

Meeting of the Board of Governors

4.00 - 6.00 pm* on Thursday, 16 March 2017
in Boardroom - Technopark, SE1 6LN

* 3.30 – 4pm pre-Board presentation on South Bank Academies

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		JC
2.	Declarations of Interest		JC
	<i>Governors are required to declare any interest in any item of business at this meeting</i>		
3.	Minutes of previous meeting	3 - 14	JC
4.	Matters arising	15 - 16	JC
	Chair's business		
5.	Board positions	17 - 18	JC
6.	Governor pairing update	19 - 20	JS
	Key items to discuss		
7.	Vice Chancellor's report	21 - 44	DP
8.	Chief Financial Officer's report	45 - 56	RF
9.	Update on Project Larch	57 - 66	DP
	<ul style="list-style-type: none"> • Moving to a group structure – principles • Setting up new subsidiary company (to approve) 		
10.	Health and safety mid-year update	67 - 72	ME
	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.	Reports on decisions of committees	73 - 76	JS

12.	Target for revised KPI11	77 - 78	IM
13.	Corporate risk register	79 - 100	RF
14.	Members' resolution to appoint external auditors	101 - 106	JS
15.	Any other business		JC

Date of next meeting
Board strategy day at 10.00 am on Wednesday, 26 April 2017

Today's meeting followed by the Court event from 6.30pm – 8.30pm

Members: Jerry Cope (Chair), Andrew Owen (Vice-Chair), David Phoenix, Temi Ahmadu, Steve Balmont, Shachi Blakemore, Michael Cutbill, Douglas Denham St Pinnock, Neil Gorman, Carol Hui, Hilary McCallion, Kevin McGrath, Mee Ling Ng, Jenny Owen, Tony Roberts and Calvin Usuanlele

In attendance: Pat Bailey, Richard Flatman, James Stevenson, Megan Evans and Mandy Eddolls

	CONFIDENTIAL
Paper title:	Minutes of the meeting of 24 November 2016
Board/Committee	Board of Governors
Date of meeting:	16 March 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 24 November 2016 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, 24 November 2016
Boardroom - Technopark, SE1 6LN**

Present

Jerry Cope
Andrew Owen
David Phoenix

Chair
Vice-Chair
Vice Chancellor and Chief Executive (*until minute
8*)

Temí Ahmadu
Steve Balmont
Michael Cutbill
Douglas Denham St Pinnock
Neil Gorman
Mee Ling Ng
Jenny Owen
Tony Roberts

Apologies

Shachi Blakemore
Carol Hui
Hilary McCallion
Kevin McGrath
Calvin Usuanlele

In attendance

Pat Bailey
Richard Flatman
James Stevenson
Michael Broadway

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

Prior to the meeting the Board had received an informative presentation on research, enterprise and innovation.

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 meeting of 13 October 2016 and their publication as redacted.

4. **Matters arising**

The Board noted the matters arising from the previous meeting. Further information on equality, diversity and inclusion statistics as requested at the meeting would be circulated by email.

The Chair reported that the 2016 graduation ceremonies had been successful. The Board congratulated graduating students and noted that the ceremonies had been well organised and thanked the events team.

5. **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 noted that the Vice Chancellor was attending the Central London area review of further education meeting that evening, which would discuss LSBU's potential alliance with local FE colleges. If appropriate, a full business case would be developed and proposed to the Major Projects and Investment Committee.

The Board noted the proposed international job titles of executive members for use on overseas visits: Vice Chancellor to use "President"; and the Deputy Vice Chancellor and Pro Vice Chancellors to use "Vice President".

The Board discussed the university's TEF2 metrics which would rate the university as "bronze". A submission, due in January 2017, would make a persuasive case to be re-graded to "silver".

The Board discussed recruitment for entry for September 2017 and the potential adverse impact of the move from bursaries to loans for health students.

The Board noted an update on negotiations with UCU on the South Bank Agreement.

The Board discussed South Bank Academies and preparations for an Ofsted inspection in the academy of engineering. The governance structure of the multi academy trust continued to be strengthened and links between the academy schools and with LSBU were being developed.

The Board noted that £5m of capital funding had been received from the London Borough of Southwark to renovate the Passmore Centre as a centre for delivering apprenticeships. A linked grant of £3m from HEFCE would follow.

6. Chief Financial Officer's report

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2016/17, an update on year end reporting matters and details of the external audit tender process.

The October 2016 management accounts full year forecast indicated a £1m shortfall on income but the target budget surplus of £1m was still expected.

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

The Board noted that the tender for the external audit contract was underway. The audit committee would make a recommendation to the Board at its meeting of 16 March 2016.

The Board discussed an update on pensions. It was noted that the triennial actuarial valuation of the LPFA pension scheme had been undertaken during the year. LSBU had provisionally been assigned "category B". Confirmation was expected before Christmas 2016. The categorisation would have a material impact on cash contributions to the scheme.

7. Key performance indicators report 2015/16 and targets for 2016/17

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2016/17. The Board noted that the financial KPI targets were in line with the approved 2016/17 budget.

The Board approved the change of KPI 24 on student satisfaction with facilities and environment. The Institute of Customer Service index would be used instead of teaching room utilisation rate, which would be monitored separately by the Finance, Planning and Resources Committee.

The Board noted that KPI 11 on the percentage of full time undergraduate pre-clearing applications was being reviewed to cover only applications received through UCAS. The Board would be asked to approve a revised target for this KPI at the Board meeting of 16 March 2017.

The Board requested trend analysis on future KPI reports.

David Phoenix left the meeting

8. Corporate strategy progress report

The Board noted the half yearly Corporate Strategy Progress report.

9. Audit Committee annual report to Board

The Board noted the Audit Committee's annual report for 2015/16 which had been approved by the Audit Committee at its meeting of 10 November 2016. The Chair of the Audit Committee reported that the speak up matter referred to in the report had been concluded with a finding of no substance.

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

The Chair of the Audit Committee agreed to sign the report for submission to HEFCE.

10. External audit findings

The Board noted Grant Thornton's audit findings report which had been discussed in detail by the Audit Committee. There were no matters which needed to be brought to the attention of the Board. The final version would be circulated to the Board.

11. Letter of representation to the auditors

The Board noted the letter of representation to the external auditors. It was noted that there were no representations specific to LSBU or as a result of any matters arising during the course of the audit. The Executive confirmed that all material matters had been disclosed to the auditors and that the representations were accurate and reasonable.

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

12. Annual Report and Accounts

The Board discussed the proposed annual report and financial statements for year ended 31 July 2016, which had been reviewed by the Audit committee and the Finance, Planning and Resources committee. The surplus was £3.3m.

