11%	39.6	-0.2	39.4	-3.1	-7%	1.1	3%
Support & Technicians	33.5	38.1	4.5	14%	36.3	0.1	36.4	-1.7	-4%	2.9	9%
Third Party Staff	2.9	1.6	-1.3	-44%	2.5	0.2	2.7	1.1	68%	-0.2	-7%
Restructuring Provision	-0.2	1.6	1.8		1.5	-1.6	-0.0	-1.6	-101%	0.2	
Depreciation	9.7	9.8	0.1	1%	11.0	-1.4	9.6	-0.2	-2%	-0.1	-1%
Operating Expenses	45.1	45.8	0.8	2%	46.7	1.5	48.2	2.4	5%	3.2	7%
Interest Payable	4.8	4.8	0.0	0%	4.8	-0.4	4.4	-0.4	-9%	-0.4	-8%
Exceptional Items	0.0	0.1	0.1	0%	0.1	1.9	2.0	1.9	2011%	2.0	0%
Expenditure	134.1	144.3	10.2	8%	142.7	0.0	142.7	-1.6	-1%	8.6	6%
Surplus for the year	3.3	1.0	-2.3	-69%	1.5	0.3	1.8	0.8	79%	-1.5	-45%
Surplus as % of income	2.4%	0.7%			1.0%		1.2%				
Surplus per student FTE	£221.1	£71.4			£109.6		£134.1				

There are a number of large movements this year end. The reduction in Restructuring Provision is due to changes in the FRS 102 Holiday Accrual which has covered the cost of this years redundancy provision. The reduction in Depreciation is due to the delay in projected capital expenditure, whilst the large movement in Operating Expenses is due to the demolition costs of Hugh Astor Court and expensing some of our in year infrastructure projects. The increase in Exceptional Items is the write off of some of the costs associated with the St George's Quarter development and will also cover the cost of writing off a number of Fixed Assets following an impairment review.

5) Forecast Summary

As compared to 15/16 we are now forecasting a £7.2M increase in Income, a £8.6M increase in total Expenses and so a reduction of £1.5M in our annual surplus.



In terms of our year on year position, the University is now likely to finish with a £3.7M increase in Home/EU fees, a £1.4M increase in Overseas and TNE income, a £1.0M increase in Enterprise income, a £0.9M increase in Health Contract income, a £0.8M increase in Research income and a £0.2M increase in Other income. The University has spent £0.2M less on Third Party staff and £0.1M less on depreciation than last year. These income increases and expense reductions have been used to fund an increase of £0.2M in our restructuring provision, a reduction of £0.8M in HEFCE funding grants, a £1.1M increase in academic staff a £1.6M increase in exceptional items related to asset write offs, a £1.1M increase in Support Staff within the Schools and £1.8M increase in support staff with the Professional Functions. The University is also now forecast to increase its Operating Expenses year on year by £3.2M. A portion of this increase is due to the write off of strategic investments and demolition costs.

7) Contribution Analysis

The current forecast contribution for the year is £1.5M behind the 15/16 position. This reduction in target surplus is due to finishing 15/16 in a much better position than anticipated rather than a deliberate reduction in contribution when we set the 16/17 budget. It should be noted that the decisions that we have collectively taken to expense the development stage of our current Estate Development Plan as well as review some of the older assets on our balance sheet have reduced our surplus by over £3M. If we exclude the impact of these decisions we would have generated a surplus that would be at least £1.5M better than that achieved in 15/16

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	
	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E
Income (M)	£11.3	£11.2	£9.5	£10.5	£16.3	£18.2	£16.6	£17.4	£19.1	£18.5	£32.7	£33.9	£14.6	£14.8	£120.2	£124.5
Expenditure (M)	£5.2	£5.4	£4.2	£5.1	£6.8	£7.0	£7.3	£7.9	£9.2	£9.6	£17.5	£19.7	£6.5	£6.9	£56.8	£61.4
Contribution (M)	£6.1	£5.9	£5.3	£5.4	£9.5	£11.2	£9.2	£9.5	£9.9	£8.9	£15.2	£14.2	£8.1	£8.0	£63.4	£63.1
Contribution %	54%	52%	56%	52%	58%	62%	56%	55%	52%	48%	46%	42%	56%	54%	53%	51%

In 15/16, 5 of the 7 Schools delivered better than budget and the Schools portfolio as a whole finished the year £1M or 2% better than budgeted contribution. In 16/17 6 of the 7 Schools and the School's apprenticeship team finished ahead of budget and delivered an additional £1.5M contribution. Overall the Schools delivered £4.4M of additional income which was used to fund £4.7M of additional Expenses and so we have continued the current strategy of investing in the Schools to deliver a better academic experience for students.

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)

	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E	15/16 Actual	July 16/17 Y/E
Teaching Income (M)	£10.8	£10.5	£9.2	£10.1	£15.4	£16.8	£15.5	£16.6	£16.7	£15.6	£28.6	£29.8	£13.9	£14.4	£110.1	£113.8
Teaching Staff (M)	£3.2	£3.0	£2.4	£2.8	£3.9	£3.8	£4.9	£4.9	£4.5	£4.6	£11.6	£12.7	£4.4	£4.5	£35.0	£36.3
Teaching Expenditure (M)	£1.5	£1.7	£1.4	£1.8	£2.0	£1.9	£2.5	£3.0	£2.6	£2.7	£4.0	£4.6	£1.7	£1.9	£15.6	£17.6
Teaching Contribution (M)	£6.1	£5.8	£5.4	£5.5	£9.5	£11.1	£8.2	£8.7	£9.6	£8.3	£12.9	£12.5	£7.8	£8.0	£59.5	£59.9
Contribution %	56%	55%	59%	55%	61%	66%	53%	53%	58%	53%	45%	42%	56%	56%	54%	53%
Student FTE	1,180	1,117	1,043	1,115	1,724	1,841	2,131	2,144	1,671	1,593	3,807	3,889	1,662	1,617	13,218	13,316
Contribution per Stud FTE	£5,200	£5,200	£5,100	£4,900	£5,500	£6,000	£3,800	£4,100	£5,800	£5,200	£3,400	£3,200	£4,700	£5,000	£4,500	£4,500
Return on Academic Investment	191%	191%	221%	197%	242%	289%	167%	178%	215%	181%	111%	99%	178%	180%	170%	165%

The Teaching staffing costs reported above exclude any technicians, administration or research staff and demonstrate that the School of the Built Environment & Architecture is significantly ahead of the School's average when measured in Return on Academic Investment, whilst the School of Health & Social Care is significantly behind the other Schools. In terms of contribution per student, the Schools of the Built Environment & Architecture, Applied Science and Engineering are significantly ahead of the average School position although their costs do not include the cost of centrally funded Labs and Technicians.

8) Student Number Analysis

In terms of Student headcount we recruited 8,247 New Home / EU Students in 16/17 which is 4% ahead of the 15/16 recruitment position and finished the year with 8,873 Continuing Home/ EU students which is 4% ahead of last year. There has been a decline in Overseas student recruitment which was 4% down on 15/16 although we have recruited more Overseas Post Graduate students than last year. In terms of continuing Overseas students we finished the year with more Undergraduates than 15/16 whilst our Full Time Post Graduate population was broadly the same as 15/16.

9) Student Withdrawal Analysis

In 15/16 we refunded £3.6M in income to students who Withdrew or Interrupted, this represented 4.9% of total Tuition Fee income. We had budgeted for £3.5M of refunds in 16/17 but finished the year with £4.2M of refunds. This represents a 17% increase year on year and 5.4% of total Tuition Fee income.

Academic year	FY Withdrawals
13/14	1,092
14/15	1,102
15/16	1,025
16/17	1,183

'Lost Fee Income' in £000K	15/16	16/17	% change	% T Inc		15/16	16/17	% change	% T Inc
Applied Science	£478	£552	15.5%	6.0%	Engineering	£600	£834	39.0%	6.4%
Arts and Creative Industries	£432	£429	-0.7%	4.6%	Health & Social Care	£132	£221	67.4%	6.4%
Built Environment & Architecture	£523	£612	17.0%	4.2%	Law & Social Sciences	£668	£642	-3.9%	4.8%
Business	£747	£899	20.3%	5.7%	Total	£3,580	£4,189	17.0%	5.4%

10) Income Analysis

All of the Schools increased their income as compared to last months forecast. Some of this increase was due to the release of provision for refunds particularly against Post Graduate income. The biggest driver in the Schools however was an increase in Research and Enterprise income as we finalised the claims for the year. There was an increase in student related income which was driven by the success of the residence team. The income reduction in FUNI was due to a provision that we took with regards to our HEFCE funding grant.

11) Staff Cost Analysis

In terms of staffing we are now likely to finish the year with a cost of £78.5M. This is slightly higher than the £77.5M that we have been forecasting all year. This is due to the FRS 17 pension adjustment, the staffing costs associated with expensing some of our strategic investments and additional 3rd party staff in areas such as ICT that have been brought in to finish off some of our strategic projects. In terms of the restructuring provision this will total £600K for the year, we have also taken a charge of £1.7M for the Holiday accrual under FRS 102. However we have released last years holiday accrual and this has covered both of these costs and the LPFA pension adjustment.

This year we have increased our expenditure on Academic Staff by 3% and our expenditure on Support and Technicians by 8.5%. The increase in support costs includes growth within the Schools and Professional Functions. In terms of Third party staff this has increased in the schools which is primarily driven by the seconded staff within the School of Health & Social Care. Overall there has been a reduction of third party staff in the professional functions and there could be significant VAT savings if we transfer this activity to our in-house recruitment company

12) Operating Expense Analysis

In terms of Operating Expenses, we finished the year with an increase of £3.1M as compared to 15/16. This is higher than the £1.6M increase that we have been forecasting. The increase is due to the £1M of costs associated with the demolition of Hugh Astor Court as well as expensing some of our ICT infrastructure projects and expensing investments in Technical labs and Student PCs. This action is why the Maintenance, Equipment and Computing lines are significantly over budget. Student Recruitment costs were over budget due to increased Overseas Agent fees as a result of beating our overseas recruitment targets, Bursaries and Scholarship costs were also significantly ahead of last year as we invest in individual students.

13) Budget Analysis

There are 32 distinct areas of the University that have separate budgets and each area is expected to deliver to their Budget. Numbers in red on page 8 indicate either a shortfall in income against budget or additional costs that are being incurred. 6 of the 7 Schools are forecast to deliver on or ahead of budget, as are 15 areas within the Professional Functions whilst 8 areas within this grouping are expected to finish the year in a deficit position.

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2016 To The End Of July 2017

Full Year Outturn Last Year (£)	Description	FULL YEAR				16/17 vs 15/16	
		2016 Actuals (£)	2016 Budget (£)	Variance - Actuals to Budget (£) %		Year On Year Change (£) %	
-137,327,251	Total Income	-144,478,035	-145,283,689	(805,654)	(1%)	7,150,783	5%
74,501,119	Total Staff Costs	78,499,118	83,774,882	5,275,763	6%	(3,997,999)	(5%)
9,749,153	Total Depreciation	9,619,774	9,810,653	190,879	2%	129,378	1%
45,052,241	Total Other Operating Expenses	48,204,964	45,826,848	(2,378,116)	(5%)	(3,152,723)	(7%)
4,755,431	Total Interest Payable	4,368,590	4,777,152	408,562	9%	386,841	8%
	Total Exceptional Items	2,000,000	94,755	(1,905,245)	(2,011%)	(2,000,000)	
-3,269,308	Contribution	-1,785,588	-1,000,000	785,588	79%	(1,483,720)	(45%)
54.4%	Recurring Staff costs as % of income	54.3%	56.6%				
2.4%	Contribution %	1.2%	0.7%				

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	CONFIDENTIAL
Paper title:	Larch Update
Board/Committee	University Board
Date of meeting:	12 th October 2017
Author:	Matthew Dunn
Executive/Operations sponsor:	David Phoenix, Chief Executive
Purpose:	Provide a status update on activity moving towards integration of Larch with LSBU.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	<ol style="list-style-type: none"> 1. <i>Student Success</i> - Externally recognised for providing a personalised, high calibre education which equips students for employment and society. 2. <i>Real World Impact</i> - Ensuring the provision of dynamic evidence-based education which is underpinned by highly applied research and enterprise activity. 3. <i>Access to Opportunity</i> - Building opportunity through partnerships and as a partner of choice for our communities. 4. <i>Strategic Enablers</i> - Addressing the barriers and challenges that could hinder the success of LSBU.
Recommendation:	That the Board notes the update

Matter previously considered by:	Executive	07/09/16 The Executive supported and recommended Approval to Proceed based on the Outline Business case.
	MPIC	20/09/16 The Committee supported and recommended Approval to Proceed.

	MPIC	06/12/16 Updated Committee on progress and confirmation of status of Sycamore. No decision required.
	MPIC	02/03/17 Updated Committee on progress and confirmation of status of Sycamore. No decision required.
	MPIC	04/05/17 Updated Committee on progress and results of Due Diligence. Approval granted to continue.
	Board	13/06/17 Updated Board on progress, process and key risks of MPIC. Approval granted to continue.
	MPIC	21/09/17 Approval granted to continue.
Further approval required?		N/A

Update on Larch

As the Board will recall the application for funding to support the Larch acquisition was submitted on 26th May 2017 to the Transaction Unit. Since that time the College and LSBU have been in frequent dialogue with the ESFA and TU. The model being considered is now that originally proposed by the University whereby there is an interim 'TEN style' model during which time the College operates as an FE corporation followed by dissolution and transfer of assets and undertakings into a newly designated subsidiary of the University (SBC NewCo) expected in 2019. This note provides an update on key areas for consideration by the Board:

1. Financial Support;
2. Interim/TEN style model timing;
3. Governance; and
4. Other areas requiring response/consideration.

1. Financial Support

Previous discussions with the Transaction Unit had concluded that funding was only available as loan. This presented a significant material risk to LSBU as the loan amount would have transferred to the LSBU Balance Sheet on acquisitions and transfer of assets to SBC New Co. The College/LSBU financial package proposal to TU was as follows:

Item	TU	LSBU/College
Pension liabilities LPFA	£0m	£28m
Pension provisions TPS	£0m	£2.0m
Commercial debt (Barclays)	£0M	£18M
Contingent liability: LEP/ LEAP grant £6.7m	£0m*	£0m
Contingent liability: Potential clawback of DfE grant for Clapham £7.5m	£0m*	£0m
Contingent liability: Potential Carillion settlement £2m	£0m*	£0m
Other historic debt up to the point of dissolution (including repayment of bridging loan)	Est £12M grant/ write off	£0M
Cumulative cashflow need over transitional years 1-3	Est £13M in years 1-3 as conditional grant	£0M
Total (excluding contingent)	Est £25M	£48M
% (Total)	34%	66%

% (at point of dissolution i.e. excluding transitional support)	20%	80%
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The current position of the TU is that it is willing to provide £25m in the form of 'conditional grant'.

The condition associated with the grant is that this would be paid back in full using proceeds from the sale of Clapham regardless of the sale value achieved from Clapham. A break fee of c£5m (the figure needs verifying by TU) has also been proposed which would be charged to the University if it withdrew from the deal during the interim/TEN style period but before establishing SBC NewCo and transferring assets and liabilities from the College.

Having sought advice from the LSBU auditors, the use of the terminology 'conditional grant' could lead to confusion. The viewpoint is that the form of payment being proposed by TU is correctly described as a grant with conditions which drive repayment.

The College/LSBU position is that a minimum of £75m capital receipts is required to reinvest in the Vauxhall scheme and protect the future of the College. The University has had no influence on the current situation of the College or the need for funding from the government and should not be expected to pay these emergency funds back. Therefore, LSBU is proposing that the full £25m is treated as grant with the condition that where net capital receipts from the disposal of Clapham and development of Vauxhall exceed £13m then the net capital receipts will be shared on a 50/50 basis with up to £13m being payable to TU.

