

Meeting of the South Bank University Enterprises Ltd Board

3.00 - 5.00 pm on Tuesday, 4 July 2017
in DCG-07 - Clarence Centre for Enterprise and Innovation

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
5.	SBUEL +	3 - 8	PI

Date of next meeting
3.00 pm on Tuesday, 10 October 2017

Members: Paul Ivey (Chair), Michael Cutbill, Richard Flatman, Gurpreet Jagpal and Hilary McCallion

Apologies: Michael Broadway

In attendance: Joe Kelly, Rebecca Warren and Sally Black

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Paper title:	SBUEL + and Bahrain JV
Board/Committee	SBUEL Board
Date of meeting:	4 July 2017
Author:	Paul Ivey
Executive/Operations sponsor:	Paul Ivey
Purpose:	Approval / Discussion
Recommendation:	Is the scope of this paper as outlined sufficient to secure agreement in principle for the JV from the Governors and what else will the board of SBUEL require at this stage?

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London South Bank University Enterprise (LSBU - e)

1. Introduction

South Bank University Enterprise Ltd. (SBUEL), is to be renamed and established as an arms-length company conducting contracts and commercial business of a type that otherwise would breach the University status as a charity, and/or present a clear operational benefit not available if delivered via the University. Governors earlier agreed changes to the operational control of SBUEL, essentially placing the company board as accountable to the University Executive (particularly with respect to audit and financial control), and transferring all functions directly to the company board's authority except where prescribed under matters reserved to the LSBU Executive.

2. Board Structure

Executive reviewed the board structure of the company and agreed changes to strengthen its oversight role, and together with the governance link to the University Board of Governors, establish the SBUEL board as set out below:

- Chair Paul Ivey PVC R&EE
- Chief Executive Officer Gurpreet Jagpal Director Research, Enterprise and Innovation
- Finance Director Richard Flatman Chief Finance Officer
- Mandy Eddols HR Director
- Company Secretary Michael Broadway Deputy University Secretary
- Non-Executive Director Michael Cutbill (Governors)
- Further Non-Executive Directors tba

3. New Business

The current business of SBUEL (accounting for some £2M) will continue and new business areas are either in development or are under very early consideration. At this time however two new business streams are presenting as either potential candidates for development, or have had decisions made to execute. These are:

Employment and Skills

- 1. Employment Agency** – To improve the number of LSBU graduates entering the workforce at graduate level, external consultants have been commissioned to help

establish a student employment agency. Line management of the Agency will sit within the Employability Service, under the Student Support and Employment Directorate.

- 2. HSC Workforce development** – The HSC institute of vocational learning delivers short unaccredited courses and study days. These are skills-based training courses/ workshops and, given the business threat from new providers, the need is for qualified and experienced ‘trainers’ or ‘demonstrators’ at commercially competitive delivery costs.

Bahraini Joint Venture

LSBU has an academic partnership with the Applied Science University (ASU) in Bahrain. At present LSBU has validated a suite of Engineering courses and a non-professionally accredited LLB in International Law, all leading to the award of a LSBU degree. The University corporate strategy challenges the Executive under Access to Opportunity to establish “**three overseas research and enterprise centres in collaboration with key international partners**”. ASU is a good candidate for this collaboration. Consequently in development is a proposal for a research centre for sustainable futures linked to the LSBU School of Built Environment and Architecture, and together with an enterprise joint venture company as a subsidiary to SBUEL, may form a suitable response to this strategic challenge.

Considerations at this stage for this JV initiative are the following (not an exhaustive list):

- Is there currently sufficient international/technical JV capacity at SBUEL board level?
- What financial and reputational protection is necessary in respect of the JV?
- What will be the perceived brand association between the JV and LSBU?
- What arrangements are necessary to monitor investments, extract income and close the JV if required?
- How can LSBU ensure its probity in commercial transaction is upheld by the JV?

Further work in respect of this joint venture is necessary, specifically **what** type of business structure is preferable (due diligence, governance and accountability), **why** this approach delivers overall benefit (essentially the business case), and **how** should any launch of this venture be undertaken to ensure success (marketing and relationships). Essentially three parallel projects are required to answer these what, why and how questions and these will

require external professional advice regarding (but not limited to) company registration, market permissions, employment and income/tax treatment.

However initial scoping discussions with the Bahraini Economic Development Board, and the UK Department for International Trade based in the UK Embassy in Bahrain, suggest a Bahraini consultancy formed in this case by Gulf Educational Projects (holding company for ASU) and SBUEL, registered to conduct consultancy services in prescribed market sectors for clients in Bahrain and across the Gulf region could be a viable prospect. Possible markets are events, environment, computing, education support, research and management. Further a possible business model is to use freelance consultants to deliver packages of work for clients sourced by the company which holds responsibility for business development, due diligence, warranties and indemnities, invoicing and closure.

4. Implications and Governance

As set out in section 1, operational authority is delegated to the SBUEL board, with oversight retained mainly to the University Executive but also Governors (via a quasi-non-Executive SBUEL board appointment). The development of an employment and skills offer draws from the University itself, and consequently apart from business case scrutiny, presents little governance burden. Consequently operational governance should be at SBUEL board.

A joint venture company based abroad is a more complex proposition however. Two years ago agreement in principle was secured from the University Board of Governors before LSBU sought an academic partnership with ASU; for similar reasons further scoping of any commercial partnership with ASU again first requires an agreement in principle. In addition, a JV would be a subsidiary of SBUEL, will add to the LSBU group structure, and because of this structural addition again agreement in principle is required.

Board of Governors agreement in principle is sought for a commercial joint venture with the Applied Science University, Bahrain.

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