The Board noted minor amendments to the accounts made since the Audit Committee.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 10 November 2016 that would prevent a full compliance statement being made in the annual accounts.

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

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

After careful consideration, the Board approved the annual report and financial statements for the year ended 31 July 2016 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that the accounts for South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 15 November 2016. As a wholly-owned subsidiary, the accounts of SBUEL were consolidated into the University group accounts.

The Board agreed the resolution in the accounts to re-appoint Grant Thornton as external auditor until 31 July 2017, subject to the external audit tender process. The form of members' resolution is attached to these minutes.

13. Academic Board annual report

The Board discussed the Academic Board annual report, which summarised the work of the Academic Board and its committees during 2015/16. The Board noted that academic key performance indicators were reviewed at each meeting of the Academic Board.

The Board was assured that students were actively involved in the meetings of the Academic Board and its committees.

14. Quality assurance statement

The Board discussed HEFCE's new requirement for a quality assurance by all HE providers. The Board was, for the first time, required to sign an annual statement to confirm that it is assured that "LSBU is maintaining its responsibility for improving student academic experience and student outcomes, and that academic standards are set and appropriately maintained".

The Board noted how LSBU's quality processes were mapped to national quality expectations. The Board noted that Academic Board had reviewed the action plan for continuous improvement of the student academic experience and related material. Audit Committee had reviewed the processes followed to provide assurance to the Board and had satisfied itself that these were appropriate.

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

15. Prevent annual return

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

The Board noted the balance to be struck between complying with the duty and encouraging freedom of speech on campus. It was reported that the Students' Union has not raised any concerns on the way the duty is implemented and that this would continue to be reviewed.

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

16. Reports on decisions of committees

The Board noted a report on decisions of committees since its last meeting of 13 October 2016.

The Board noted the Modern Slavery Act statement which had been approved on its behalf by the Audit Committee at its meeting of 10 November 2016. The statement would be published on the University's website.

The Board noted the amended Gift Acceptance Policy which had been approved by the Finance, Planning and Resources Committee at its meeting of 8 November 2016.

17. Corporate risk register

The Board noted the corporate risk register.

18. Annual declarations of interest

The Board authorised the declared interests of governors and executive members, with the inclusion of Calvin Usuanlele as the Chair of Student

Council. An updated register of interests would be published on the University's website.

Date of next meeting
4.00 pm, on Thursday, 16 March 2017

Confirmed as a true record

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Company Number: 00986761

The Companies Act 2006

Ordinary Resolutions

of

London South Bank University

(University)

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

Ordinary Resolutions

1. That the University reappoint Grant Thornton UK LLP as auditors to hold office for the financial year 1st August 2016 to 31st July 2017, subject to the external audit tender process.
2. That the University delegate approval of the remuneration of the auditors, Grant Thornton UK LLP, for the year ending 31st July 2017 to the Executive.

Agreement

The members of the University who were entitled to vote on the Resolutions on 24 November 2016 irrevocably agree to the Resolutions and authorise the Chair to sign on their behalf:


..... Dated 15 Dec 2016

Jeremy Cope
Chair of the Board of Governors

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**BOARD OF GOVERNORS - THURSDAY, 24 NOVEMBER 2016
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Date	Officer	Action Status
7.	Key performance indicators report 2015/16 and targets for 2016/17	Revised target for KPI 11 on pre-clearing recruitment to Board on 16 March 2017 Trend analysis on future KPI reports		Ian Mehrrens Richard Flatman	Completed Completed
10.	External audit findings	Circulate final audit findings report to Board		Richard Flatman	Completed
16.	Reports on decisions of committees	Publication of Modern Slavery Act statement on LSBU's website		James Stevenson	Completed
18.	Annual declarations of interest	Update and publish register of interests		James Stevenson	Completed

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	CONFIDENTIAL
Paper title:	Board positions
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Author:	Michael Broadway, Deputy University Secretary
Board sponsor:	Jerry Cope, Chair of the Board
Purpose:	Decision
Recommendation:	<p>The Board is requested to:</p> <ul style="list-style-type: none"> • Approve the appointment of Douglas Denham St Pinnock as Vice Chair from 1 August 2017 • Note the appointment of Hilary McCallion as Chair of the Finance, Planning and Resources Committee from 1 August 2017; and • Approve the appointment of Michael Cutbill as a director of South Bank University Enterprises Ltd from 1 April 2017

Summary

The current Vice Chair and Chair of the Finance, Planning and Resources Committee (FPR) Andrew Owen is due to retire from the Board on 31 July 2017. The Chair invited expressions of interest in these two roles from all current independent governors.

Vice Chair

Under the Standing Orders the Board appoints the Vice Chair from among the independent governors.

Based on expressions of interest and following consultation, the Chair recommends that Douglas Denham St Pinnock is appointed Vice Chair of the Board with effect from 1 August 2017. In due course, the Board will need to look at its governance structure as projects such as Larch proceed and this appointment relates to LSBU's existing structure.

In addition, the Board is requested to appoint Mr Denham St Pinnock as Pro Chancellor with effect from 1 August 2017. The role of Pro Chancellor is to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.

Chair of FPR

Under the Standing Orders, the Chair of the Board appoints the chairs of committees.

Based on expressions of interest and following consultation, the Chair of the Board has appointed Hilary McCallion as Chair of FPR with effect from 1 August 2017. This appointment too relates to the existing Board structure.

Director of SBUEL

Upon Hilary McCallion's move to FPR, she will relinquish her directorship of SBUEL, a wholly owned subsidiary of LSBU, and her membership of MPIC. (The current composition of the SBUEL Board is for there to be one LSBU independent governor).

The Board is requested to approve the appointment of Michael Cutbill, independent governor, as a director of SBUEL. Mr Cutbill will also represent the Board in the discussion about SBUEL's ongoing governance considerations, and his appointment as a Director will therefore commence immediately with a small overlap with Hilary McCallion's term of office.

Other Committee Chairs and Membership

Hilary McCallion will also relinquish her role as Chair of the Honorary Awards Committee, and the Chair intends to take this opportunity to review all the remaining Committee Chair roles and Committee Membership.



	CONFIDENTIAL
Paper title:	Governor pairing update
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Author:	Megan Evans, Governance Assistant and Michael Broadway, Deputy University Secretary
Executive sponsor:	Jerry Cope, Chair of the Board of Governors.
Purpose:	Information
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	N/A
Recommendation:	The Board is requested to note the paper

Executive Summary

Governor pairing was introduced in September 2015 following the governance effectiveness review. The purpose of pairing is to give governors an opportunity to gain insight into the day-to-day life of the University and, where possible, to help promote the School or professional service groups (PSG.)