2. Interim/TEN style model timing

In previous Committee and Board meetings, the timescales for the acquisitions have been as follows:

- Interim/TEN style commencement 28th June 2017
- Establishing a new LSBU FE Entity (SBC NewCo), dissolving the College and moving its assets and liabilities to SBC NewCo in Jan/Feb 2018

In discussions with the TU, LSBU has been clear that it cannot accept £25m in loan only as a result of the impact on the balance sheet outlined at 1) above. This has now been recognised by the TU and it has proposed that the conditional grant could

be provided on the basis that the interim/TEN style period lasts for up to 2 years. With final acquisition taking place in 2019.

Over the two years there is an expectation that LSBU would be able to lead the College to a more stable footing and move towards a break-even position. This means that at acquisition in 2019 the cash deficits and forecast deficit position would be improved (and some of the loan exposure decreased) so that the impact on the LSBU Balance Sheet would be lessened at acquisition in 2019.

3. Governance

In order to ensure that there is clear accountability for funding and education TU is seeking confirmation that:

- i) The Principal is employed by SBC NewCo rather than LSBU.
- ii) College Board should not include LSBU Executives (except Accounting Officer).
- iii) College Board membership make-up to include up to 60% LSBU nominees (who may also be LSBU non-executive board members).
- iv) Chair of College Board should not also be a member of LSBU Board.
- v) The Vice Chancellor of LSBU may be the Accounting Officer.

At the time of writing, LSBU has not responded to the above.

4. Estates

TU is expecting to agree an Asset Deed to protect the transferred assets for FE use, and are in the process of taking a second charge on the property assets as a condition of ESFA EFS support. The detail behind the charge would need exploring in terms of the conditions of the grant.

5. Other areas requiring response/consideration

The items below are areas where the SFA/TU are seeking additional clarity and/or confirmation:

1) Designation Panel feedback

- a)** Specific confirmation of the legal advice confirming that the subsidiary will only be owned by the HEI and its activities are restricted to education.
- b)** A clear statement that FE delivery will be protected on an equal basis with HE provision.

- c) Interim milestones and Key Performance Indicators presented to take account of the most recent Ofsted report assessment.
- d) Confirmation of the action that will be taken to strengthen the capacity to improve quality of Further Education. This should specifically also include targets and KPIs for Level 1-3 (including basic English & maths) learners with an action plan for raising teaching quality and achievement rates.

2) External Advisory Panel Feedback

- a) A strong and granular plan for the FE turn-around is required.

Next steps

Following agreement at the Major Projects and Investment Committee meeting of 21st September 2017, the Executive will seek to progress based on:

- £25M conditional grant;
- Repayment of up to £13m from capital receipts above £75m; and
- Finalisation of the governance arrangements to ensure protection of University interests.

If agreement can be reached:

- a) A Heads of Terms will be generated for consideration by the University along with a list of legal agreements that will need completion;
- b) The business case will be updated and provided for review; and
- c) Key milestones to conclude the deal will be established.

At the time of writing it is envisaged that deal documentation will be finalised with a view to completing the first part of the transaction (moving to an interim model) in December 2017.

The College and LSBU will move to the interim/TEN style model in January 2018.

The Board is requested to note this update.

	CONFIDENTIAL
Paper title:	EDI Annual Report 2016-17
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	Dr.Markos Koumaditis, Sofia Jabeen, Laurence Gouldbourne and Tolu Oke;
Executive/Operations sponsor:	Ian Mehrtens, Chief Operating Officer Mandy Eddolls, Executive Director of HR Professor Shan Wareing, Pro-Vice Chancellor, Education and Student Experience
Purpose:	To outline the work carried out by the EDI Team for the period 1 August 2016 to 31 July 2017.
Recommendation:	That the Board of Governors notes the report.

Executive Summary

The EDI Annual Report 2016 – 2017 provides an overview of equality, diversity and inclusion activities and progress in meeting our strategic objectives. The report also meets the Public Sector Equality Duty (Equality Act 2010).

The Board is requested to note the report.

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**London
South Bank
University**

EST 1892

Together towards inclusion

Equality, Diversity & Inclusion

Annual Report 2016 – 2017

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Foreword

I am very pleased to introduce this year's Equality, Diversity & Inclusion (EDI) Annual Report 2016 – 2017.

The report provides an overview of our University's key diversity & inclusion activities and achievements in the past academic year. It also highlights and reflects on our future key challenges.

I am delighted with the progress we have made to date. The EDI Steering Group, which comprises, staff, students and external partners has been instrumental in helping us fulfil our potential as an institution. However, I also recognise that we have some way to go in embedding inclusion across everything we do.

As the Executive Lead for EDI, I believe that inclusion is an integral component of our success. The demographics of our students and staff, our geographical location, as well as the diverse courses and services we run, means we have to positively respond to differences in a way which is fair, relevant and proportionate.

Our vision is to be recognised as the UK's leading university in equality, diversity and inclusion. This Annual Report outlines the steps and actions we have taken in the past year to ensure we deliver our ambitions.

Ian Mehrtens, Chief Operating Officer

Our commitment our values

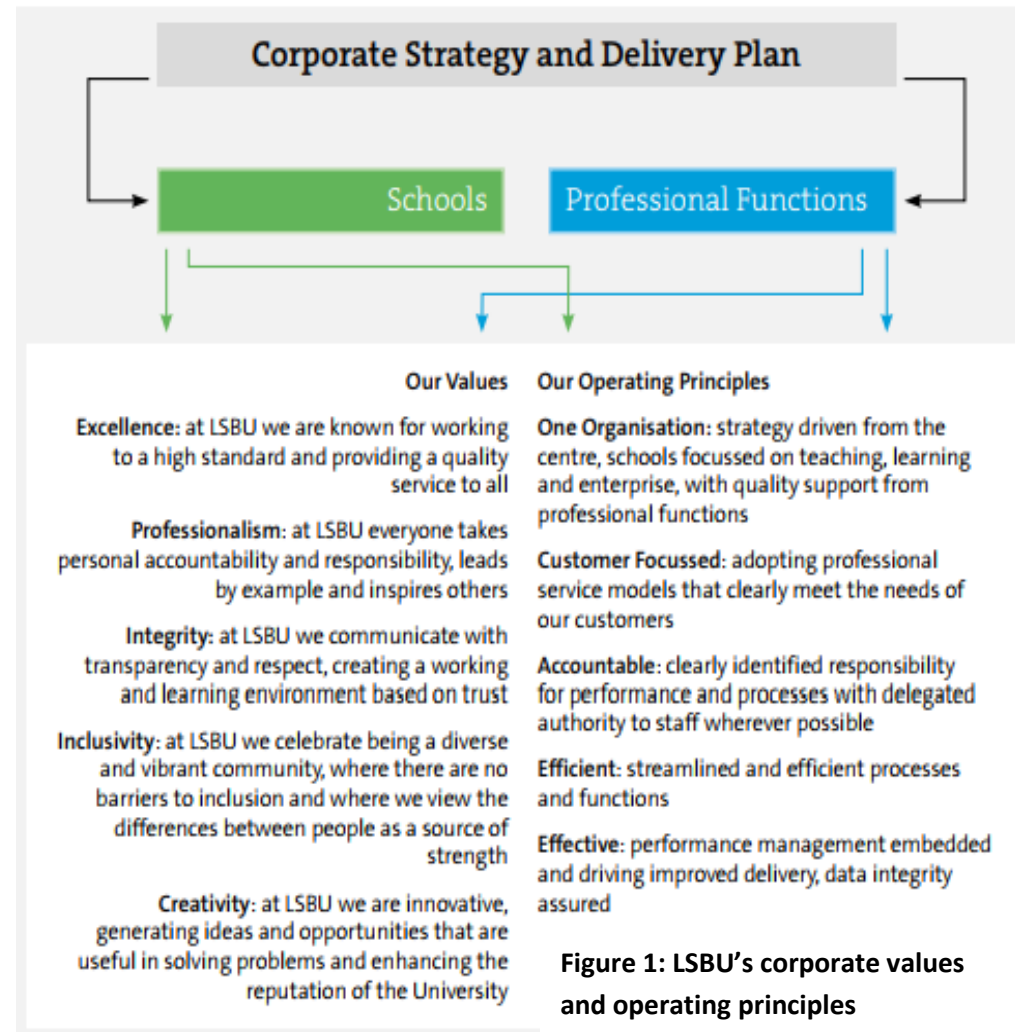
The EDI objectives for 2017/18 are signed off by the Executive Team and the Operational Board membership. The EDI objectives feed directly into the LSBU's corporate objectives. Key measures and milestone have been put in place within localised delivery plans to ensure we deliver our ambitions for 2017/18.

Key EDI 2017/18 priorities

Achieve greater workplace equality supported by awards:

- Continue to build upon the work towards achieving gender equality through the Equality Challenge Unit's Athena Swan Bronze Award.
- Develop initiatives and solutions that seek to reduce institutional and cultural barriers for minority ethnic staff & students through the Equality Challenge Unit's Race Equality Charter Bronze Award.
- Improve LGBT inclusion and support by achieving Top 100 employer status in the Stonewall Workplace Equality Index.

Equality, diversity and Inclusion are underpinned by our corporate values.



1. Who We Are At LSBU

London South Bank University is a vibrant, diverse university, with sites based in Southwark and Havering (with over 17,000 students and 1500 staff from over 130 countries).

LSBU has a unique profile of student age, experience and ethnicity. 50% of the student population is drawn from ethnic minority communities and 60% are over 25 years old on entry. There are around 1,300 international students on campus and more than 700 from other European Union countries. We are truly a global university based in the heart of one of the world's most exciting cities.

Established in 1892, the Borough Polytechnic Institute (as it was formerly known) was created to

deliver “life-enhancing education relevant to employment.”

125 years on, our teaching is practice-orientated, our research is real-life problem-solving and we have exceptional connections with business and the professions.



Picture 1: 1890s – an early class for women in dressmaking

Who We Are at LSBU: **Our Workforce (2015/16)**

By age

Age at 31st August

• 34 years and under **478/29.89%**



• 35 – 49 years **489/30.58%**



• 50 – 65 years **563/35.21%**



• 66 years and over **69/4.32%**



Grand total **1599/100%**

By gender

• Female **863/53.97%**



• Male **736/46.03%**



By disability

• Disabled **73/4.56%**



• Non-disabled **1526/95.43%**



• Disability unknown **0/0%**



By ethnicity

• Asian **206/12.88%**



• Black **221/13.82%**



• Other (inc. mixed) **79/4.94%**



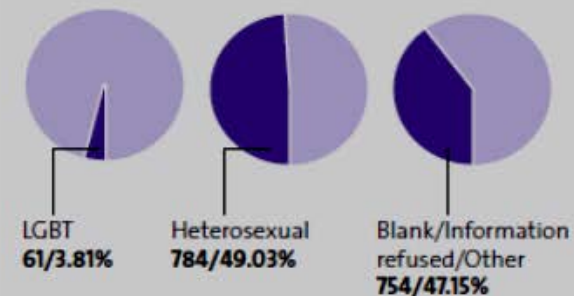
• Unknown / not applicable **91/5.69%**



• White **1002/62.66%**



By sexual orientation



Who We Are at LSBU: Our Students (2015/16)

By age

Age at 31st August

• 18 years and under **858/4.9%**



• 19 years **1333/7.6%**



• 20 years **1509/8.6%**



• 21 – 24 years **4163/23.6%**



• 25 – 29 years **3439/19.5%**



• 30 years and over **6305/35.8%**



Grand total **17607/100%**

By gender

• Female **10329/58.7%**



• Male **7276/41.3%**



• Other **2/0%**



By disability

• Disabled **2417/13.73%**



• Non-disabled **15190/86.27%**



• Disability unknown **0/0%**



By ethnicity

Asian **2453/13.9%**



Black **4055/23%**



Other (inc. mixed) **1278/7.3%**



Unknown / not applicable **2240/12.7%**



White **7581/43.1%**



By sexual orientation



LGBT
439/2.49%



Heterosexual
11225/63.75%



Blank/Information
refused/Other
5943/33.76%

Commentary on the Data

Workforce

- LSBU's levels of disclosure of disabilities of 4.56% is higher than the London universities' rate of 3.78%
- LSBU's Black and minority ethnic (BME) staff population of 31.64% exceeds the London universities' rate of 20.72%
- LGBT stands for lesbian, gay, bisexual and trans people. There was a 20% increase in disclosure rates amongst gay men working at LSBU between 2014/15 and 2015/16

Student

- LSBU's female students of 58.7% exceeds the national female average students rate of 56.2%
- Of our 2147 students who have a disability, over half (1445) have a specific learning difficulty
- LSBU's Black and minority ethnic student population of 44.2% exceeds the London universities' rate of 32.9% and outstrips the UK rate of 17.3%

In analysing the data, it is clear that we have a higher rate of disability disclosure amongst our students compared to our staff. In comparison, we have a higher rate of sexuality disclosure amongst our staff. Further work will need to commence during 2017/18 to look at collecting diversity information.

2. Key Achievements

2016 – 2017 was a year where the University made significant progress in promoting diversity and inclusion. Below are a few key highlights of our key achievements:



Equality Chartermark: Facilitated by the ECU, this national award monitors Higher Education Institutions progress towards Race Equality for both students and staff. LSBU initiated a full programme of work to embed the key principles for Race Equality during 2016. An Equality Charter Mark Project Manager and an Equality Charter Mark Project Co-ordinator was appointed during 2016/17 to deliver a robust programme plan of activities. We have already undertaken student and staff surveys to understand LSBU experiences, and this is supported by data analysis. The Institution has already set a Governance framework, which is taking forward the activity on race equality and intends to submit in July 2018.



Disability Action Plan: Working our staff network for disabled staff, dNET, LSBU has produced a Disability Action Plan to promote disability equality. As our campus is physically transformed, we are working with the Centre for Accessible Environments (CAE) to develop standards which will ensure future accessibility. This activity feeds into our work towards achieving the Disability Confident standard (which replaces the 'Two Ticks scheme'). As well as the new scheme to launch Disability at Work Advisors during 2017/18.



Pregnancy & Maternity: We have extended full pay on maternity leave from six weeks to 20 weeks. This is a major step for LSBU in terms of gender equality. Not only will this enhance LSBU’s reputation as an ‘employer of choice’, it will also assist our recruitment and retention of talented women employees.

Athena SWAN: Facilitated by the Equalities Challenge Unit (ECU) this national award benchmarks the steps LSBU has taken to progress gender equality (see also Section 3, ‘Policies’). The Self-Assessment Team (SAT), which is integrated in our governance framework continue to progress the Athena SWAN Institutional action plan to ensure we deliver positive outcomes. Therefore we have already undertaken key activities, such as ensuring diverse candidates in appointments, improving the quality of our data and narrowing the gender pay gap. We continue to work towards achieving institutional Bronze in 2017-2018.

Dignity at Work: 14 Dignity at Work Advisers from across the university have been trained by an external independent provider as part of LSBU’s Dignity at Work Scheme. The Scheme, the first of its kind here at LSBU, has a diverse range of Advisers. LSBU launched the scheme in January 2017. Over 100 staff attended across the Institution including the Executive team members and senior managers. The D@W scheme aims to support staff who feel they are not being treated with dignity, respect and courtesy; advise staff if they feel they are being bullied and harassed; and signpost staff to further support.





Stonewall Workplace Equality Index: In 2017 we engaged with our LGBT staff and students through a variety of projects and submitted for the Workplace Equality Index. Stonewall awarded LSBU 102nd position out of 439 participating organisations. Although the Institution was 92nd in the Index last year, this year, however, we have increased our overall score. Stonewall also commended us on key areas like policy development, improving data monitoring and engagement. This year, we will continue to work with our Staff Networks, SONENT and GenderNet to ensure key development of an action plan.