As pairing has been in place for 18 months, a survey was carried out to review its effectiveness and whether any changes need to be made.

Findings and recommendations:

- Both governors and ‘hosts’ find governor pairing beneficial
- That a formal relationship is established, with a minimum of one meeting a term and involvement in School- or PSG-based events.
- Pairs are reviewed every two years at the start of the academic year, rotating if required.
- Additional areas of the university are added to the pairing scheme
 - ICT (Director of Academic-Related Resources)
 - International (Director of International/PVC Research and External Engagement)



**London
South Bank**
University

EST 1892

- Research and enterprise (Director of Research, Enterprise and Innovation/PVC Research and External Engagement)
- Multi-academy trust Chief Executive (when recruited)



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Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	16 th March 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

Recruitment remains one of our biggest challenges. To-date LSBU has received 16,955 applications for FT UG study starting next September via UCAS. This is -17% (3,392 applications) down on this time last year. Our competitor group as a whole are down by -10%, with the national market down by -4%. When you exclude HSC, the shortfall in LSBU applications reduces to 5% (518 applications).

We are making good progress with progression. For the 2015/16 student intake, there was a 4% increase for Year 1 to Year 2 progression from 73.1% for the 2014/15 intake to 77.2%. This exceeds our progression target of 75%. In 2016/17 a new more robust model for student engagement has been implemented meaning that we are withdrawing students who are not engaging earlier than in previous years. It is suggested that this has increased in-year withdrawals to date compared to last year but if correct, this new model should result in fewer withdrawals and interruptions in March and April, where we would usually see a spike in withdrawals.

Vice Chancellor's Report March 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 External Environment

1.1 Annual Provider Review Preliminary Assessment

From 2016-17, as part of HEFCE's revised operating model for quality assessment, the Annual Provider Review (APR) is the core mechanism used to assess quality in higher education providers. On the 8th February we received notification that the APR identified no concerns on quality and standards matters in its preliminary assessment of us or on financial sustainability, good management and governance matters. Our final risk categorisation, together with the Quality Committee's judgement, will be communicated at the end of April via our annual risk assessment letter.

1.2 HEFCE Assurance Review

We have received the draft report from the 5 yearly HEFCE assurance review, which was held on 26 January 2017. There are no recommendations in the report and HEFCE's conclusion is that they are able to place reliance on LSBU's accountability information.

1.3 Prevent Duty annual reporting: monitoring outcome

I am pleased to say that in early February we were informed by HEFCE that our Prevent Duty report was considered to provide sufficient evidence of due regard to the Prevent duty therefore fulfilling our statutory obligations.

All three letters from HEFCE are included as appendices to this report.

1.4 HESA continuation statistics

HESA published continuation statistics in mid-February 2017. This data is based upon the contents of our 2015/16 HESA return. This is an early release, and the complete dataset will not be published until late March 2017, therefore we are not able to compare to other institutions yet.

The projected learning outcomes show a slight increase in degree outcomes and increase in transfers out. The benchmark also increased slightly, though LSBU improved its performance against the benchmark by 1.2%. There was also an

improvement of 1% continuation at LSBU compared to a benchmark average of 0.6% improvement which as previously reported, puts us within the 2% variance afforded by TEF .

Projected Learning outcomes are used in the Times and CUG tables and informs KPI 12. As non-continuation rates are used in the TEF this improvement is particularly important.

Projected Learning Outcomes T3a (CUG & Times League Tables)	2013/14	2014/15
Degree	66.0%	66.3%
Transfer	7.2%	8.3%
LSBU Total	73.2%	74.6%
Benchmark	77.5%	77.7%
Difference from Benchmark	-4.3%	-3.1%

Non-continuation Rates T5 (informs TEF)	2013/14	2014/15
Percentage no longer in HE	13.4%	12.4%
Benchmark	11.2%	10.6%
Difference from Benchmark	-2.2%	-1.8%

1.5 Anti-Semitism on campus

The Government has adopted the International Holocaust Remembrance Alliance (IHRA), definition of anti-Semitism, to help clarify how anti-Semitism can manifest itself in the 21st century. Although some questions have been raised externally about the appropriation of this definition, HEI's and other public services are being asked to disseminate this and discharge their responsibilities and have robust policies and procedures in place to comply with the law. In line with Prevent, we have a range of activity being delivered across campus to ensure we comply.

1.6 Home Office and International Students

The Director International attended the London first private roundtable discussion with Paul Regan, Head of Migration Policy at the Home Office on Tuesday 17th January. It was an opportunity to engage with the Government in "listening mode" on immigration and to raise concerns about both current policy and operations (on non-EU) and future plans to restrict EU migration. The idea of "London visas", supported by the mayor, was discussed among other things but regional variations do not have a successful track record and there is little likelihood of implementation.

2.0 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.

2.1 Student Retention

Increasing our retention/progression rates is one of the University's highest priorities (KPI 13), affecting income, student satisfaction, student achievement, and key metrics that feed into league tables and the TEF. For the 2015/16 student intake, there was a 4% increase for Year 1 to Year 2 progression. The progression rate for the 2015/16 intake has been confirmed as 77.2%, an increase from 73.1% for the 2014/15 intake and exceeding our target of 75%.

In year monitoring of withdrawals and interruptions this academic year show that withdrawals and interruptions have increased in comparison to previous years to date, please see the table below for comparison. The increase is thought to be due to the implementation of a new model for withdrawing/interrupting students due to lack of engagement. This model has resulted in 158 withdrawals and interruptions in the 2016/17 academic year due to lack of engagement in comparison to 40 in the same period in the 2015/16 academic year. This is due to more timely withdrawal of students who are not engaging where in previous years we would see this spike in March and April instead (in 2015/16 there were 136 students withdrawn due to lack of engagement in March and April).

The new model of engagement monitoring that we have introduced ensures that students that have been withdrawn receive a minimum of 5 attempts to contact them regarding their lack of engagement. The minimum level of engagement has been set purposefully low for this academic year to ensure that we didn't withdraw any students that were engaging. All of the withdrawals, due to lack of engagement, are discussed in detail with the relevant Schools with action plans put in place for each student, prior to their eventual withdrawal.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total Aug- Feb
2014/2015	4	43	80	122	176	78	93	596
2015/2016	2	28	91	119	131	61	70	502
2016/2017	36	21	81	121	165	86	114	624

3.0 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.

3.1 Research and Enterprise and Innovation

For the 2016/17 academic year we have to date secured £1.4m of research income against a target of £2.6m. For the remainder of the year we have contracted research income of £840k, leaving a shortfall, which we need to secure in year, of £320k for which there is a research bid pipeline of £18.4m.

To date we have £3.6m of enterprise income against a target of £9.9m (excluding TNE). For the remainder of the year we have contracted enterprise income of £5.3m, leaving a shortfall of £1m for which we have an enterprise bid pipeline of £16m. We are therefore estimating approximately £0.5M of income is at risk based on current success rate.

4.0 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.

4.1 UCAS stats for 2017-18 admissions year

In February UCAS released application statistics for the 2017-2018 admission year. Headlines were:

- Overall reduction of applicants – down 5% on this point last year (546,190 applicants).
- UK applicants down 5% (to 469,490); EU applicants down 7% (to 42,070).
- The only falls in applicants before this year were in 2006 and 2012 (both fee increase years). This year is the second largest fall after 2012.
- This means applicants are back to 2013 levels.
- If application trends had continued as last year, UCAS would have expected flat numbers in 2017.
- Declines are due to 4 main factors: EU / Nursing / Older age group / change in 18 year-old behaviours.

Other points of note were that medium' tariff institutions appear to be taking numbers from 'lower' tariff institutions and that 18 year old applicant numbers have fallen slightly. Interestingly men and women are down by 5% equally, but women are still more likely to apply than men at 18.

4.2 UK Undergraduate Recruitment (as at 27/02/17)

To-date LSBU, has received 16,955 applications for FT UG study starting next September via UCAS. This is -17% (3,392 applications) down on this time last year. Our competitor group as a whole are down by -10%, with the national market down by -4%. When you exclude HSC, the shortfall in LSBU applications reduces to just -5% (518 applications). Given the increasingly competitive nature of the market and changes taking place within the sector and specifically in relation to funding for health courses this is a reasonable position and where we expected to be at this stage in the cycle.

Looking at early conversion, LSBU has received 231 firm acceptances so far this cycle (143 of which are unconditional) from Home applicants for full-time undergraduate degrees. This is -18% (50 acceptances) down on the same time last year. We continue to work on generating late applications, particularly in those areas that have seen significant drops against last cycle, but our main focus is clearly now on conversion activity.

We are actively engaging with all offers holders across a variety of channels to encourage early acceptance of their place here at LSBU. The next offer holder event for all schools, bar HSC, is on Saturday 18th March and we have a full schedule of events, advertising, applicant communications and student / academic calls planned in across the remainder of the cycle.

At this stage we are optimistic that we will meet budget target (2,500).

4.2.1 UK Postgraduate Recruitment (as at 27/02/17)

Full-time Postgraduate Home recruitment continues to progress, with 1,719 applications having been received to date. This is 20% (285 applications) up on the same time last year where we had received 1,434 applications. So far this has resulted in just 158 firm acceptances, which is down -17% (31 acceptances) on the previous cycle. The lion share of outstanding applications / decisions are for Post Graduate health courses where an offer cannot be made until the applicant has been interviewed / assessed. We are working with the School to ensure this process is completed as quickly and efficiently as possible.

That said, it is worth noting that the Post Graduate market for most London universities and specifically for LSBU is a “late” market and the bulk of applications and acceptances will be seen in the latter part of the cycle. Again, we have targeted acquisition (application) and conversion (acceptance) activity scheduled throughout cycle and are confident that we will meet, if not exceed, our Post Graduate Full Time target (937).

4.3 International Recruitment

The second intake of the 16/17 cycle has created some room for optimism for 17/18 autumn intake as we are seeing the impact of the bilateral approach of running campaigns for students and agents simultaneously. The 11% increase in January 2017 could be used as indicator of positive growth for the next cycle.

For 17/18, the Business School and the Engineering/Built Environment will continue to attract the big numbers and there is confidence that the Health area does have potential to be opened up. Arts have large numbers of Study Abroad students and while this is a welcome addition, the Far East represents huge untapped demand and the push is for more Full Time students from this part of the world. The creativity of the Law school is attracting partners worldwide and this will feed through to new recruitment channels in years to come.

There is a welcome 25% increase in firm accepts compared to this time last year but the LSBU number of licences from the Home Office is 1000 so there is limited room for growth. While we will be able to request more next year we will have to manage the numbers around the mid-900s for 17/18.

UG FT	Target		Main Cycle			
School / Division	Recruitment	FA vs	Firm	LY	+/- %	FA
Applied Science	448	12.29%	55	71	-	50
EU	43	9.26%	4	2	100.0	4

Home	370	11.90%	44	58	-	44
OS	35	20.11%	7	11	-	2
Arts and Creative	485	20.01%	97	77	25.97	85
EU	58	15.63%	9	4	125.0	9
Home	412	18.46%	76	68	11.76	76
OS	16	76.92%	12	5	140.0	0
Built Environment	367	12.53%	46	67	-	11
EU	35	8.62%	3	2	50.00	3
Home	178	4.50%	8	24	-	8
OS	155	22.61%	35	41	-	0
Business	814	13.27%	108	10	2.86	33
EU	61	8.17%	5	5	0.00	5
Home	470	5.53%	26	35	-	26
OS	282	27.30%	77	65	18.46	2
Engineering	664	12.96%	86	64	34.38	45
EU	62	14.42%	9	6	50.00	9
Home	440	7.04%	31	38	-	31
OS	161	28.61%	46	20	130.0	5
Health and Social	114	8.77%	10	6	66.67	7
EU	10	0.00%	0	1	-	0
Home	102	6.86%	7	5	40.00	7
OS	2	125.00%	3	0	-	0
Law and Social	606	8.91%	54	67	-	46
EU	58	12.15%	7	5	40.00	7
Home	492	7.93%	39	53	-	39
OS	56	14.18%	8	9	-	0
LSBU Total	3,497	13.04%	456	45	-	277
EU	326	11.34%	37	25	48.00	37
Home	2,464	9.38%	231	28	-	231
OS	707	26.60%	188	15	24.50	9

The EU numbers are looking respectable but this is still very early in the cycle and given the sensitivities in the political sphere there could be some dramatic fluctuations. However as we are in the last intakes pre-Brexit and with the pound lower against the Euro than it has been, there are significant pull factors.

Now the EU Team has moved to the International Office, aligning processes and recruitment practices will have an impact on recruitment numbers.

The further piece of work, which is being done, is on the student pipeline. If we can mine the CRM more effectively, we will be able to give a bottom up prediction as we understand how the enquiries translate into enrolments. For the first time we will have a formal Student Calling Centre to run the conversion campaigns from offer

holder into enrolment with formal reporting that will give us further information about the applicant's intentions so we can manage expectations in terms of target numbers. This is on the back of work already done by the International Enquiries Team that had a positive impact on recruitment in January 2017. Our International and EU numbers are therefore ahead of competitors and expectations.