Transgender Day: Co-Hosted in November 2016 by GenderNet and SONENT, this event brought together trans activists with a UK profile such as Kelly Malone, Stonewall, students and staff to raise awareness of trans equality and the impact of transphobia in the workplace. Over 100 staff and students attended this event. As a result of this, LSBU is developing a trans policy.



London Pride: LSBU again participated at London Pride with over 150 staff, students, alumni, friends and families in attendance. With the theme 'Love Happens Here', LSBU ran a campaign called '*Learn To Love, Love To Learn*'. Group of over 300 participated at Pride this year and joined over 26,000 participants. It was estimated that there were over 750,000 people in attendance for this annual event through the streets of Central London.



Staff Networks nominations: The success of our four Staff Networks (dNet, Equinet, GenderNet and SONENT) is being recognised by our staff for making real change around the equality agenda. As a result, this year for the first time, Staff Networks were nominated for a Staff Award for promoting Equality, Diversity and Inclusion at LSBU.



Black History Month: Facilitated by Equinet, our staff network for BME colleagues, several events were organised in October 2016. One of the key highlights was a speech by the High Commissioner of Barbados to the UK, Guy Hewitt, as part of Barbados' 50 years of independence. This event was attended by over 100 people.



Staff Network's BBQ: The Equality, Diversity & Inclusion team organised the second successful annual Staff Networks BBQ, this year's BBQ was one of the largest ones so far to celebrate the key achievements the networks have undertaken in promoting the Equality agenda. Over 150 colleagues attended to support the event.



International Women's Day: Organised by GenderNet, a series of workshops and an all female panel Q&A was organised. Attended by both staff and students, over 100 people attended this year's International Women's event.

3. Meeting The Duty

Staff

As a public body, we have responsibilities under the Equality Act (2010) with which we have to comply. As an organisation, not only do we take action to fulfil our duties under The Act, but we also strive to make a real impact in the experience of our students and staff.

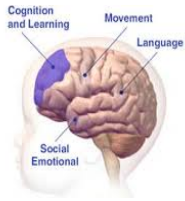
Policies - Key Achievements: Over the past year, we have further helped our movement towards Diversity and Inclusion through our new policies and practices.

Reasonable Adjustments: With help from Business Disability Forum (BDF), we have created a Reasonable Adjustment policy. This policy provides a framework to enable managers to support colleagues in the workplace. It also has a ‘Disability Passport’ which enables colleagues who have a disability and who move around an organisation to not have to repeat their needs over and over again.

Dignity At Work: Our new Dignity At Work policy explains what ‘dignity at work’ is; expectations around behaviour; and how individuals can access the advisors. This work dovetails with LSBU’s five core Values. This policy has been supplemented by a **Role Profile** and a **Handbook** for our Dignity At Work Advisors. In addition, there is an online Dignity At Work course which is accessible to all staff.

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Learning & Development: 958 staff members, including Hourly Paid Lecturers (HPLs), attended in the classroom-based Equality & Diversity training in 2016 – 17. With our new HR system, we will soon be able to disaggregate this data by relevant ‘protected characteristics’ This training programme is now available to all staff online.



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Gender Pay Gap: The national pay gap across the country is currently 18.1%, whilst the gender pay for full-time workers is 9.4%. When we turn to the higher education sector we find a gender pay gap of 12% amongst all academics. It is against this backdrop that data has shown that the LSBU gender pay gap is **6.1%** and is reflective of work we have undertaken to equalise gender pay. However, LSBU continues to monitor and review the gender pay gap across all roles and areas and implement initiatives to tackle this gap.



Academic Promotions: Trends and patterns in promotions can be a useful indicator as to whether there are genuine opportunities for suitably qualified applicants from diverse groups. In 2017, in terms of academic promotions there was 49 applications for promotion, 31 from men (63.3%) and 18 from women (36.7%). Applications for promotion to Senior Lecturer (SL) and Associate Professor (AP) were mainly from men (29 men, 11 women). At the Professorial level, female applicants outnumbered male candidates (71.4% to 28.6%). 80% of our women academics were successful at Professorial level. Of the 17 BME applicants who applied for academic promotion, 8 were successful – a 47% success rate. This compares to an academic success rate of 59%

to their White counterparts (16 out of 27 applicants). As the overall numbers are relatively small, percentages can be misleading; however, to ensure transparency, this is a variable of which we will need to be cognisant, as we move into the Teaching Excellence Framework era. Going forward, we are developing a system which will enable us to collate and measure promotions within our Professional Services Groups.

Students

Student Satisfaction: The National Student Satisfaction Survey gives students the opportunity to annually tell higher education institutions (HEIs) their experiences of higher education. This anonymous survey, completed this year by 70% of students, asks them what they like about their course(s) – and what could be improved.

LSBU: At LSBU BME students have a better experience than their white counterparts, especially in the areas of assessment and feedback, and academic support. This currently contradicts the national picture in which we see that white students have higher satisfaction. At LSBU however, white students have lower levels of satisfaction. By contrast to higher satisfaction rate, at LSBU we find that BME students have lower rates of attainment in comparison to their white counterparts.

NSS Figures Between BME & White Students, 2015 & 2016 at LSBU				
Year	Ethnicity (two-way split)	The teaching on my course	Assessment and feedback	Academic support
2016	Non-white	85	75	79
	Not known	80	66	76
	White	81	67	74
2015	Non-white	85	74	79
	Not known	76	61	73
	White	81	66	75

NSS Figures Between BME & White Students, 2015 & 2016 across the HEI Sector				
Year	Ethnicity (two-way split)	The teaching on my course	Assessment and feedback	Academic support
2016	Non-white	84	72	80
	Not known	84	72	79
	White	88	74	82
2015	Non-white	85	73	80
	Not known	85	72	79
	White	88	74	82

Attainment: The attainment gap – the difference between BME and White students attaining a first or 2:1 class degree – has been a major challenge for the HE sector over the past 10 – 15 years. At LSBU, the current gap is **19.3%**, against our competitors it is **21.85%** and across UK HE is **16.1%**. One of our main challenges moving forward is how we – and the sector as a whole – tackle this issue. Unwilling to wait on the sector to lead the way, here at LSBU we are tackling this issue head on through the implementation of initiatives and groups. The LSBU Quality & Standards Committee are leading the work on BME attainment, whilst the work being undertaken by the Race Equality Steering & Advisory Group has allowed for pan-institutional engagement to understand our data, processes and culture to embed long term change.

Employability: The Destination of Leavers from Higher Education (DLHE) collates details of graduates entering the job market. Of those who completed the survey, it shows a steady year on year improvement of students who secured graduate-entry level jobs.

2015/2016	EPI	All student leavers	2014/2015	EPI	All leavers
	In graduate level work or study (%)	In graduate level work or study (%)		In graduate level work or study (%)	In graduate level work or study (%)
White	85.8%	89.5%		77.7%	87.4%
Black	80.3%	79.2%		79.3%	80.2%
Asian	74.1%	80.0%		68.1%	74.1%
Other	84.1%	83.0%		71.6%	78.7%
Not known	73.3%	80.5%		80.8%	79.8%
Grand Total	81.7%	84.5%		76.0%	82.5%

- In analysing the above data, we see that our black students have 6.1% higher employability outcomes compared to our Asian students. As demonstrated above, we can see that our white students achieve higher proportions of graduate level work or further study compared to any other ethnic group.
- Going forward we will be working with our employability team to look at how we can work with our divisions and schools to narrow the gap.
- As a part of her role in providing external expertise to the LSBU EDI Steering Group, Dr Marie Stewart was commissioned to produce and publish a report looking at student retention and success at LSBU which has since been used to shape our work on attainment and outcomes.

4. Key Partnerships

With the support of our EDI Steering Group, LSBU has worked with a range of external partners and stakeholders to promote diversity and inclusion across our university. Below is a snapshot of some of our activities and engagement:



Business in The Community (BiTC). With BiTC, we have attended various peer reviews and contributed to surveys such as *'Equality, Diversity & Racism in the Workplace'*, the largest research study of its kind in the UK with over 24,000 responses.

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BAME Challenge: LSBU has also participated with the House of Commons and Inclusive Employers' BAME Leadership Challenge: a web-portal which encourages companies and their Chief Executive Officers take proactive action to identify and develop BME talent and leaders within their organisations.



Business Disability Forum (BDF). BDF has contributed in our progress towards disability equality at LSBU. BDF assisted us with new policies such as our Reasonable Adjustment policy, as well as helped strengthen our Flexible Working policy, making sure that it reflected current best disability equality practice.

BDF has adopted one of our Executive team members, Mandy Eddolls (Executive Director of People and Organisation), as one of its partner champions to speak positively about



disability equality at external events. BDF has also worked closely with the EDI team in shaping the Disability Action Plan, which was presented at the EDI Steering Group in May 2017.

Equality Challenge Unit (ECU). LSBU has worked extensively during 2016-17 with the ECU. Not only have we participated in both Athena SWAN and Race Equality Charter Marks, we have attended key events and submitted staff members to become assessors/panel members for future external assessment panels. LSBU was selected to take part in an ECU-facilitated national research studies about women and men in STEMM subjects. Over 100 academics from LSBU partook in this survey, which has provided valuable insights for our Athena SWAN submission. LSBU is also participating in one of ECU's BME Leadership Programmes, which will form part of a study for the Leadership Foundation and ECU in 2017-18.



Stonewall. In 2017, LSBU became a Global LGBT+ Diversity Champion in recognition of our work worldwide, with educational partners in North America and Africa. We contributed to Stonewall's Global Index, making a number of recommendations for global criteria. We also invited Stonewall to be a speaker at our inaugural Transgender Day on 2 November 2016, where over 100 students, staff and visitors attended. We also participated in the annual Workplace Equality Index, as well as attended Stonewall's annual conference.

5. Our Key Challenges

Data. We are improving our EDI data management and analysis through an extensive data cleanse and standardising our data collection processes. However, we need to ensure the integrity of our data, as well as encourage our students and work colleagues to disclose aspects of their identities. This will enable us: firstly, to ensure fair and equitable treatment for all; secondly, to assist LSBU meeting its Public Sector Equality duties; and thirdly, use the data to improve our processes and eliminate any inequality in experiences of our students and staff.

Attainment Gap. The 'attainment gap' is the term given to describe the difference between White and BME students achieving a first or 2:1 degree. Nationally, the current difference between White and BME attainment is 16.1% - the lowest since 2003. Our Race Equality Chartermark work has begun to examine the reasons for this rate here at LSBU and we have undertaken an in-depth analysis of our equality data to address the attainment gap.

Disability Equality. With our campuses being transformed over the next few years, it is imperative to develop future accessibility standards which are as inclusive as possible. This activity, led by our the EDI team, Estates and supported by an external provider CAE, is also augmented by updates to people policies such as Reasonable Adjustment, Flexible Working and our Dignity At Work policy. Going forward as part of

cultural change we are looking to develop a disability strategy to ensure decision-making processes take into account not just physical access issues, but all forms of disabilities.

Dignity At Work. Promoting the work, activities and successes of our 14 Dignity At Work Advisers will be important over the next year. This will be done via meetings with our Schools and Professional Services Group, as well as internal communications. We are also keen to train an additional group of academic colleagues as D@W Advisers, who are currently under-represented in our existing cohort. This will enable Academic staff to feel supported if they feel they are not being treated with dignity, respect and courtesy or if they feel they are being bullied and harassed and signpost staff to further support, if needed. This initiative will help us promote positive behaviours and challenge any signs of possible bullying and harassment.

Staff Engagement. Developing our Staff Networks is a key objective in developing staff engagement throughout the institution and to extend their reach and impact will continue to be one of the EDI Team's main priorities in the forthcoming academic year. Going forward, LSBU would like all the Staff Networks to work in collaboration on projects such as staff career development, as well as activities such as:

- a. **Race Equality Chartermark.** Work will continue apace towards our Race Equality Chartermark submission. The EDI Team, together with the Planning, Performance & Assurance Team are pivotal to this activity. LSBU intends to submit in July 2018.

- b. Athena SWAN Chartermark.** We will also resubmit for the Athena SWAN Chartermark submission in 2017-2018. The ECU commented positively in its feedback in relation to specific areas, such as gender pay gap, clear provision of data in terms of intersectionality and LSBU's work around transgender awareness. We have already taken forward key activities from our Action Plan such as our work in ensuring diverse candidates in appointments, improving the quality of our data and narrowing the gender pay gap.
- c. LGBT+ Equality.** Over the past two years, LSBU has been in and around the Top 100 employers in the Stonewall Workplace Equality Index (WEI). We are developing a Trans Policy for students and staff. We will continue our support of London Pride Parade. As we move forward, our staff network group SONET, will work towards increasing SONET membership, work towards achieving LSBU's ranking in the top 100 Stonewall Workplace Equality Index and ensure key links with Industry. LSBU will also formally develop an Allies programme to augment our LGBT+ equality activities.

EDI Team

July 2017

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	CONFIDENTIAL
Paper title:	Risk Appetite
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	John Baker - Corporate & Business Planning Manager
Executive sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To approve
Which aspect of the Corporate Strategy will this help to deliver?	The risk appetite relates to the management of risks or uncertainties across the institution and which could impair the ability of the University to achieve the goals of the Corporate Strategy.
Recommendation:	The Board is requested to approve the risk appetite statement

Matter previously considered by:	Audit Committee	3 October 2017
Further approval required?		

Risk appetite

Following review by the Executive and the Audit Committee it is recommended that there is no change to the agreed risk appetite:

- Financial – open;
- Legal and compliance – cautious;
- Academic delivery – seek; and
- Reputational - open

The Board is requested to approve the risk appetite statement.

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London South Bank University Risk Appetite: Agreed Statement – October 2016

The agreed risk appetite statements were as follows for each risk type:

- a. Financial – open;
- b. Legal and compliance – cautious;
- c. Academic delivery – seek;
- d. Reputational – open.

These are displayed against the original framework overleaf.

Avoid / Averse

Avoidance of risk and uncertainty is a Key Organisational objective

Avoidance of financial loss is a key objective.

Play safe; avoid anything which could be challenged, even unsuccessfully.

Defensive approach to objectives – aim to maintain or protect, rather than innovate. Priority for tight management controls & limited devolved authority. General avoidance of systems/ technology developments.

No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.

Minimal

(as little as reasonably possible) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential

Only prepared to accept the possibility of very limited financial loss if essential.

Want to be very sure we would win any challenge.

Similar situations elsewhere have not breached Innovations always avoided unless essential or commonplace elsewhere.

Decision making authority held by senior management.

Only essential systems / technology developments to protect current operations.

Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.

Cautious

Preference for safe delivery options that have a low degree of inherent risk & may only have limited potential for reward

Prepared to accept possibility of some limited financial loss.

Resources generally restricted to existing commitments.

Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.

Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.

Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.

Open

Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)

Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level.

Resources allocated in order to capitalise on opportunities.

Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.

Innovation supported, with demonstration of commensurate improvements in management control.

Systems / technology developments used routinely to enable operational delivery.

Responsibility for non- critical decisions may be devolved.

Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest.

Prospective management of organisation's reputation.

Seek

Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)

Investing for the best possible return and accept the possibility of financial loss (with controls may in place).

Resources allocated without firm guarantee of return – 'investment capital' type

Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.

Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery.

High levels of devolved authority – management by trust rather than tight control.

Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks.

New ideas seen as potentially enhancing reputation of organisation.

Mature

Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust

Consistently focused on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself.

Consistently pushing back on regulatory burden. Front foot approach informs better regulation.

Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.

	CONFIDENTIAL
Paper title:	Corporate Risk Register – annual detailed review
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	John Baker - Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	For Information; to provide the Board with the current corporate risk register.
Which aspect of the Corporate Strategy will this help to deliver?	All aspects as the risk entries on the register are aligned to the goals of the Corporate Strategy.
Recommendation:	Board is requested to note: <ul style="list-style-type: none"> • the risks and their ratings, • the allocation of risks to corporate objectives

Matter previously considered by:	Audit Committee	3 October 2017
Further approval required?	No	N/A

Executive Summary

The latest version of the Corporate Risk Register is attached for review.