4.4 Update on Trans National Education (TNE)

The continuing progress following the Vice Chancellor's visit to the Applied Science University (ASU) in Bahrain resulted in another successful validation. This time for Law.

The Business School also went through its reaccreditation process with NIBS (the Network of International Business Schools) and its Trans National Education activities were a central component. The Business School also had a successful validation of the MSc in Innovation and Enterprise for the partnership in Chongqing Jiao Tong University. The enterprise agenda is particularly capturing the zeitgeist in China and will be taken up in March with proposals for joint activity with a number of Chinese institutions. We continue to investigate Trans National Education opportunities in China with a numbers of preferred partners.

4.5 Apprenticeships

Delivery of apprenticeships has commenced in the Health school with the first cohort of 15 health practitioners enrolled in January. Development has started for a new application system, which will be fundamental to meeting recruitment targets for 2017. The Apprenticeship and Employer sponsored team (6 posts) is now in place. The Degree Apprenticeships Development Fund (DADF) project continues to progress with the last employer event attracting almost 100 levy paying employers interested in the Apprenticeship provision to in the School of Engineering and School of built Environment and Architecture. LSBU is hosting (in partnership with Lambeth Council and College) a large event at the Kia Oval on the 9th March to celebrate National Apprenticeship week involving 200 school leavers in the borough plus local employers. LSBU Apprenticeship manager is a member of QAA working group drafting a Characteristic statement for Degree Apprenticeship that will be released for consultation on 20th March. LSBU Internal Apprenticeship programmes (developed to utilise LSBU levy bill) are progressing– coordinated by HR with the support of Apprenticeship Manager.

4.6 Academies Update

The Trust Governance, policies and procedures are now fully developed. The devolved local governance of the schools is also in place and is working well. A key focus over the last term has been marketing and promotion for student recruitment for both schools for 2017/18 school year. We identified a potential venue, Ladywell Playtower, to open a new school in Lewisham and we submitted an expression of interest for this site. DfE and the Regional Schools Commissioner are supportive of the Trust developing additional schools in South London. The Trust procured Pepper, an advanced humanoid robot for students to practice interactive programming skills. Links between the Trust schools and LSBU continue to grow with collaborative activities ranging from computer programming workshops to staff from Professional Service Groups hosting recruitment events.

4.6.1 South Bank Engineering UTC

The construction of the permanent building is on schedule, although the handover date of 18th September 2017 creates challenges for the UTC for the first three weeks of the term. We are preparing alternate plans for the first three weeks of the term for students. We are however concerned that some students might choose to transfer to other schools if the building is further delayed. Therefore we are working closely with EFA and the contractors to ensure delivery of the building as planned. The schedule of specialist equipment has been prepared and the equipment will be procured over the next three months so that the new building is fully equipped by the time the term starts in September 2017. The student progression continues to be strong, although there have been some challenges with Physics due to difficulty in attracting qualified staff. We have re-advertised to recruit Physics staff for September 2017. The quality of teaching remains “Good” or better. Employer inputs into teaching have been strong with Skanska, Guy’s & St Thomas’, and King’s College NHS Trusts contributing significantly to the project based learning components. Applications for Year 12 look positive but entry at Year 10 remains challenging.

4.6.2 University Academy of Engineering South Bank

We have made significant improvements to the Academy’s Learning & Teaching, behaviour for learning and administrative systems and processes. We are still awaiting Ofsted Inspection. While we have no examination outcomes for the Inspectors to assess, we have ensured compliance with all the processes and procedures. We launched the recruitment process for the role of permanent principal. The final interviews for the role will be on 22nd and 23rd March 2017. We expect the new Principal to be in post from 1st September 2017.

145 students accepted places into Year 7 for September 2017. This combined with 5 SEND students, we will have full complement of 150 students in Year 7. We currently have 24 acceptances into Year 12 for September 2017, but we expect this number to grow to the target of 50 by July 2017. A combined team of Year 7, 8 and 9 students won the best design award in the F1 in Schools Regional finals, a significant achievement for a team taking part for the first time in the competition.

4.7 Public Affairs and Civic Engagement

We continued to work closely with the Department for Education, the GLA and our local councils on issues surrounding the development of the Family of Educational Providers. This came together in publication of the Local Area Review recommendations regarding LSBU and Lambeth College. Since then, we have continued to work with the DfE including a visit in January from the Director General for Higher & Further Education and this came to fruition with a letter from the DfE regarding the designation of Lambeth College.

We continued to engage with the GLA on the role of LSBU in south London. This included discussions with the Deputy Mayors Joanne McCartney, Rajesh Agrawal (Business) and Jules Pipe (Regeneration and Skills) and GLA Labour Group Leader Len Duvall, as well as key advisors. We are now engaging with them regarding the recent announcements by central government on proposals for new Institutes of Technology.

Locally we continued to work closely with Southwark and Lambeth Councils and this is reflected in a growing number of invitations from both boroughs to participate in events, consultation and new programmes.

In December we hosted the Education Select Committee, as part of its inquiry into the impact of Brexit on Higher Education. This was attended by six members of the Committee plus committee staff and round 40 guests, mostly LSBU staff. Also in December we hosted a visit from Home Office staff who wanted to understand better the practical issues and steps universities have in place around visa applications for foreign students. This provided us with an excellent opportunity to demonstrate what we do to manage visas and the problems we face. We were also invited to talk to DfE staff on our ideas for further development of part-time maintenance loans and we await their report.

We have responded to a number of government and other consultations including on the Schools that Work for Everyone green paper which proposed enforced sponsorship of schools by universities; also the Institute for Apprenticeships Strategic and Operational Plans; and Closing the STEM Skills Gap, a Science and

Technology Select Committee inquiry. Our local MP Neil Coyle, has sponsored, along with 4 other MPs, an Early Day Motion in Parliament celebrating the University's 125th anniversary. It reads:

“That this House congratulates London South Bank University on its vital contribution to higher education as it reaches its 125th anniversary; celebrates its leading role in providing access to high quality professional and technical education for people and employers; recognises its significant achievements in generating world leading applied research with businesses; and commends the university on its place as a key educational and civic partner across south London in transforming lives, businesses and communities for the better.”

5.0 Strategic Enablers

5.1 2017 Pay Award

LSBU has implemented the pay award of 1.1% backdated to 1st August 2016 despite Unions lack of agreement. Consultation led by UCEA has commenced for the 2017 pay round. LSBU will be required to confirm that we are going to opt into negotiations in March. Most institutions have indicated a maximum tolerance of 1 to 2% pay award. LSBU is supporting a 1% pay award.

At the moment there is no indication from the Unions as to what their expectations are although as the RPI is 3.2%, UCEA expect this will be the minimum starting position

5.2 Employee Engagement Survey

Working with our partners at ORC International we have commissioned the '2017 Pulse Survey' which will be launched in mid- April. This survey is shorter than the full survey conducted in 2016 and aims to get a snapshot of progress against some of the key Engagement Survey themes. Schools and Professional Service Groups (PSGs) continue to progress implementation of their local action plans. The network of 'Engagement Champions' continue to support this work by providing feedback, encouraging engagement and keeping the momentum going.

5.3 Staff Conference 2017

Planning is underway for the next Staff Conference and Awards. There has been an overwhelming response to the call for submissions for the theme 'Becoming what we want to be'. As part of LSBU's 125 Anniversary celebrations the conference will

acknowledge our past but focus mainly on the future of LSBU and Higher Education generally. The Staff Conference and Staff Awards are planned for 17th May 2017.

5.4 LSBU Successes

- We have been named 'Accountancy College of the Year - Public Sector' at the PQ Magazine 2017 Awards.
- This month we signed the Armed Forces Covenant (AFC) to commit to supporting the armed forces community. Signing the AFC represents a firm commitment by LSBU to supporting the armed forces community, by recognising the value of staff and students who are serving personnel both regular members and reservists, veterans and military families - and their contribution to British business and the security of the country.
- We enjoyed an outstanding weekend of sport on 17-19 February claiming three medals at the British Universities and Colleges Sport (BUCS) Nationals - returning with two silver and one bronze medal - marking LSBU's best performance at BUCS Nationals in seven years.
- **Appendices:**
 - HEFCE letters
 - KPI report (from Finance, Planning and Resources committee)

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9 February 2017

Professor Dave Phoenix
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Dear Professor Phoenix

HEFCE Assurance Review – draft report

I enclose a discussion draft of the report on the HEFCE Assurance Review which I undertook at the University in January. We are very grateful to you and your colleagues for your helpfulness and openness during the review.

I can confirm my initial feedback to you that the overall conclusion in the draft report is that we are able to place reliance on the accountability information provided by the University. There is one observation in the report that I did not include in my feedback. In paragraph 15 I refer to the cross-membership of one person who serves on both the Audit and Finance, Planning and Resources Committees. I liaised with James Stevenson about this and hope it is clear that we would only be concerned should it become standard practice without a formal Board decision.

I would be grateful if you would consider the draft report for factual accuracy and to offer any other comments. I will then be able to arrange for the report to be issued formally. I would be grateful to receive any comments by 13 March.

We intend to make the final report available on request under our publication scheme, subject to any editing agreed with you to avoid compromising commercial confidentiality. We believe it is in the public interest to make these reports available, as this will further build confidence in institutions as recipients of public funds.

As part of our commitment to improve the assurance review process it would be appreciated if you could complete and return the attached feedback form.

Yours sincerely,

Andrew Malin
Assurance Consultant

01 February 2017

Professor David Phoenix OBE
Vice Chancellor and Chief Executive
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Dear Professor Phoenix,

Prevent duty annual reporting: monitoring outcome

Thank you for submitting your Prevent annual report documentation in December. After careful consideration of the report, I am pleased to inform you that we have concluded that in our view the information provided **demonstrated sufficient evidence of due regard to the Prevent duty**. I reached this conclusion following advice from HEFCE officers.

Next steps

No immediate actions are required following receipt of this letter. However, your Prevent Adviser can provide further detailed feedback on your report on request.

Your next annual report will be due on 1 December 2017. In the meantime any serious Prevent-related incidents or significant changes to policies should be reported to your Prevent Adviser.

Yours sincerely



Professor Madeleine Atkins
Chief Executive

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8 February 2017

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Dear Professor Phoenix OBE

Annual Provider Review preliminary assessment

1. In March 2016, the higher education funding bodies in England and Northern Ireland published a revised operating model for quality assessment for implementation from 2016-17¹. The new operating model is designed to be proportionate, risk-based, and grounded in the context for an individual provider and its students.
2. From 2016-17, the Annual Provider Review (APR) is the core mechanism used to assess quality in the higher education providers that we fund. Its key features are:
 - it draws on existing data and information
 - indicators and metrics are used in a contextualised and rounded way
 - existing risk processes are used to make more consistent judgements about financial sustainability and good management and governance.
3. In October 2016 we published detailed guidance on the APR process² describing how APR draws together key pieces of data and other information about each provider and presents this in a dashboard for scrutiny by the HEFCE APR Group, and subsequently, on quality and standards matters, by the Council's independent Quality Committee.
4. As the first stage of the process, the HEFCE APR Group has considered the profile of each provider in two areas: (i) quality and standards; and (ii) financial sustainability, good management and governance.

¹ The Revised operating model for quality assessment can be found here: <http://www.hefce.ac.uk/pubs/year/2016/201603/>

² See <http://www.hefce.ac.uk/pubs/Year/2016/201629/>

5. The APR Group identified **no concerns on quality and standards matters** in its preliminary assessment for your institution. This means that it will provide the following classification to HEFCE's Quality Committee:

'The APR Group has no concerns following its preliminary assessment'

6. The Quality Committee will then make final peer judgements about quality and standards matters. Further information about the Quality Committee process can be found in Annex A of the detailed guidance on the APR process.
7. The APR Group identified **no concerns on financial sustainability, good management and governance matters** in its preliminary assessment for your institution. At its next meeting, the HEFCE APR Group will determine your final risk categorisation: we expect this to be 'not at higher risk'. We may, however, wish to draw your attention to areas for further consideration or action.
8. Our final risk categorisation, together with the Quality Committee's judgement on quality and standards matters, will be communicated to you at the end of April via the annual risk assessment letter. The outcomes of the quality and standards aspects of the APR process will also be published on HEFCE's Register of higher education providers.
9. If you have any questions about the APR process, please refer to the published guidance³ or contact the Quality Assessment team via qualityassessment@hefce.ac.uk.
10. As it is the responsibility of an institution's governing body to ensure that risks are identified and managed effectively, we have copied this letter to the Chair of your governing body.
11. This letter is provided in confidence to **London South Bank University**. We have no objection to it being made available to third parties, but we do not accept responsibility for any reliance a third party may place on its contents. We have no plans to release the information contained in this letter, other than the publication of the final outcomes of the quality and standards aspects of the APR process on HEFCE's Register of higher education providers, but we ask you to consider carefully the implications of any public disclosure you may wish to make, or are asked to make. As you know, we are subject to the Freedom of Information Act 2000 and the content of this letter may be disclosable if a request is made to us under that Act.