Risks 2, 14 and 457 have been moved to high likelihood following review by the September meeting of the Strategic Risk Review Group.

An overview of the updates and changes is provided in the middle column of the summary table on pages 2 - 3, with notes on overdue actions on the right, and the risks are grouped by the goals of the Corporate Strategy.

The Board is requested to note:

- the risks and their ratings
- the allocation of risks to corporate objectives

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

Date: 22nd September 2017

Author: John Baker – Corporate & Business Planning Manager

Executive Lead: Richard Flatman – Chief Financial Officer

Page 7 of 76	4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty /</i>			2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)
	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 perceived as unreliable, doesn't triangulate (RF) 37: Affordability of Capital Expenditure investment plans (RF) 305: Data not used / maintained / processed securely (IM) 494: Inconsistent delivery of Placement activity across the institution (SW) 495: Higher Apprenticeships (PB) 519: Negative Quality Assessment (SW)	362: Impact of Low staff engagement (ME) 3: Increasing pensions deficit reduces flexibility (RF) 467: Progression rates don't rise (SW)	14: Loss of NHS contract income (WT) 457: Anticipated international & EU student revenue unrealised (PI)
	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)	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 (IM)	518: Failures in core student systems (SW)
	1 Low <i>little effect on operational objectives</i>	530: Impact on HE business of LSBU family acquisition projects (DP)		
		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 – 3, DVC – 1, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 2, CMO -1, Dean Health – 1, ExD-HR – 1, US - 0				

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

Reference	Risk title	Completed Actions & Risk Changes	Overdue Action Progress Notes
Goal 1: Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise			
398 (SW)	Low engagement with tech or pedagogic developments	DEL Appointments action progress: Two educational developers have been recruited to join CRIT in October. The 2nd post to be redefined.	
467 (SW)	UG Progression rate doesn't rise		
Goal 2: Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.			
518 (SW)	Failure in Core Student System operations	My LSBU staffing action completed: Resource allocated with portal being supported in the backend by the ICT applications team, and training and user support provided via CRIT. SRS discovery phase completed: Roadmap proposal reviewed at July Ops Board. Moodle upgrade completed: Moodle & Mahara updated as scheduled over the summer with fix implemented for 1718 to resolve the Jan start issues experienced by Moodle users.	Automated timetabling progress note: Responsibility being re-allocated following staff departure.
576 (SW)	Negative assessment of curriculum compliance		
Goal 3: Employability: Ensuring students develop skills, aspiration and confidence.			
494 (SW)	Inconsistent delivery of Placement activity across institution	Placements Steering Group Structured: HSC model established for on-boarding in 17/18. OurLSBU upload progress note: Documents now published.	
Goal 4: Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.			
402 (PI)	2020 £ growth through Research & Enterprise	New action – Health Professionals CPD:	
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	New actions added Launch event action completed: A series of industry information events took place during the year and recruitment is on target.	
530 (DP)	Impact of LSBU family acquisition projects	New action added	
Goal 6: Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.			

457 (PI)	International & EU student £income unrealised		Financial model progress note: A working group is being established to involve all necessary parties in the development of this model.
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	New Action around TEF 2 subject pilots	
362 (ME)	Poor Staff Engagement	Leadership visibility plan implemented. Additional actions now being identified. Employee Value strategy approved Reviewed by July Executive and now portal procurement underway.	
Goal 8: Resources & Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.			
2 (NL)	Home UG Recruitment income targets	Market insight informed validation cycle: 17/18 cycle approved to be managed by TOE. New actions regarding Brand positioning	
3 (RF)	Pensions deficit		Actuarial advice progress update: Mercers appointed to provide costed scenarios.
6 (RF)	Quality and availability of Management Information	New Actions for Applications dashboard and Performance Scorecards	
14 (WT)	Loss of NHS income		
37 (RF)	Affordability of Capital Investment plans	New Actions to test funding options Estates Business Case action completed: Case presented to MPIC on 21 st Sep.	Student Centre negotiations action progress update: Programming expert engaged to adjudicate on the decisions taken in respect of the refused extension of time claim. We await a meeting with the senior Director of Balfour Beatty early in 2016.
305 (IM)	Corporate & personal data security	Infrastructure vulnerability action completed: A security partner conducts weekly vulnerability scans of our external network perimeter and the infrastructure services team direct resource, prioritising significant vulnerabilities. Technical Roadmaps completed: Approved by July Operations Board and reviewed quarterly by ICT Technical Roadmap Board.	
584 (IM)	External incident compromises campus operations or access	New action	

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
398	Academic programmes do not employ suitable technological and pedagogic developments to support students and promote achievement	Shan Wareing	<p>Cause: Sustained underinvestment in expertise and dedicated human resource to support utilisation of learning technologies, comparative to new and existing competitors.</p> <p>Effect: LSBU does not effectively exploit the learning potential of new technologies, impacting negatively on student retention, achievement, or cost base (eg in terms of physical estate, inability to use virtual facilities) and our ability to deliver new provision such as apprenticeships Curriculum do not adapt sufficiently to remain relevant, jeopardising the employability of LSBU graduates. More flexible and efficient educational models which enable us to remain adaptable and competitive are out of institutional reach Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment so retention does not meet the targets within the 5 year forecast. Market appeal of courses is impaired, impacting negatively on recruitment.</p>	I = 2 L = 2 Medium (4)	<p>CRIT (Centre for Research Informed Teaching) reports regularly to the Student Experience Committee & to the Quality & Standards Committee on the Achievements of work undertaken.</p> <hr/> <p>Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Educational Framework and Quality Processes, monitored by Academic Board.</p>	I = 2 L = 2 Medium (4)	Complete activity to establish a baseline across all modules for core digital enhanced learning practice.	Saranne Weller	31 Jul 2018
							Increase organisational capability for utilising lecture capture technology, through champions in all divisions trained in appropriate technology.	Saranne Weller	31 Jul 2018
							Deliver professional development for course directors.	Saranne Weller	31 Jul 2018

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467	Progression rate across undergraduate programmes does not rise in line with targets of Corporate Strategy	Shan Wareing	<p>Cause: Students admitted through clearing with lower tariff and less commitment to the course. High risk students are not identified in a timely way and supported sufficiently. Failures in timetabling, organisation and communication increase during periods of change, and high risk students are more vulnerable. New initiatives don't engage students. Provision fails to meet immediate needs of students entering through non-traditional access routes. Unable to finance student support adequately to meet level of demand.</p> <p>Effect: Progression rate fails to increase sufficiently . HEFCE, or OFS could view LSBU as high risk. Data could have negative impact in TEF metric assessment. Considerable loss of income from UG non-progression to level 5 and 6.</p>	I = 3 L = 2 High (6)	Study Support & Skills Sessions provided by the Library & LRC	I = 3 L = 2 High (6)	Review current Job Description for Course Directors, ensuring fit with current priorities and Career Pathway structure.	Shan Wareing	22 Dec 2017
					Student Welfare advice and support provided by Student Life Centre		Implement a minimum specification for personal tutoring, ensuring consistent student support & increasing progression rates.	Shan Wareing	31 Jul 2018
							CRIT to work with Schools and course teams to embed learning development in targeted courses or high impact modules with pass rates less than 40%.	Saranne Weller	31 Jul 2018

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518	Failures in core student systems negatively impact student experience	Shan Wareing	<p>Cause: Core business processes and systems - e.g. QL, timetabling, Moodle, MyLSBU – already requiring manual and emergency interventions to function, or fail completely due to increased activity, e.g. January starts.</p> <p>Effect: Confusion amongst students and staff, NSS impact and reputational damage. Students unable to attend teaching sessions, submit work on time or receive marks, so progression suffers Staff compensating for systems failures are distracted from other activity leading to failures elsewhere. Staff morale suffers and sickness rate and turnover rate increase.</p>	I = 2 L = 3 Medium (6)	SRS Replacement Project Updates scrutinised at Academic Board, to oversee progress and assess fit with strategy and existing practice.	I = 2 L = 3 Medium (6)	Review possibility of utilising the automated functions of timetabling system	Andrew Wignall	01 May 2017
							Amend QL to mitigate known problems with Sessions with January starts.	Lisa Upton	28 Jul 2017
							Implement a modern student enquiry management approach, to deliver a holistic approach to information provision and query management	Kirsteen Coupar	31 Jul 2018
							Oversee business impact modelling process and present SRS replacement project business case to Operations Board.	Shan Wareing	31 Oct 2017
							Conduct review of timetabling system issues.	Shan Wareing	30 Sep 2017



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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
519	Negative Assessment of Curriculum Compliance	Shan Wareing	<p>Cause: Increase in activity could lead to overstretched teams and a failure to complete adequate quality processes in the Schools or PSGs. Academic staff insufficiently prepared for quality processes, (new to HE or lack of appropriate professional development). Significant changes to curriculum not processed through formal mechanisms. High risk activity with partners (placement, international partners, UK partners (particularly FE or schools education) does not have adequate resource or expertise allocated to it to identify and manage risks.</p> <p>Effect: Quality code processes not followed, leading to failures in quality, and negative external assessment. Negative impact on Board of Governors ability to sign off HEFCE assurances, or on Annual Provider Review, and TEF outcome, impacting negatively on income through reputational impact on recruitment and through static fee levels, and University status. Negative judgement by Competition and Markets Authority and cost of legal challenge. Could act as barrier to recruitment of international students, affecting income and reputation.</p>	I = 3 L = 3 High (9) 	Academic Audit process monitored by Academic Board via periodic reports from Quality & Standards Committee (QSC).	I = 3 L = 1 Medium (3) 	Review approach to electronic document management, in conjunction with ARR and the Governance team, to seek to manage harmonisation of Curriculum details across the institution.	Janet Bohrer	30 Sep 2017

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
494	Inconsistent delivery of Placement activity across institution	Shan Wareing	<p>Cause: Insufficient human resource allocation centrally and in Schools Insufficient expertise within LSBU. Lack of allocation of sufficient central and School human resource. Speed of implementation without underpinning project planning or learning from the sector. Lack of assurance over offsite workplace conditions.</p> <p>Effect: Placement practice may not comply with Chapter B10 of the Quality Code, so may be a quality risk. LSBU may not be able to provide a placement, internship or professional opportunity for all UG students entering in 2016 and after, leading to a CMA risk Placements may not deliver a good student experience, creating a risk to achievement of NSS improvement plans. Duty of care to students re workplace safety may not be met, creating a reputational risk. Potential insurance risk.</p>	I = 3 L = 2 High (6) 	Utilisation of new software platform 'InPlace' enables efficiencies in the Schools & the centre, and supports constancy of process and knowledge sharing.	I = 3 L = 1 Medium (3) 	Complete onboarding of remaining Schools to InPlace Operational procedures and User Group.	Sukaina Jeraj	31 Jul 2018

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
402	Income growth expected from greater research and enterprise activity does not materialise	Paul Ivey	Cause: 1) Challenging market environment with high competition for similar opportunities and funders. 2) Lack of proven forecasting systems & recent static performance 3) Aggressive and complex turnaround required carries intrinsic high risk. 4) Dependence on HSC CPPD income (circa 50% of enterprise£) 5) New structures fail to entice and encourage academic participation in activity. 6) Limitations of academic capacity and capability. 7) Internal competition for staff time over and above teaching. Effect: 1) Income growth expectations unrealised. 2) Undiversified enterprise portfolio. 3) Lower financial contribution, as an increased proportion of delivery is sourced outside core academic staff. 4) Increased dependency on generating enterprise opportunities via Knowledge Transfer outreach as opposed to an academic-led stream, results in higher opex costs. 5) The holistic benefits for teaching and the student experience are reduced. 6) Proportion of staff resource diverted to winning new funding is significantly increased. 7) Reduced research income adversely affects the research environment, publication rates, evidence of impact, student completions, & ultimately LSBU REF 2020 rating. 8) Inability to align academic resource with identified market opportunities.	I = 2 L = 2 Medium (4)	Operation of Sharepoint Enterprise Approval Process for authorisation of new income opportunities.	I = 2 L = 2 Medium (4)	Complete 17/18 AURA Research Audit Process to review progress with Units of Assessment regarding REF2.	Karl Smith	22 Dec 2017
					R&E activity Pipeline Reports (Financial & Narrative) will be provided to each Operations Board Meeting to aid constant scrutiny and review of progress against 5 year income targets.		Gain approval for 17/18 Comms strategy focusing on Entrepreneurial University.	Gurpreet Jagpal	30 Sep 2017
					Bid writing workshops for academic staff delivered routinely		Establish a CPD offering for Health Professionals in collaboration with School of Health & Social Care.	Paul Ivey	30 Nov 2017
					Enterprise Business Plan & strategy submitted for approval annually to Operations Board.		Conduct student led audit of operation of London Doctoral Academy.	Graeme Maidment	30 Nov 2017
							Establish revised operating structure for new SBUEL+ enterprise subsidiary.	Paul Ivey	31 Jan 2018
							Oversee submission of bids for LURN partnerships.	Graeme Maidment	22 Dec 2017

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by		
495	Impact of Higher Apprenticeship degrees on existing recruitment markets	Pat Bailey	<p>Cause: The Introduction of Higher Apprenticeship degrees may present an opportunity for LSBU to grow student numbers in a new market. Offering and administrating apprentice schemes requires compliance with SFA funding regulations, with revised funding models depending on successful EPAs, and opens up new areas of the institution to scrutiny from Ofsted.</p> <p>Effect: These degrees could cannibalise existing employer sponsored students. This represents a risk to existing income and markets. LSBU currently has c.4,000 students on part-time courses, majority employer-sponsored & initial estimations are that income from 1,400 students (£3.3m of surplus) could be affected. SFA audit failure could lead to funding clawback, and Ofsted inspection failure could lead to reputational damage.</p>	I = 3 L = 1 Medium (3)	6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and Passmore Centre.	I = 3 L = 1 Medium (3)	Arrange launch of Passmore Centre following refurbishment programme.	Pat Bailey	31 Oct 2018		
					Monthly meetings of Apprenticeships Committee review all related operational matters.		Complete recommendations for internal improvement arising from Internal Audit review.			Heather Collins	30 Sep 2017
							Determine structure of IPTE when shape of LSBU family confirmed.			Pat Bailey	30 Sep 2018
							Ensure full appreciation of Ofsted issues relating to Apprenticeships, especially at Levels 2 and 3 (with guidance from Janet Bohrer).			Pat Bailey	31 Oct 2017
530	Impact on HE Business of LSBU Family Acquisition Projects	David Phoenix	<p>Cause: Executive and senior staff time taken up with exploration of project opportunities and negotiation and due diligence operations. Unforeseen impacts of inherited assets. Impact of third party decisions on project progress. New regulatory requirements.</p> <p>Effect: Management focus pulled away from core HE business and issues. Additional pressure on budgets & resources. Additional pension burdens, and governance support requirements. Impairment to positive industrial relations. Economies of scale and resource efficiency.</p>	I = 1 L = 2 Low (2)	<p>Separate project team reviews progress monthly, with participation of only 50% of Executive team (DVC & PVCs focused on LSBU)</p> <p>Project inception dependent on Board approval of full business case, developed with external input and full due diligence process.</p> <p>Alternative models for delivery of objectives relating to access and apprenticeships developed</p>	I = 1 L = 1 Low (1)	Revisit financial model and associated assumptions following External Advisory Panel meeting.	Richard Flatman	29 Dec 2017		