³ See <http://www.hefce.ac.uk/pubs/Year/2016/201629/>

Yours sincerely

A handwritten signature in black ink that reads "Madeleine S. Atkins". The signature is written in a cursive style with a large initial 'M' and a distinct 'S'.

Professor Madeleine Atkins
Chief Executive

Cc: Chair of governing body

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		Report Date	3rd February 2017		Benchmark	Past Performance Baselines			Target	Forecast	Result	DoT	Ambition	16/17 Rating Criteria					
Out comes	#	Corporate Strategy Goals	20/20 Success Measures	#	Key Performance Indicators	Competitor Group 12/13 average	13/14	14/15	15/16	16/17			20/21	Exec. Lead	Green	Amber	Red		
Student Success	1	Teaching and Learning	Top 50% of universities for graduate employment / starting salaries.	1	Graduate level employment (EPI population)	n/a (local indicator)	49%	68%	76%	77%			80%	PVC (SE)	77 % +	72 - 76 %	<72 %		
	2	Student Experience	Top quartile of all universities in NSS	2	NSS scores – overall satisfaction	81.7%	80%	82%	82%	84%			89%	DVC	84 % +	82 - 83 %	< 82 %		
				3	International Student barometer (% recommending LSBU)	not available	72.40%		77.0%	78%			81%		78% +	74 - 77%	< 74 %		
				4	PGT experience (% satisfaction)	not available	77%	74%	74%	76%			82%		76 % +	73- 75 %	< 73 %		
				5	Student Staff Ratio	21.2	17.2:1	16.4:1	17:1	17.5:1			18:1		<=17.5	17.5 - 18.5	> 18.5		
Real World Impact	3	Employ- ability	95% students in employment / further study (EPI)	6	DHLE entry to employment or further study (EPI)	88.5%	85.5%	90.2%	90.4%	92%			95%	PVC (SE)	92 % +	90 - 91 %	<90 %		
			Top 10 UK universities for student start ups	7	Number of Student start ups	47.86	1	30	50	70				150	PVC (R&E)	70 +	63 - 69	< 63	
	4	Research and Enterprise	Top 50% UK for Research & Enterprise Income	8	Research Income (non Hefce)	£6.1	£1.8	£2.0	£1.9	£2.6	£2.6		↑	£6.0 m	PVC (R&E)	£2.6 m +	£2.35 - 2.60 m	<£2.35 m	
				9	Enterprise Income	not available	£8.4m	£8.1	£7.8	£9.9	£9.5			↑	£15.0 m	PVC (R&E)	£9.9 m +	£9.3 - 9.9 m	<£9.3 m
Access to Opportunity	5	Access	Top London Modern for LPN recruitment	10	% recruitment from low participation neighbourhoods	6.4%	7.4%	7.7%	8.4%	7.5-8.5%		9.2%	↑	9.0%	COO	8.2% +	7.7 - 8.1 %	<7.7 %	
				11	% FT UG students (excluding HSC contract) recruited before Clearing	not available	73.6%	71.8%	71.8%	72%			71%	↓		90%	72 % +	69 - 71 %	< 69 %
				12	First Degree Completion (at or above benchmark)	-3.13%	-9.5%	-7 %	-5.8%	-4%					+3%	DVC	>=4 %	-5 to -7 %	<-8 %
				13	Year 1 progression	not available	70.2%	69.9%	73.1%	76%	76.1%			↑	85%		76 % +	74 - 75%	<74%
				14	Good Honours	62.2%	61.0%	61.2%	66.4%	63-67%					63 - 67%		63-67%	68-70%	<60%
			Exceed expectations on completion	15	PGT completion	not available	54.8%	61.5%	58.7%	65%				85%		65% +	61-64%	< 60%	
		International	4 QS Stars	16	QS Star Rating	not available	2 (prov.)	3 stars	3 stars	3		3 stars	→	4	VC	3	2	2	
				17	Overseas student income (millions)	£29.5m	£9.3 m	£11.2	£9.8	£10.7	£10.9			20m	PVC (R&E)	£10.7 m +	£9.8 - 10.6 m	<£9.8 m	
Strategic Enablers	8	People and Organisation	Rated as a good employer	18	Appraisal completion %	not available	37%	90%	91%	95%			95%	EDHR	95 % +	90 - 94 %	< 90 %		
				19	Average Engagement Score as a %	70%	-	58%	62%					75%	EDHR	62%	58 - 61 %	< 58 %	
		Resources and Infrastructure	Grow our income by 25% to £170m annually, deliver an operating surplus of 5% and an EBITDA margin of 15%	20	Surplus as % of income	9.6%	2.3%	0.9%	2.4%	0.7%	0.7%		↓	5.0%	CFO	0.7 % +	0.4 - 0.6 %	< 0.4%	
	21			Income (£m)	£188.2m	£134.8m	£140.8m	£138.2	£144.5m	£144.3		↑	£170.0m	£144.5 m +		£140 - 144 m	< £140 m		
	22			EBITDA margin (EBITDA expressed as % of income)	9.20%	11.4%	9.2%	11.8%	11.7%	11.7%			↓	15.0%		11.7% +	11.3 - 11.6%	<11.3%	
			Student satisfaction with facilities & environment in top UK quartile	23	Student satisfaction ratings with facilities & environment	82.7%	83.0%	87.7%	90.0%	90.0%			90%	COO	90 % +	86 - 89 %	< 86%		
				24	ICS Service Index %	-	-	68%	76%	78%		66%	↓		80%	78% +	75-77%	<75%	
League Tables	Overall	Top London Modern university (excl UAL)	25	Times - League table ranking	92.3	122/123	120 / 127	120 / 128	115				80	VC	115 or higher	116 - 119	120 or lower		
			26	Guardian – League table ranking	87.1	112/116	111 / 119	107 / 119	102				86		102 or higher	103 - 106	107 or lower		
			27	Complete University Guide – League table ranking	85	120/123	119 / 126	115 / 127	110				93		110 or higher	111 - 114	115 or lower		

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	CONFIDENTIAL
Paper title:	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Author:	Richard Flatman, Chief Financial Officer
Executive sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To update the Board on financial matters.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Financial Sustainability
Recommendation:	<p>The Board is requested to:</p> <ul style="list-style-type: none"> • note the report, and • approve the appointment of KPMG as the University's external auditors.

Attachments:

Appendix 1: Management accounts summary to 31 January 2017

1. Financial performance

Semester 2 recruitment:

In 2015/16 the university generated £1.7M of tuition fees from Semester 2 enrolments, in 2016/17 we are on track to generate up to £2.1M, a year on year increase of 22%. The key areas for growth have been a 41% increase in Overseas Undergraduate income and a 71% increase in Overseas Postgraduate income. Total overseas income is now forecast to be better than budget and 11% better than 15/16. There was a dip in Home/EU semester 2 recruitment however which is down by £145K, a 16% year on year reduction.