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457	Anticipated international & EU student revenue unrealised	Paul Ivey	<p>Cause: UK government process / policy changes. Restriction on current highly trusted sponsor status. Issues connected with english language test evidence. Anticipated TNE growth does not materialise. TNE partnerships are not approved, present quality risks, or break down due to absence of adequate support structures, or when contacts relocate.</p> <p>Effect: LSBU unable to organise visas for students who wish to study here. International students diverted to other markets. Expected income from overseas students unrealised. Conversion impact of LSBU TNE students doesn't materialise. TNE enterprise expectations unrealised.</p>	I = 3 L = 3 High (9)	Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team.	I = 3 L = 3 High (9)	Oversee Internationalisation campaign across LSBU Schools.	Stuart Bannerman	31 Jul 2018
					International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.		Ensure financial model for partnerships recognises the costs of managing risks to quality and the student experience.	Paul Ivey	01 Aug 2017
					International & EU recruitment Reports presented to each meeting of Ops Board.		Establish up to 5 overseas offices, with common management oversight and reporting lines.	Stuart Bannerman	31 Jul 2018
					Engagement between International Office, Registry & School Admin teams to ensure UKVI requirement compliance, specifically regarding: - Visa applications and issue of CAS - English language requirements - Reporting of absence or withdrawal		Develop new institutional partnerships with EU partners.	Stuart Bannerman	31 May 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
517	Impact of EU Referendum result on operating conditions & market trends	David Phoenix	<p>Cause: Following the vote to 'Leave', the Government is working towards a plan to extract the UK from the European Union.</p> <p>Effect: Staff impact: The outcome could impact on the ability of some existing staff to remain in the UK, and could impair the ability for future recruitment, both from Europe, and from other overseas territories. Recruitment impact: Currently EU students pay home fees & can access the UK student loan system. It is likely that higher fees and removal of this access will have a significant impact on the appeal of the UK to European applicants long term. Additionally the reporting of the Brexit outcome is having a negative impact on the reputation of the UK as a welcoming destination. These impacts on the sector could also cause changes in recruitment patterns at well-ranked institutions, which could have a negative impact on applicant pools elsewhere. Research Funding: Leaving the EU is likely to remove the ability of LSBU to partner in EU research projects, and access Horizon 2020 funding opportunities and limit access to structural funds. Legislative Compliance: There could be additional administration cost in updating many EU compliant processes if regulations are amended. Impact on bond yields could affect year end pension liabilities.</p>	I = 2 L = 3 Medium (6)	Use of London economic models to estimate impact on student recruitment and model reductions in EU student numbers and identify mechanisms to compensate	I = 2 L = 1 Low (2)	Add 4 academic leads to Research Institutes, to build strategic relationships with UKRI, UK research Councils and UK (Russell Group) HEIs.	Gurpreet Jagpal	30 Apr 2018
							Develop strategic plan for marketing and support of EU student cohort, preparing for future removal of student loan funding mechanism.	Stuart Bannerman	30 Mar 2018
							Monitor situation with regard to employment law and right to work, and ensure that appointments are made in compliance with any changes to regulation.	Mandy Eddolls	31 Jul 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
1	Organisational responsiveness to policy changes, external perception & shifts in competitive landscape	David Phoenix	<p>Cause:</p> <ul style="list-style-type: none"> - Changes to fees and funding models - Increased competition from Private Providers and other HEIs post SNC - The Apprenticeship Levy & programme development - Evolving external assessment through TEF mechanisms - Failure to anticipate change - Failure to position (politically) & (capacity/structure) <p>Effect:</p> <ul style="list-style-type: none"> - Reduced student recruitment - Failure to differentiate provision - Workforce out of alignment with portfolio - Impaired external recognition through subject level tef 	I = 2 L = 3 Medium (6)	<p>Chief Marketing Officer appointed to Executive to advise LSBU on opportunities for strategic development of brand and portfolio.</p> <hr/> <p>Financial controls (inc. forecasting & restructure) enable achievement of forward operating surplus target communicated to Hefce in July Forecast.</p> <hr/> <p>PPA team provide Senior Managers with trend analysis & benchmarking against KPIs, and access to MIKE platform for information analysis.</p> <hr/> <p>Local Roadmap alignment with Corporate Roadmaps ensures linked strategic focus across operational areas, with 6 monthly Executive performance review meetings.</p> <hr/> <p>Horizon scanning report produced weekly by the Corporate Affairs Unit</p> <hr/> <p>Corporate Affairs unit maintain relationships with key politicians and influencers, in local boroughs and amongst FE providers.</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors through Corporate Roadmaps document.</p>	I = 2 L = 1 Low (2)	<p>Review brand development mechanisms & supply chain for core UG & PG activity.</p> <hr/> <p>Oversee launch of new portfolio developments relating to Institute of Professional & Technical education.</p> <hr/> <p>Submit application to Hefce for participation in TEF subject level pilots.</p> <hr/> <p>Oversee introduction of new portfolio relating to new division of Creative Industries, including fashion promotion.</p> <hr/> <p>Engage with Subject level TEF panels to inform LSBU approach (with Shan Wareing).</p>	Nicole Louis Pat Bailey Shan Wareing Janet Jones Pat Bailey	30 Nov 2017 30 Nov 2017 30 Sep 2017 30 Apr 2018 30 Apr 2018

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
362	Low staff engagement impacts performance negatively	Mandy Eddolls	<p>Cause:</p> <ul style="list-style-type: none"> •Systems and structure do not facilitate teamwork between areas of the University •Staff feeling that they do not have easy access to relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises •Limited visibility of Leadership •Lack of quality physical estate <p>Effect:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases 	I = 3 L = 3 High (9)	<p>Cascade messages from Ops Board circulated for Cascade / Congress / Town Hall Meetings within each School & PSG.</p> <hr/> <p>New social spaces and forums for staff established.</p> <hr/> <p>RAG progress reports from 3 themed institutional plans, and School & PSG action plans, are monitored at every other Operations Board meeting.</p> <hr/> <p>Planning process promotes golden thread connection from Corporate Strategy, through Roadmaps to Staff Appraisal.</p> <hr/> <p>Direct staff feedback is encouraged through the Continuing the Conversation VC events, & through discussions on Yammer.</p> <hr/> <p>Internal Comms campaign to promote Employee engagement using #wevalueyourvoice.</p> <hr/> <p>Employee engagement champions established for each Shools & PSG with regular network meetings to actively support engagement initiatives.</p>	I = 3 L = 2 High (6)	Oversee procurement of 3rd party web portal to deliver benefit packages to staff.	Mandy Eddolls	28 Feb 2018

Standard Risk Register

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
2	Course portfolio, or related marketing activity and admissions processes do not achieve Home UG & PG recruitment targets	Nicole Louis	<p>Cause:</p> <ul style="list-style-type: none"> - Increased competition from selective institutions and private providers - Failure to articulate compelling brand to applicants - Long term payback period of re-positioning activity - Declining applicant pool - Excessive churn within MAC workforce - Lack of ability to anticipate demand and re-shape provision. - Negative reputational impact of unmanaged external events - Portfolio or modes of delivery not aligned with market demand - Change to historic conversion levels amongst applicants - Limited internal focus on PG developments & recruitment - Impact of differentiated fees on applicant behaviour <p>Effect:</p> <ul style="list-style-type: none"> - Under recruitment against targets - Related loss of income, and impact on corporate ambitions - Undermining of course profitability 	I = 4 L = 3 Critical (12)	Report on student applications is presented to every monthly meeting of Operations Board & reviewed by Board of Governors	I = 4 L = 3 Critical (12)	Redeveloping brand proposition for Board review.	Nicole Louis	18 Oct 2017
					Annual QSC approval of validation cycle informed by market insight		Appoint to new Brand Director role.	Nicole Louis	31 Jan 2018
					Weekly Report linking student numbers to anticipated income levels circulated to Ops Board.		Plan for corporate comms shared with Executive.	Jo Sutcliffe	30 Nov 2017
					Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July		Present outputs of Market Insight Research Project to Executive Workshop and take recommendations to Deans.	Nicole Louis	31 Oct 2017
					Differentiated marketing campaigns are run for FTUG, PTUG and PG students on a semesterised basis.		Develop revised School & College Outreach Strategy, with broader footprint outside local boroughs, and which includes LSBU Family institutions.	Seth Stromboli	30 Sep 2017
							Executive review of proposal for LSBU Brand Architecture.	Nicole Louis	31 Jan 2018
							Provide analysis of UCAS conversion data.	Richard Duke	31 Oct 2017
							Gain approval for creative institutional brand campaign.	Nicole Louis	31 Oct 2017



Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
3	Staff pension scheme deficit increases	Richard Flatman	Cause: - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - Further change to accounting requirements for TPS & USS schemes Effect: - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term - Inability to plan for longer term changes	I = 3 L = 3 High (9)	Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars by FMI Management team.	I = 3 L = 2 High (6)	Review future options from wider HR perspective	Mandy Eddolls	30 Nov 2017
					Annual FRS 102 valuation of pension scheme Regular participation in sector review activity through attendance at LPFA HE forum, BUFDG events & UCEA pensions group by CFO or deputy. Reporting to every Board of Governors meeting via CFO Report DC pension scheme for SBUEL staff. Tight Executive control of all staff costs through monthly scrutiny of management accounts Strict control on early access to pension at redundancy/restructure		Obtain actuarial advise on costed options.	Richard Flatman	31 Jul 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
6	Management Information is not meaningful, reliable, or does not triangulate for internal decision or external reporting	Richard Flatman	Cause: - Lack of strategic vision for ICT - Proliferation of technology solutions - Data in systems is inaccurate - Data in systems lacks interoperability - Resource constraints & insufficient staff capability delay system improvement - Lack of data quality control and assurance mechanisms Effect: - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information insufficient to verify external reporting - unclear data during clearing & over-recruitment penalties - League table position impaired by wrong data - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)	I = 3 L = 3 High (9) 	Data Assurance Group meets every 6 months to review matters of data quality and provides reports to Operations Board.	I = 3 L = 1 Medium (3) 	Develop and circulate a set of performance scorecards for Professional Service Groups and Schools, for review at Operational Effectiveness Meetings.	Richard Duke	31 May 2018
					Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.		MIKE dashboard established for monitoring applications & associated income flows for 2018/19 entrants.	Richard Duke	30 Dec 2017
					Systematic data quality checks and review of external data returns prior to submission to HESA by PPA team.		Develop a specification for a new Student Record system, underpinned by configuration requirements and workflows.	Shan Wareing	29 Jul 2017
					Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes: - HR systems - Space management systems - TRAC - External returns		Deliver phase 2 of MIKE data programme, to incorporate Financial and HR data in management platform, with related dashboards for management teams.	Richard Duke	29 Jun 2018





Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
14	Loss of NHS contract income	Warren Turner	<p>Cause: NHS financial challenges/ structural change is resulting in a total review of educational commissioning by Health Education England with an expected overall reduction in available funding (affecting CPPD).</p> <p>Plus London Educational Contracts (pre-registration) are running out from Sept 2017 with students paying their own fees via the student loan system. Recruitment to contracted programmes could dip following shift from bursaries to tuition fees. Applications numbers are down 22% overall, but quality of applications are generally higher.</p> <p>Effect: Reduction in income Reduced staff numbers Reduced student numbers</p>	I = 3 L = 3 High (9)	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)</p> <hr/> <p>Support with numeracy and literacy test preparation.</p> <hr/> <p>Complete review in 2016/17 of all post-registration/ PG and CPPD courses and modules to ensure these remain leading edge and fit for the future. Review programmed to involve all stakeholders and to be employer driven.</p>	I = 3 L = 3 High (9)	<p>FE progression agreements - we are discussing with FE colleges in central, south and north-east London additional progression agreements and partnerships to encourage FE students into pre-reg/ UG health courses. We are also leading a project with Guy's & St Thomas's Hospitals NHS Foundation Trust to develop a 16-18 cadetship apprenticeship which will also provide links to FE providers locally and to health careers/ courses at LSBU</p> <hr/> <p>Having lease - EAF dealing with negotiations with NHS Properties - extension of lease to 2023 had been offered. Potential for further/ alternative location at either Care City site (Barking) or Purfleet New Town site.</p> <hr/> <p>Grow into new markets for medical and private sector CPPD provision - include as part of Ipsos Mori bi-annual survey to identify workforce/ education requirements. Include these in CPPD course review</p>	Anthony Mcgrath	25 Sep 2017
								Warren Turner	27 Sep 2021
								Warren Turner	25 Sep 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
37	Affordability of Capital Expenditure investment plans	Richard Flatman	Cause: - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding Effect: - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students	I = 3 L = 3 High (9) 	Full Business Cases prepared; using Executive approved process - including clarity on cost and funding, for each element of Estates Strategy.	I = 3 L = 1 Medium (3) 	Test Sinocampus options for Technopark building.	Paul Ivey	30 Nov 2017
					Financial regulations require all major (>£2m) capital expenditure to receive Board approval		Complete report on the final Student Centre negotiations. Update: the 12 month defects liability period concluded & working through the final defect list. POE was due by Feb 14.	Ian Mehrtens	30 Apr 2013
					Major Projects & Investments Committee (MPIC) reviews all property related capital decisions, and is empowered to approve all unplanned capital expenditure > £500K but <£1M.		Evaluate funding options in context of 17/18 recruitment cycle.	Richard Flatman	30 Nov 2017
					Capex reporting is embedded into management accounts provided to each meeting of the FP&R Committee, & into financial forecasts approved annually by Board.		Work with Finalysis to develop loan funding proposals.	Richard Flatman	31 Jan 2018
					Estates & Academic Environment PSG have local project methodology, with project controls, & governance applied to all Capex projects.		Test market opportunity for disposal of Perry Library site.	Ian Mehrtens	31 Jan 2018
305	Corporate & personal data not accessed or stored securely, or processed appropriately	Ian Mehrtens	Cause: Unauthorised access to data Inappropriate use of personal data Loss of unencrypted data assets Breach of digital security; either en masse (e.g. cyber attacks) or specific cases (e.g. phishing scams) Regulatory failure Use of unsupported storage locations Effect:	I = 3 L = 2 High (6) 	Logical security protocols relating to passwords require change every 6 months, and multiple character combinations.	I = 3 L = 1 Medium (3) 	Oversee complete upgrade of all remaining Windows XP and Windows 2003 machines.	Craig Girvan	22 Dec 2017
					Robust breach notification process to close down & contain any breach.		Oversee PWC led risk assessment tool (RAT) review, with Special Characteristics and Game of Threats workshops, to develop GDPR options appraisal.	James Stevenson	30 Sep 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
			<p>Financial penalty under General Data Protection Regulations.</p> <p>Cost and impact of staff resource diverted to deal with issues, Staff downtime when systems unavailable</p> <p>Reputational damage, undermining academic credibility.</p> <p>Compromise of competitive advantage.</p>		<p>IT access permissions linked directly with live iTrent HR system records through Active Directory account synchronisation.</p> <hr/> <p>A privacy impact assessment is a required stage of the ICT project initiation process.</p> <hr/> <p>Quarterly Mandatory Training Compliance reports are circulated to all Level 2 managers, which includes information on staff compliance with training on data protection and data security.</p> <hr/> <p>All changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board.</p> <hr/> <p>Weekly running of infrastructure vulnerability management software test results reviewed by Head of Digital Security</p> <hr/> <p>Weekly Change Control Board chaired by Director of ICT Services reviews all proposed technical changes to infrastructure prior to implementation.</p>				

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
584	External incident compromises campus operations or access	Ian Mehrtens	<p>Cause: Incident in South London area requires emergency response and restricts freedom of movement</p> <p>Effect: Staff & students unable to reach / leave the campus Interruption to key activities or processes Requirements for alternative accommodation / provision for halls residents</p>	I = 2 L = 2 Medium (4)	Major incident response mechanisms – tested annually. <hr/> Business continuity plans for critical activity reviewed annually by resilience team.	I = 2 L = 2 Medium (4)			

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	CONFIDENTIAL
Paper title:	Fire safety report
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	Mandy Eddolls, Executive Director of HR
Executive sponsor:	Mandy Eddolls, Executive Director of HR
Purpose:	Information
Recommendation:	The Board is requested to note the update

Executive Summary

At its meeting of 13 July 2017, the Board requested an update on fire safety. The following update was provided to the Board by email on 25 August 2017:

“Regular fire safety audits are undertaken of all buildings to ensure compliance with legal standards. We also have regular visits from the London Fire Brigade to advise on fire safety issues. Both show that we are compliant.

In the light of the Grenfell Tower disaster, an additional, more comprehensive review was undertaken by an independent fire safety expert:

- McLaren Building (Halls of Residence);
- Dante Road (Halls of Residence);
- New Kent Road (Halls of Residence);
- Bomberg House (Halls of Residence);
- London Road (sport, general and teaching);
- Perry Library (Library and Resource Centre);
- LRC (Learning Resource Centre).

The report found that the fire safety arrangements in all seven buildings raised no areas of concern. This included both the physical construction and fire arrangements, and the management of fire safety.

The independent assessor was asked specifically about the efficacy of retro fitting sprinklers in these buildings. He concluded that the solid construction, building

design and occupancy profile meant that, “installing sprinklers in these premises, from a fire safety perspective, was deemed as not required and disproportionate.”

We will continue to review the safety advice and ensure it is a key part of the design of any development work”.

The report of the independent fire safety expert referred to above is included for information.

The Board is requested to note this update.

To: Ed Spacey
LSBU Technopark
90 London Road

cc: David Garioch

From: Brian Farrell

Date: 15.08.2017

Concluding comments on the impact of Grenfell Tower Incident and sprinkler considerations.

Trenton Fire Ltd were employed to undertake an external independent review of a number of LSBU buildings to consider current fire safety conditions and arrangements and evaluate if there was any significant impact following the Grenfell Tower (fatal fire), London, June 2017. Further consideration regarding the benefit of sprinkler fire suppression systems were included to advise and inform LSBU management policy and decision making.

This review process took a holistic view of the building and management arrangements in place, while detailing any relevant items observed during the survey and considering the questions of Grenfell and sprinklers. LSBU risk matrix and scoring mechanism was adopted as requested by client and recorded specific issues noted during reviews.

Observations.

Seven premises were surveyed during July 2017:

- McLaren Building - HoR
- Dante Road - HoR
- New Kent Road – HoR
- Bomberg - HoR
- London Road – Sport and general mixed use
- Perry Library – Library and resource centre
- LRC – Learning resource centre

As detailed in the individual reviews there were no buildings surveyed that raised concerns over cladding and the requirement or benefit from installing sprinklers in these premises from a life safety perspective was deemed as not required and disproportionate.

A number of common factors supported this determination, with only minor variations depending on the type, use and occupancy for the building. A typical response example relevant to halls of residence is as stated below:

“There are distinct differences between this building design, use and occupancy compared to residential tower blocks such as Grenfell Tower or similar, particularly the level of management control and occupancy profile.

The building is made from solid construction materials that is consistent with the original design and does not include external cladding type finishes.

Internally the condition of the building passive and active fire safety measures are in general good condition supported by ongoing maintenance and local management when in use.

In addition to local managers the building has a “responsible” staff presence at all times 24/7 including “ambassadors” security staff and roving patrols.

It has a sophisticated automatic fire alarm detection system providing extensive coverage throughout the building to give early warning of fire to all building users.

Single stage, full simultaneous evacuation will occur at all times when the fire alarm activates.

Trained, responsible staff will respond to incidents to control and co-ordinate any necessary actions. Staff appeared well versed on local procedures and displayed good general fire safety awareness.

Comprehensive information is provided to all residents and confirmed through regular fire drills and other times when evacuations occur.

Sprinkler systems may be installed as part of a fire strategy for a given building design, use and occupancy that is carefully considered against a wide number of factors at design stage. While they can contribute to life safety they are predominantly recognised as means of protecting the building.

There is no statutory requirement for a sprinkler system to be installed in this building and given the positive findings of this review, would suggest that any benefit considered from retro-fitting such an installation would be minimal and disproportional”.

It is clear to see that the control measures identified all reduce the risk to persons occupying or resorting to these buildings.

Forwarded for your consideration, if you require any further details then please do not hesitate to contact me.

Kind regards

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	CONFIDENTIAL	
Paper title:	Report on decisions of Committees	
Board/Committee	Board of Governors	
Date of meeting:	12 October 2017	
Author:	Michael Broadway, Deputy University Secretary	
Board sponsors:	Relevant committee chairs.	
Purpose:	To update the Board on committee decisions.	
Recommendation:	To note the report.	
Matter previously considered by:	As indicated	N/A
Further approval required?	No	N/A

Executive Summary

A summary of Committee decisions is provided for information. The agenda and papers (and in some cases the draft minutes) are available on modern.gov (links are available for each meeting – login required).

The Board is requested to note the reports.

In addition, the Board is requested to approve, as recommended by FPR:

- That Nicole Louis, Chief Marketing Officer, is added to the University’s bank mandate as a B signatory; and

Summary of Committee decisions

Group Structure Committee – [8 September 2017](#)

The committee approved:

- Terms of reference – attached to this report for information.
- The principles on which a group structure should be based:
 - Simple, effective and efficient structure and processes
 - Devolved accountabilities to lowest, practical level
 - Effective, transparent control and compliance, both statutory and regulatory
 - Involvement of stakeholders at delivery level including, where appropriate, parents, staff and students.

The committee requested a paper illustrating group structure issues and options within a basic model, based on the agreed principles, and agreed to hold meetings in November and December 2017. An update would be brought to the Board of Governors in November 2017.

South Bank Academies Board – [14 September 2017](#)

The Board discussed:

- The draft company strategy. Staff were being consulted on the draft strategy. The strategy would be used to form school development plans;
- The key performance indicators – it was noted that progression in the academy is good (except in year 9) and in the UTC;
- Summary of the draft school development plans; and
- The risk register.

The Board noted:

- The annual board plan; and
- Membership of the Board

Major Projects and Investment Committee – [21 September 2017](#)

The committee approved:

- Project Larch update – the Executive to seek to progress based on:
 - £25M conditional loan
 - Repayment of up to £13m from capital receipts above £75m; and
 - Finalisation of the governance arrangements to ensure protection of University interests
- LSBU estates development - the Executive to:
 - Continue with the planning process on St George's Quarter;
 - Continue to develop full design on London Road Building and consider options on scheduling;
 - Bring the two business cases to MPIC in the new year with more certainty over affordability;
 - Continue to explore innovative options around Technopark and student residences; and
 - Go to market on the Perry Library site in October 2017

The committee discussed:

- Estates funding options including key funding risks associated with student recruitment, sale of Perry Library, and market confidence for borrowing in relation to Project Larch; and
- The Student Journey project

The committee noted:

- Passmore Centre update – LSBU is awaiting the legal charge over the Passmore Centre from London Borough of Southwark. The Board will be asked to approve the charge;
- Its Terms of Reference; and
- Its annual Work Plan

Finance, Planning and Resources Committee – [26 September 2017](#)

The committee discussed:

- Full year management accounts for 2016/17 with a projected £1.5m surplus for the year (subject to audit);
- Student recruitment for 2017/18 academic year. A significant shortfall was expected;
- Key performance indicators;
- Treasury management report; and

- Strategic HR report. A review of the workforce is being undertaken

The committee recommended to the Board:

- That Nicole Louis, Chief Marketing Officer, is added to the University's bank mandate as a B signatory; and

The committee noted:

- Its workplan for the year;
- Its membership and terms of reference; and
- Insurance claims for the year, which were low.

Audit Committee – [3 October 2017](#)

The committee approved:

- The final internal audit plan for the year 2017/18. Along with the usual audits of risk management, value for money, continuous auditing of financial controls and student data, additional audits for the year on HR controls following the introduction of the new HR system, international partnership arrangements, IT, and health and safety are planned;
- Pensions assumptions; and
- The draft statement on internal controls, draft corporate governance statement and draft public benefit statement for inclusion in the annual report and accounts;

The committee recommended to the Board:

- The risk appetite statement which, following review, had not changed since the previous approval in October 2016

The committee discussed:

- The internal audit progress report with a good implementation rate of recommendations;
- The internal audit report on contract management which was rated as medium risk;
- The internal audit report on risk management, which was rated as low risk;
- The continuous auditing report of key financial systems. Payroll was rated as "red";
- The draft internal audit annual report for 2016/17, with the audit opinion that the control environment at LSBU is "generally satisfactory with some improvements required";

- PwC's report on LSBU's readiness for the General Data Protection Regulations which come into force in May 2018. A costed compliance plan is being developed to address the findings in the report; and
- The corporate risk register – a number of risks around income generation had been upgraded to higher likelihood following the under-recruitment for 2017/18

The committee ratified:

- The TRAC and TRAC(T) returns to HEFCE;

The committee noted:

- The risk strategy – attached to this report for information;
- The speak up report – one additional speak up matter had been raised and was being reviewed by the executive;
- The anti-fraud, bribery and corruption report – no instances of fraud, bribery or corruption had been identified since the last meeting;
- its work plan; and
- its membership and terms of reference

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DRAFT / Terms of Reference
LSBU board subcommittee on group structure

1. Purpose

The purpose of the subcommittee is to review LSBU’s group governance structure and how business is overseen in different parts of the group.

The context for reviewing the LSBU group governance structure is set out by the VC in a paper of April 2017 as follows:

“Each entity’s legal board to:

- set the vision of the entity in line with the University’s mission;
- oversee the use of resources; and
- provide a link to the University.

Each educational institution could have a local governing body to oversee learner attainment, the quality of learning and teaching and to engage with local stakeholders.

There would be group-wide audit, finance, and major projects committees”.

2. Membership:

<i>Name</i>	<i>Position & group responsibility</i>
Jerry Cope	Chair of board and chair of subcommittee
Douglas Denham St Pinnock	LSBU Independent governor and LSBU Vice Chair and director of South Bank Academies (mat)
Dave Phoenix	LSBU VC + chair SBAC
Steve Balmont	LSBU independent governor, chair of audit committee
Mee Ling Ng	LSBU independent Governor
Ian Brixey	SBAC local governor
Richard Flatman	CFO, director SBUEL + SBAC
James Stevenson	University Secretary and director SBAC

3. Scope:

Areas to address:

3.1 Current LSBU 'group':

- 3.1.1 LSBU as "parent" and charitable educational institution
- 3.1.2 South Bank Academies multi-academy trust
- 3.1.3 SBUEL, the commercial arm
- 3.1.4 FEco in the medium term

3.2 Membership of group company boards:

- 3.2.1 LSBU governor representation
- 3.2.2 independent directors
- 3.2.3 chairs

3.3 Group committee structure

3.4 Local governing bodies

- 3.4.1 remit
- 3.4.2 membership

3.5 Group reporting

- 3.5.1 budget
- 3.5.2 accounts
- 3.5.3 risk register
- 3.5.4 other?

3.6 "Group accountable officer" – pros and cons?

3.7 Group executive?

3.8 Shared services?

Agreed guiding principles:

- Simple, effective and efficient structure and processes
- Devolved accountabilities to lowest, practical level
- Effective, transparent control and compliance, both statutory and regulatory
- Involvement of stakeholders at delivery level including, where appropriate, parents, staff and students.

4. Deliverables and timescales

- 4.1 To agree a set of MoUs that record the functions and relationship of each business area with the parent.
- 4.2 To recommend the set of MoUs to the LSBU board of governors for approval.

5. Frequency of meetings

- 5.1 The group will meet monthly from September 2017 or as required.

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Risk Strategy

Originating Department:	Finance & Management Information
Enquiries to:	John Baker – Corporate & Business Planning Manager
Approving Committee/Body:	Board of Governors
Current Version No:	This is version 5
Last Approved:	Version 4 was approved in October 2016
Subsequent approval:	October 2018
Document Type:	Strategy
Mandatory Target Audience:	Risk Champions (University Executive), School Management Teams, Professional Service Group Directors & Leads
Also of Relevance to:	All staff
Brief Summary of Purpose:	The Risk Strategy sets out the University's approach to risk management. It sets out the roles and responsibilities of the Board of Governors, the Executive, and other key parties. It also sets out risk management and reporting processes, and links with corporate and business planning.

Risk Strategy Version 5

(draft for approval)

Risk Strategy sections

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A: Purpose of the Risk Strategy

1. The Risk Strategy explains the University's approach to risk management. Risk Management provides a mechanism and framework which at the highest level seeks to ensure that the University achieves its strategic objectives, through effective identification, and management of uncertainties that could impact on these outcomes.
2. It is also a key requirement of the Hefce Memorandum of Assurance and Accountability, which defines the operating aspects of effective management in which all Higher Education providers must operate.
3. The Risk Strategy sets out the roles and responsibilities of the Board of Governors, the Executive and other key parties. It also sets out the risk management process at LSBU and the main reporting procedures.
4. The Risk Strategy is part of the University's **internal control** and **corporate governance arrangements**.

B: Risk management & governance

5. The University is committed to the highest standards of corporate governance. This risk strategy and the processes set out herein form an important part of LSBU's governance arrangements.
6. The Risk Strategy is reviewed by the Strategic Risk Review Group, and approved by the Executive, the Audit Committee, and the Board of Governors.
7. The Board of Governors also has a fundamental role to play in setting the risk appetite of the University, and in oversight of the management of risk. Its role is to:
 - Approve the risk appetite of the University both as a whole and on any relevant individual issue (or risk type).
 - Approve the policy in relation to risk management
 - Approve major decisions affecting the University's risk profile or exposure
 - Approve, on an annual basis, the corporate risk strategy

- Review annually the risk management arrangements
- Delegate matters as required to the Audit Committee, including assurance provided through the annual Internal Audit programme.
- Review at each meeting the corporate risk register

C: Risk Management – Overview & Objectives

8. For the purpose of risk management, risk is defined as

“The threat or possibility that an action or event will adversely affect LSBU’s ability to achieve its objectives”.

9. This could be any event, outcome or action which could:

- Cause financial disadvantage to the University, i.e. loss of income, additional costs, loss of assets, creation of liabilities
- Cause damage to the reputation of the University
- Prevent an opportunity from being taken
- Lead to a failure to capitalise on our strengths
- Prevent or hinder achievement of any of the objectives of the Corporate Strategy or associated local delivery plans
- Impact negatively on student experience or achievement

10. Risk management is the process of identifying, defining and analysing these risks, and deciding on an appropriate course of action to either minimise the potential impact of these risks, or to establish controls to reduce the likelihood of their occurrence, to ensure that these risks do not impair the achievement of objectives at the relevant level.

11. To be effective, risk management needs to be embedded into the culture and processes of the University. Risk management affects everyone in the University and therefore all staff should be aware of this document and be familiar with the principles and procedures it contains.

12. This Risk Strategy document and the Risk Appetite statement will be made available on OurLSBU, the staff intranet, and the LSBU approach to risk management will be included in the induction resources provided to new managers and staff by the OSDT team, and included on the agenda of the

biannual 'Welcome to the University' conference events organised for new starters.

Risk Management – Objectives

13. The higher level risk management objectives of the University are to:
- Integrate risk management into the culture of the University
 - Ensure that necessary risk management procedures are embedded into the University's management, and governance processes
 - Manage risk in accordance with best practice
 - Support key business decisions through embedded risk appraisal processes
 - Effectively manage existing risks within agreed risk tolerances
 - Anticipate and respond to changing social, environmental, legislative and other requirements

D: Risk Management - Responsibilities

14. *Executive:*
The Executive is responsible for ensuring that the risk management process operates effectively, that key risks are identified, that appropriate controls or other mitigating actions are in place and that matters are escalated and reported to Board as considered appropriate. The Executive will also own all Corporate Risks.
15. *Operations Board:*
The Operations Board is responsible for ensuring that the risk management procedures are carried out effectively, and that key corporate risks are identified, and managed effectively. Corporate Risk management will be a standing agenda item at quarterly Operations Performance Review meetings, and members also have a responsibility to escalate matters from operational registers as appropriate.
16. *Strategic Risk Review Group:*
In addition to the regular reviews of the Corporate Register by Operations Board, The Strategic Risk Review Group, a sub-group of the Executive, with other colleagues from across the institution, will meet on three occasions each year, in

January, May and September, ahead of the meetings of Audit Committee, to review strategic risk matters, and the operation of this strategy.

17. *Risk Champions:*

All members of the Executive are Risk Champions for their areas of the University and will have overall responsibility for the adequacy and effectiveness of the risk management processes in their areas of operation. These responsibilities are clearly set out in their letters of delegated authority.

Risk Champions may delegate responsibility for risk management in particular areas to the heads of those areas via the letters of delegated authority.

Risk Champions retain overall responsibility for:

- Ensuring that risks are identified and reviewed alongside Local Delivery Plans by the relevant risk owners
- Ensuring that risk management is carried out in accordance with this strategy
- Reviewing and reporting any significant changes in risk exposure
- Escalating operational risk matters through the Operations Board as appropriate

18. *Risk Owners:*

Risk Owners are responsible for the management of specific corporate and/or operational risks. All Corporate risks must be owned by a member of the Executive, but operational risks may be owned by any member of staff as nominated by the appropriate Risk Champion.

Risk Owners take responsibility for the management of the risk, including:

- Identification of controls and management actions
- Implementation of controls and management actions
- Continued awareness and monitoring of any changes in the likelihood or impact of each risk
- Review of any objectives or performance indicators associated with the risk

19. *All staff:*

All members of staff have a responsibility to be risk aware, to ensure that this risk management strategy is observed in their daily work, and that any potential new areas of risk that they identify are reported to their line manager or Risk Champion in a timely manner.

20. *Link to other responsibilities: Health & Safety*
All staff, students and other workers have a responsibility to observe the stipulations of the University's approach to the management of Health & Safety. This includes assessment of personal risk whilst within the campus environment, and is covered by the policies and work of the Health & Safety Committee. This is not within the remit of this strategy, which is focused on risks to the achievement of management objectives.
21. *Decision Making:*
The Risk Management Records maintained and updated in line with this strategy are used by the institution in the formal processes identified within it to both consider the adequacy of existing activity in line with objectives at all levels, and to consider issues of business development, the allocation of resources and response to changing conditions in the operational environment.

E: Risk Management - Software

22. The University uses a web-based system called 4Risk, which is part of the Insight 4 Governance Suite (available via <http://kepler/Risk/Home.aspx>) to record and report all risk management activity.
23. All Risk Champions will be able to access training in the use of 4Risk, and should use the software to update management activity against the corporate risks they own, and oversee its use in the operational areas which they manage.
24. Any requests for training in the use of 4-Risk, should be directed to the Corporate & Business Planning Manager (on extension 6360).
25. Any technical problems with access to the platform should be directed to the ICT heldesk support function via extension 6500 or via <https://ict-helpdesk.lsbu.ac.uk/>

F: Corporate Risk

26. Corporate risks are those which could cause financial or reputational damage to the University as a whole, or prevent or hinder the achievement of Corporate Plan objectives. Each corporate risk is owned by a member of the Executive.

27. The corporate risk register will be used to determine the focus of the annual internal audit plan.
28. Corporate Risks must be owned by a member of the Executive, and each risk entry will:
 - Provide details of the impact and likelihood of the risk identified;
 - Indicate who is responsible for the management of the risk;
 - Identify the key controls in place to manage each risk;
 - Provide an assessment of the inherent and residual exposure of each risk; and,
 - Identify the actions required to manage the exposure to each risk.
29. Assessment of corporate risk exposure should be monitored continuously by Executive leads, and will be reviewed at all meetings of the Operations Board.
30. The current Corporate Risk register should be reported to each meeting of the Audit Committee and the Board of Governors.
31. Any corporate risk that is rated 'Low' should be considered for downgrading to the appropriate Operational Risk Register. The Operations Board are responsible for downgrading corporate risks through the normal cycle of meetings.
32. The Risk Appetite statement provides an approach to assessment of the level of risk within which the Corporate Risk is managed for the institution, and is reviewed annually.
33. The risks in the Corporate Register are allocated to the goals of the Corporate Strategy, and the Strategic Risk Review Group will consider the objectives and their associated risks as a standing agenda item at their meetings.
34. We should expect there to be real linkage between the risks to delivery of Corporate projects, which by their nature address key strategic issues, and the Corporate risks for the institution. The delivery of Corporate projects will be monitored regularly by the Executive, and reported to the Board of Governors. It is the responsibility of the Executive to ensure that the risk registers for projects are kept up to date, and that the Corporate Risk Register is updated in a timely way to reflect any changes to project deliverables.

G: Operational Risk

35. Operational risks could prevent achievement of School and Professional Service Group objectives, as identified in Local Delivery Plans for these areas.
36. An operational risk register is maintained by each School and by each Professional Service Group. It is the responsibility of the relevant Executive member, in their role as Risk Champion for their own area of responsibility, to ensure that these operational risk registers are maintained by the management teams within each School and PSG.
37. Management of individual operational risks may be delegated within each area as appropriate. Where responsibility for operational risk management is delegated, this should be to a named individual who will be known as a Risk Owner.
38. The impact and likelihood of each operational risk is rated using the same methodology as that applied to corporate risks.
39. All operational risks with a 'critical' risk priority should be referred to the Operations Board for consideration, and potential escalation to the corporate risk register.
40. Risk Champions are responsible for escalating operational risks. Escalation is through the normal cycle of Operations Board meetings although matters of a more fundamental nature should be reported immediately.
41. Fundamental Risks: These are risks which have a risk severity rating of critical, and which threaten the immediate safety of students or staff, or the financial standing or reputation of the institution.
42. More formal review of Operational risk registers will take place through the Executive Review Meetings, which will take place at two points during each academic year.

Risk Management and Business Planning

43. Planning and budgeting at an Operational level (School and Professional Service Group) takes place on an annual basis, with Local Roadmaps for each area

developed through the annual Planning & Budgeting process and reviewed and approved alongside budgets prior to the start of the next academic year.

44. The Local Roadmap template requires managers to identify their top 3 challenges in section 1 – strategic context, and to consider mitigating actions for these as they develop their strategic actions for the year ahead, as well as considering the external risk factors which relate to these actions in section 4.

Once the Local Roadmaps are approved alongside budgets, these risks should be considered for inclusion in operational risk registers and, together with other operational risks, should be reviewed and updated according to the usual process, outlined below.

Regular Review of Operational Risk Management

45. Risk Management should be a regular agenda item in the management meetings within School Executive Teams, and within the Management meetings of Professional Service Groups.
46. Risk management will be included within the terms of reference for the Organisational Effectiveness Review Meetings, where Risk Registers, with details of risks and mitigating actions, will be considered alongside progress against the delivery of Local Roadmap, KPIs and other performance measures.
47. The Risk Review Functionality of the 4-Risk platform will be configured to require all risk owners to log into the system at 2 points during each year and check that the risk entries for which they are responsible are up to date.
48. The Strategic Risk Review Group will also meet 3 times a year, and will consider strategic risk elements drawn from registers across the institution as part of its regular agenda.
49. Risk Management also features as a mandatory topic within the annual internal audit programme, and at the end of each financial year, a sample of operational registers will be selected to feed into this piece of audit activity, in order to provide 3rd party assurance as to the effectiveness of this risk strategy.
50. Mitigating actions identified in operational risk registers should be cross-referenced to the deliverables identified in Local Roadmaps and reviewed alongside delivery of those actions and projects.

London South Bank University: Risk Management Policy

Section A: Risk Management - Process

1. The University has adopted a two tier system to risk management, with risks defined at one of two levels, either Corporate or Operational.
2. *Corporate risks*: could cause financial or reputational damage to the University as a whole, or prevent or hinder the achievement of the objectives within the Corporate Strategy.
3. *Operational risks*: could prevent achievement of School and /or Professional Service Group objectives as set out in respective local delivery plans.
4. The risk management process as set out below applies to both corporate and operational risks.
5. The key stages of the risk management process are as follows:
 - **Identify the risks** which prevent or hinder the achievement of the corporate plan and/or operational business plan objectives. This should be done on a continual basis and reviewed regularly.
 - **Assess the potential impact and inherent likelihood** of each risk to give a total risk priority of low, medium, high or critical. See section I on “Risk Priority: Rating methodology” for details of this system. The inherent priority should represent the potential impact and the likelihood of the risk occurring if there were no controls in place
 - **Consider whether there are existing controls** that are in place. Controls are ongoing auditable processes or regular checks or scrutiny that serve to reduce the impact of the risk and/or the likelihood of occurrence
 - **Identify any required actions** that should be taken by management to reduce the potential impact or likelihood of the risk occurring
 - At this stage **record the risk details** in the online 4-Risk [Platform](#) for the risk area under consideration.

- If there are controls in place **assess the residual likelihood** of the risk to give a second risk priority rating. The residual priority should represent the impact and likelihood after all controls have been taken into account, and can be expected to be lower than the inherent rating if the controls are effective.
- **Implement any identified actions** to reduce residual impact/likelihood to an acceptable level,.
- **Record and amend the actions** taken by management in the online platform
- **Regularly review risk registers**, which provide a snapshot of the risk records in any given area at a particular point in time.

Section B: Risk Priority - Rating methodology

6. Risks are measured in terms of their impact and likelihood. A measurement should be made of both the inherent and residual risk.

Impact

- *Critical* – occurrence would have a critical effect on the ability of the University to meet its objectives; could result in the removal of degree awarding status, removal of funding, severe reprimand by HEFCE or Parliament or the closure of the University.
- *High* – occurrence would have a 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.
- *Medium* – occurrence may result in the failure to meet operational objectives and may reduce the effectiveness of the University but it would not result in the failure of the University’s corporate objectives or put the University as a whole at risk.
- *Low* – occurrence would have little effect on operational or corporate objectives.

Likelihood

- *High* – likely within 1 year
- *Medium* – may occur medium to long term
- *Low* – unlikely to occur

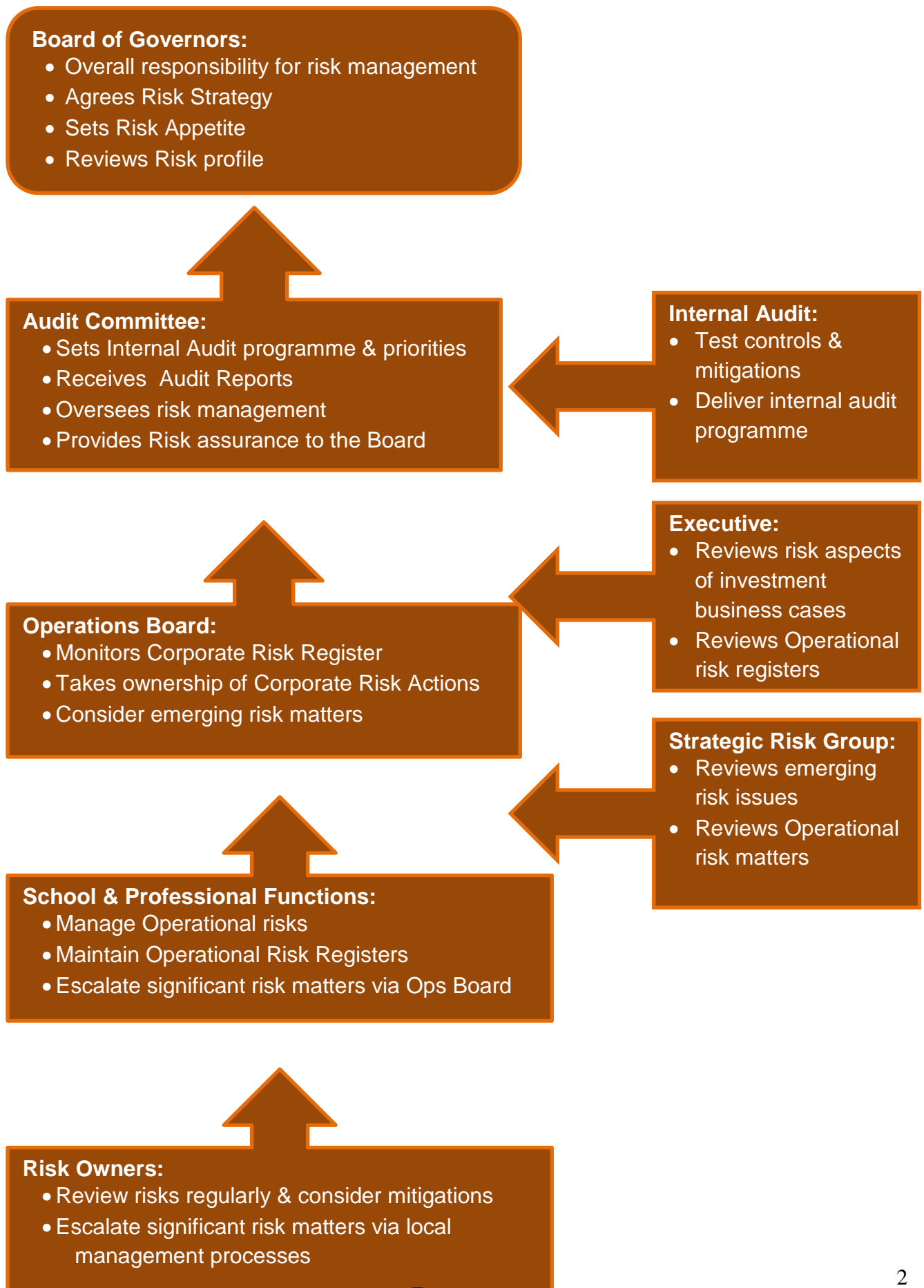
Table 1: Total Risk Values based on assessment of impact and likelihood

Impact	4 - Critical	High	Critical	Critical
	3 - High	Medium	High	High
	2 - Medium	Low	Medium	Medium
	1 - Low	Low	Low	Low
		1 - Low	2 - Medium	3 - High
		Inherent Likelihood		

LSBU Risk Management Assurance Overview: 3 lines of Defence, including Risk Appetite risk categories

Risk Area	Line 1 (Staff & Technology, Process & Procedures)	Line 2 (Management Oversight)	Line 3 (Independent Assurance)	Controls / Notes
LSBU – Institutional Risk Management	Individual Review: Online (every 4 months, by Risk Owners) Structural Review: School and Professional Function Management meetings (occasional)	Corporate Risk: Operations Board & Strategic Risk Review Group: (3 times a year) Operational Risk: Executive Review Meetings (Each February)	Internal Audit Programme: Risk Management Report (Each July – as per Hefce Memorandum)	Risk Strategy – see Risk Framework Document
Risk Types:				
Financial	Financial Regulations Procure2Payment invoice process automation Procurement checks	Financial Controller Head of Procurement Capital Investment approval process	Internal Audit: Continuous Audit programme External Audit Procurement maturity assessment	Key component of annual internal programme.
Legal / Compliance	Staff compliance with policies and procedures Mandatory training programme within ODT	Legal Support from Legal & Governance team	3 rd Party Expertise on specific matters <ul style="list-style-type: none"> • Shakespeare Martineau LLP • Veale Wasborough Vizards LLP • Shoosmiths LLP • Eversheds LLP 	Mandatory staff training programme includes: <ul style="list-style-type: none"> • Recruitment & Selection • Data Protection & FOI • Health & Safety Awareness • Equality & Diversity
Academic Activity	Quality Office & related curriculum cycles Centre for research informed teaching & digitally enhanced learning	Academic Board	Internal Audit: Specific Audits QAA Review	Planned through yearly risk review process by AQDO.
Reputation	PR & Internal Comms Teams Incident Response Team Town Hall Cascades	League table working group Leadership Forum	Hefce 5 year institutional review	Ketchum contract works to develop contacts and insight. Policy Unit leads institutional stakeholder engagement.

LSBU Risk Framework: Diagrammatic Overview of Risk Strategy Elements



LSBU Risk Overview – Risk Framework: Levels of Review Table

<i>Level of Review</i>	<i>Activity</i>	<i>Format of Review</i>	<i>Frequency</i>	<i>Details / notes</i>
Hefce	Institutional Risk Assessment	Risk Letter in March	Yearly	Utilises data from Dec AAR return and signed accounts
Board of Governors	Detailed Risk Review	November meeting	Yearly	Papers on Governors Drive
	Consideration of risk matters	Strategy Days	Six monthly	Strategy agendas
	Noting of Register	Paper at Meetings	5 per year	Papers on Governors Drive
Audit Committee	Risk Review	Paper at Meetings	4 per year	Papers on Governors Drive
	Business Case Review	Business Cases above defined thresholds	When submitted	Risk section within template
Operations Board:	Corporate Risk Review	Register noted at Meetings	Monthly	Papers on Modern Gov
Strategic Risk Review Group:	Review of Corporate Risks & strategy	Exec sub group meeting with key risk representatives	Three times per year	Managed by FMI function
Schools & Professional Functions:	Risk consideration	Risk matters incorporated into local management meetings	Monthly / Quarterly	Local control of agendas
	Operational Risk Review	Registers at Organisational Effectiveness Review Meetings	Twice yearly	Papers stored
	Risk Owner Review	Online Risk platform review process	Twice a year	http://kepler/
	New Risk Consideration	Section of Local Roadmap template	Yearly	OurLSBU 'OurValue' section
Members of Staff:	Issue raising	local management meetings	Ad hoc	Local minutes

	CONFIDENTIAL
Paper title:	Standing Orders
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor	Jerry Cope, Chair of the Board
Purpose:	To approve minor changes
Recommendation:	The Board is requested to note the Standing Orders

Executive Summary

Background

Under the Articles, the Board can make and amend Standing Orders to govern the administration of the University and covers areas not in the Articles. These were reviewed and approved following the governance effectiveness review. The Standing Orders cover:

1. Role of the Board of Governors
2. Primary Responsibilities of the Board
3. Chair and Vice Chair of the Board
4. Composition of Board and methods of appointment
5. Proceedings of Meetings and Decision Making
6. Committees
7. Schedule of Matters Reserved to the Board
8. Remuneration of Governors
9. Chief Executive
10. Suspension and Dismissal of Senior Staff

11. Academic Board

12. Honorary Positions

13. Senior Post Holders

Following review, minor amendments to the following Standing Orders are recommended for approval (set out in tracked changes in the attachment). These amendments are to reflect current practice.

The Board is requested to approve the proposed amendments.

Standing Orders of London South Bank University

Contents

1. Role of the Board of Governors
2. Primary Responsibilities of the Board
3. Chair and Vice Chair of the Board
4. Composition of Board and methods of appointment
5. Proceedings of Meetings and Decision Making
6. Committees
7. Schedule of Matters Reserved to the Board
8. Remuneration of Governors
9. Chief Executive
10. Suspension and Dismissal of Senior Staff
11. Academic Board
12. Honorary Positions
13. Senior Post Holders

1. Role of the Board of Governors

1. The Board as a whole is collectively responsible for promoting the success of the University by leading and supervising its affairs. The Committee of University Chairs' (CUC) Higher Education Code of Governance sets out seven "elements", which define the role of the governing body and governors:

~~1. The Board of Governors is the University's governing body. The core responsibilities of the Board are:~~

1.1 The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.

1.2 The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.

1.3 The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.

1.4 The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments.

1.5 The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities.

1.6 The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.

1.7 The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.

~~4.1 the effective stewardship of the University to secure its sustainability over the medium and long term;~~

~~4.2 safeguarding the mission of the University and the services it provides for the public benefit;~~

~~4.3 securing the proper and effective use of public funds and accounting to stakeholders and society for institutional performance.~~

Approved by the Board on 14 May 2015.

Revision approved by the Board on [Date].

3. Chair and Vice Chair of the Board

Chair

1. There shall be a Chair of the Board of Governors who shall be responsible for the leadership of the Board and its effectiveness. A role description for the Chair shall be approved by the Nomination Committee
2. The Chair is appointed by the Board from the Independent Governors.
3. When a governor is appointed as Chair they shall start a new term of office of four years. The Chair should not normally be appointed for more than two terms of four years.

Vice Chair

4. The Vice Chair is appointed by the Board from the Independent Governors and serves until their term of office on the Board expires or until they resign the position.

Approved by the Board ~~of Governors~~ on 18 July 2013.
Revision approved by the Board on [Date].

4. Composition of Board and methods of appointment (extract)

Student Governors

9. A Student is defined in the Articles as “a person who ... is pursuing a full-time course of not less than one month’s duration... . For this purpose, sabbatical officers of the Student Union shall be deemed to be students”.
10. The President of the Student Union shall be a Student Governor and will serve as a governor throughout their period of office.
11. ~~The Chair of the Student Council shall be a Student Governor and will serve as a governor throughout their period of office. A member of the Student Council, usually the Chair of Student Council, shall be elected by Student Council to serve as the additional Student Governor.~~
 - a. ~~The election is normally at the first Student Council meeting of the academic year.~~
 - b. ~~The Student Governor elected by the Student Council serves for one academic year or until they are no longer a member of Student Council, whichever shall be sooner.~~
 - c. ~~The Student Governor is eligible for re-election if they continue to serve on Student Council.~~
 - d. ~~If the Student Governor elected by the Student Council ceases to be a member of the Student Council during their period of office they shall cease to be a Student Governor.~~

Staff Governors

12. There shall be two governors who shall be current members of the Academic Board (Staff Governors). The Staff Governors shall be ~~chosen~~ recommended to the Board of Governors by the Academic Board.
13. The Staff Governors are appointed by the Board, having considered the recommendation from the Academic Board
14. The Staff Governors serve for a period of three years or until they cease to be a member of the Academic Board, whichever is the soonest.

Approved by the Board on 9 July 2015.

Revision approved by the Board on [Date].

5. Proceedings of Meetings and Decision Making

Decision Making outside Meetings

9. During the course of the university's business, matters may arise between scheduled Board meetings that require urgent Board approval or discussion and cannot be postponed until the next convened Board meeting. Where decisions that would ordinarily be taken at Board meetings have to be made on an urgent basis the following procedure will be followed:
 - a. The Secretary will determine if a proposal is urgent and requires Board or Committee approval.
 - b. The Secretary will brief the relevant chair on the proposal and reasons for the urgency.
 - c. The Secretary will consult with the relevant Chair on whether to arrange a quorate telephone conference call or to make the decision by email. The Secretary will attach the board paper or business case necessary to allow governors to make an informed decision. Governors will be asked to indicate their approval to the Secretary by a particular date.
 - d. Governors should express any concerns or questions they might have about the proposal to the Secretary. The Secretary will then forward these to members of the executive for their response.
 - e. The proposal will be deemed to be approved when a majority of positive responses has been received. The Secretary will communicate the Board decision to the executive who will then be authorised to proceed.
 - f. ~~A decision taken under this procedure will be~~ A resolution of the decision will be reported at the next Board or Committee meeting and following approval signed by the Chair of the Board or Committee. ~~The decision will be recorded in the minutes of the meeting to which it is reported.~~
 - g. In the absence of the Secretary, an appropriate member of the governance team will operate this procedure.

Minutes

10. The Board of Governors shall cause minutes to be kept of the proceedings at meetings of the Board of Governors and all Committees of the Board of Governors and, when agreed by the next meeting of the Board of Governors or committee and signed by the Chairman of that meeting, shall be conclusive evidence of the ~~matters stated therein~~ decision of the meeting.

Approved by the Board ~~of Governors~~ on 18 July 2013.

Revision approved by the Board on 13 October 2016.

Revision approved by the Board on [Date].

6. Committees

1. Under article 7 the Board is entitled to delegate aspects of its business to committees. Delegated business is set out in the *Matters Reserved to the Board* (Standing Order 7). Areas of business the Board may not delegate are set out in article 7.
2. The Board shall establish such committees as it believes are required for the effective governance of the university.
3. A decision to establish or disestablish a sub-committee of the Board shall be taken by the Board of Governors.
4. Terms of reference for each committee shall be approved by the Board and reviewed annually by each committee, with proposed amendments subject to approval by the Board.
5. Chair(man)ship of each committee shall be decided by the Chair of the Board.
6. Appointment of members to committees shall be decided by the Chair of the Board and the Chair of the committee.
7. Under paragraph 4 of Annex A of the *Memorandum of assurance and accountability between HEFCE and institutions* there shall be an Audit Committee.
8. Under article 8.2.1 there shall be an Appointments Committee.
9. Under section 3.13 of the Higher Education Code of Governance there shall be a Remuneration Committee.
- 7.10. _____

Approved by the Board of Governors on 18 July 2013.

Revision approved by the Board on [Date].

7. Schedule of Matters Reserved to the Board of Governors (extract)

16.	Subsidiary Companies		
16.1	Regulations for appointments of directors and the composition of boards of subsidiaries of LSBU and external bodies.		Nomination Committee
16.2	Investments <u>Investing in or becoming a member of</u> subsidiary companies.		MPIC reviews
<u>16.3</u>	<u>Establishing subsidiary companies</u>		<u>MPIC reviews</u>

Approved by the Board on 14 May 2015.

Amendment Revisions to 1.4 and 1.6 approved by the Board on 18 May 2017.

Revisions to 16.2 and the addition of 16.3 approved by the Board on [Date].

	CONFIDENTIAL
Paper title:	Business plan
Board/Committee	Board of Governors
Date of meeting:	12 October 2017
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Board sponsor	Jerry Cope, Chair of the Board
Purpose:	Information
Recommendation:	The Board is requested to note the business plan for 2017-18.

Executive Summary

The Board's business plan is based on its primary responsibilities and the Matters reserved to the Board.

The plan covers recurring and compliance matters for the year. Significant investments or ad hoc items will be discussed as required.

The Board meetings for 2017/18 are:

- 12 October 2016
- 23 November 2016
- 15 March 2017
- 17 May 2017
- 12 July 2017

The Board is requested to note its annual business plan.

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Board of Governors plan, 2017/18

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
October 2017					
Regular items					
Vice Chancellor's report			Board of Governors	12 Oct 2017	David Phoenix
Chief Financial Officer's report			Board of Governors	12 Oct 2017	Richard Flatman
Board strategy day report			Board of Governors	12 Oct 2017	Jerry Cope
Review of standing orders			Board of Governors	12 Oct 2017	James Stevenson
Risk appetite	Executive Audit Committee	27 Sep 2017 3 Oct 2017	Board of Governors	12 Oct 2017	Richard Flatman
Reports on decisions of committees			Board of Governors	12 Oct 2017	James Stevenson
Corporate risk register	Operations Board Audit Committee	19 Sep 2017 3 Oct 2017	Board of Governors	12 Oct 2017	Richard Flatman
Annual work plan			Board of Governors	12 Oct 2017	James Stevenson

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
Non-regular items					
Project Larch update			Board of Governors	12 Oct 2017	Matthew Dunn
Fire assessment report			Board of Governors	12 Oct 2017	Mandy Eddolls
November 2017					
Regular items					
Annual declarations of interest	Executive	8 Nov 2017	Board of Governors	23 Nov 2017	James Stevenson
Vice Chancellor's report			Board of Governors	23 Nov 2017	David Phoenix
Chief Financial Officer's report			Board of Governors	23 Nov 2017	Richard Flatman
Health and safety annual report	Executive	8 Nov 2017	Board of Governors	23 Nov 2017	Mandy Eddolls
Corporate strategy progress report			Board of Governors	23 Nov 2017	Pat Bailey
External audit letter of representation	Executive Audit Committee	25 Oct 2017 9 Nov 2017	Board of Governors	23 Nov 2017	Richard Flatman

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
External audit findings	Executive Audit Committee	25 Oct 2017 9 Nov 2017	Board of Governors	23 Nov 2017	Richard Flatman
Audit Committee annual report	Executive Audit Committee	1 Nov 2017 9 Nov 2017	Board of Governors	23 Nov 2017	James Stevenson
Annual report and accounts	Executive Audit Committee Finance, Planning and Resources Committee	25 Oct 2017 9 Nov 2017 14 Nov 2017	Board of Governors	23 Nov 2017	Richard Flatman
Prevent annual return	Executive	8 Nov 2017	Board of Governors	23 Nov 2017	Ian Mehrtens
HEFCE annual accountability return	Executive	8 Nov 2017	Board of Governors	23 Nov 2017	Richard Flatman
Quality assurance return to HEFCE	Academic Board Audit Committee	1 Nov 2017 9 Nov 2017	Board of Governors	23 Nov 2017	Shân Wareing
Reports on decisions of committees			Board of Governors	23 Nov 2017	James Stevenson
Corporate risk register	Operations Board Audit Committee	17 Oct 2017 9 Nov 2017	Board of Governors	23 Nov 2017	Richard Flatman
Modern slavery act statement	Audit Committee	9 Nov 2017	Board of Governors	23 Nov 2017	James Stevenson

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
Non regular items					
Chancellor appointment			Board of Governors	23 Nov 2017	Jerry Cope
Group structure update			Board of Governors	23 Nov 2017	Jerry Cope
Digitally enhanced learning report	Executive	1 Nov 2017	Board of Governors	23 Nov 2017	Shân Wareing
Bahrain JV	Executive MPIC	27 Sep 2017 31 Oct 2017	Board of Governors	23 Nov 2017	Paul Ivey
March 2018					
Regular items					
Reports on decisions of committees			Board of Governors	15 Mar 2018	James Stevenson
Corporate risk register	Operations Board Audit Committee	23 Jan 2018 8 Feb 2018	Board of Governors	15 Mar 2018	Richard Flatman
Vice Chancellor's report			Board of Governors	15 Mar 2018	David Phoenix
Chief Financial Officer's report			Board of Governors	15 Mar 2018	Richard Flatman
Non regular items					

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
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LSBU estates development

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
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Compliance with CC20

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
April 2018 - strategy day					
Digitally Enhanced Learning update			Board of Governors	26 Apr 2018	Shân Wareing
May 2018					
Regular items					
Vice Chancellor's report			Board of Governors	17 May 2018	David Phoenix
Corporate strategy progress report	Operations Board	17 Apr 2018	Board of Governors	17 May 2018	Pat Bailey
Chief Financial Officer's report			Board of Governors	17 May 2018	Richard Flatman
Board strategy day report			Board of Governors	17 May 2018	Jerry Cope
SU election results			Board of Governors	17 May 2018	Shân Wareing
Reports on decisions of committees			Board of Governors	17 May 2018	James Stevenson
Corporate risk register	Operations Board	17 Apr 2018	Board of Governors	17 May 2018	Richard Flatman

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
July 2018					
Regular items					
Vice Chancellor's report			Board of Governors	12 Jul 2018	David Phoenix
Chief Financial Officer's report			Board of Governors	12 Jul 2018	Richard Flatman
Board and committee membership			Board of Governors	12 Jul 2018	James Stevenson
Five year forecasts	Executive Finance, Planning and Resources Committee	6 Jun 2018 26 Jun 2018	Board of Governors	12 Jul 2018	Richard Flatman
Budget	Executive Finance, Planning and Resources Committee	6 Jun 2018 26 Jun 2018	Board of Governors	12 Jul 2018	Richard Flatman
Reports on decisions of committees			Board of Governors	12 Jul 2018	James Stevenson
Corporate risk register	Operations Board Audit Committee	22 May 2018 7 Jun 2018	Board of Governors	12 Jul 2018	Richard Flatman