The semester 2 income improvement was in two Schools; the School of Business improved its year on year position by £498K, an improvement of 45% and the School of Architecture and the Built Environment improved its year on year position by £73K an improvement of 58%.

Management accounts:

The latest management accounts summary to 31 January 2017 is included as appendix 1.

The full year forecast as at 31 January 2016 is trending towards a surplus of £1.0M, this would deliver the University on budget. Delivering to this forecast will generate EBITDA at 11.7% which is broadly comparable with 15/16, a recurring staff cost expressed as a % of income of 56% and year end cash and investments of £42.5M

Although the latest forecast assumes staff cost savings of £1.4M against budget, our total staffing forecast remains potentially overstated based on year to date run rate and there may well be another £2M of costs to release. We will continue to work closely with budget holders to improve the robustness of our staffing forecast however this overstatement will enable us to absorb any future adjustments to our income forecast without compromising our financial outcome for the year. In terms of Operating Expenses, we have spent £19.5M in the first 6 months of the year and our current forecast is to spend £24.5M in the final 6 months and so we do have some additional flexibility should this be required.

Financial forecasts / budget for 2017/18

We are currently revising the University's 5 year forecasts. As well as confirming the University's financial sustainability and framing our capital investments, the 5 year forecast will also be used to derive budget targets and so inform the budget setting process over the next couple of months.

In response to more recent recruitment trends the Executive has already taken the decision to reduce the YR1 Home/EU FTUG recruitment target from 2,750 to 2,500. The impact of this decision may well be mitigated by the potential increase in Tuition Fee prices following our TEF submission but we are also modelling reduced demand within HSC as a result of changes to the student support package.

2. External audit tender

The University's current external audit services contract (with Grant Thornton) ends on 31st July 2017 and we therefore require a provider of external audit services to start in time for the planning of the 2017 financial year end.

A sourcing strategy was approved by Audit Committee at its September 2016 meeting and it was agreed that a mini competition would be held using the Crown Commercial Services Consultancy One framework.

Two firms submitted bids; KPMG and BDO, out of a possible 8 firms on the framework. Although there was concern that more firms did not bid, the quality of the two responses that were received was high, and it was decided to proceed with evaluating the responses as planned.

The evaluation panel was made up of 3 out of the 4 members of Audit committee plus the Chief Financial Officer and Financial Controller. The selection panel evaluated the firms' written response to the tender and interviewed each Audit Partner and members of the audit teams that would be working with LSBU. Satisfactory references have also been taken up for the preferred bidder.

The Audit Committee considered the position at its meeting in February 2017 and recommends that the contract be awarded to KPMG for a period of 5 years with options to extend by a further 2 x 1 year periods. The contract will begin in March 2017 to allow for the planning of the 2017 year end audit.

A written resolution to appoint KPMG is included under item 16.

3. LPFA pensions scheme

The 2016 triennial LPFA actuarial valuation is now complete and the individual employer results have been made available to LSBU and reported in detail to Finance, Planning and Resources Committee.

The actuarial deficit has fallen from £29.7m to £24.9m and the scheme is 81% funded (76% in 2013).

We are required to agree contribution levels for the next 3 years starting 1 April 2017. We remain at Category B which is positive in terms of the perceived strength of our covenant and the total contribution payable is unchanged at £4.5m pa (equivalent to 23.2% of the pensionable payroll cost), although the mix between future service cost

and past deficit contribution has changed.

Dialogue with the LPFA regarding the impact of Lambeth College joining the LSBU family is continuing. It should be noted that this would constitute a material change event and will trigger a further review / negotiation of contribution rates payable (by both parties). We will seek to agree a position with the LPFA on this matter before finalizing matters regarding any association with Lambeth.

4. HEFCE update / sector matters

HEFCE Assurance / risk assessment review

Board members will be aware that we were recently subject to the 5 year HEFCE assurance review and that we received the highest assurance rating as a result with HEFCE concluding that, “at this time, we are able to place reliance on the accountability information”. In addition we have also recently received the annual Provider Review (APR) preliminary assessment form HEFCE which considers the profile of LSBU in 2 areas: (i) quality and standards and (ii) financial sustainability, good management and governance. The preliminary assessment in both areas is positive with no matters of concern being raised although there is still a risk around changes before final report with the overall risk categorization for LSBU being determined towards the end of April. HEFCE have however indicated that they expect this to again be “not at higher risk”.

Regulatory framework

The bill to implement the new regulatory framework is currently going through parliamentary process. This will see the new Office for Students (OfS) replace HEFCE. The new regulator will have legal responsibility to monitor sustainability and it is therefore expected that there will be an increased burden in terms of reporting on financial sustainability matters. Institutions within the sector will also be responsible for funding the activity of the OfS.

Grant letter

It is at this stage of the year that we normally receive our grant letter setting out the funding allocation for the following year. There has been a delay this year but individual institution allocations are expected to be published in April. HEFCE have only recently received their funding letter but at a recent BUFDG meeting indicated that they were not expecting any material change from the indicative figures published last year. Further reductions in Student Opportunity funding are planned (around 10% for 2017/18 with further reductions thereafter up to a potential overall reduction of up to 50%). This is consistent with our earlier forecasts which assumed reductions up to 60%.

Appendix 1

Management accounts summary to 31 January 2017

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January Executive Summary

1) This Executive Summary reports on the Financial position of London South Bank University as at 31 January 2017

2) RAG Status

Income Growth	5.1%	Staff Cost Growth	7.8%	Staff Cost %	56.0%	Opex Growth	-2.2%	FYF Surplus	0.7%	EBITDA	11.7%
	<i>excluding Hanban</i>		<i>excluding restructuring</i>		<i>excluding restructuring</i>		<i>excluding Hanban</i>				

3) Summary

The full year forecast as at 31 January 2016 is trending towards a surplus of £1.0M, this would deliver the University on budget.

The University continues to perform strongly and total year to date (YTD) income is 4.6% ahead of the comparable position in 15/16. However, as indicated in the last set of management accounts, there are some opportunities and risks within the forecast that have crystallised this month. The net result is a reduction in our forecast income of £0.8M but this has been balanced by a corresponding reduction in staff costs and operating expenses and so the forecast outturn has not changed.

In terms of opportunities, second semester recruitment has been positive and we are currently forecast to exceed the £1.7M of tuition fee income that we had included in last month's forecast. There are still a number of students with outstanding enrolment requirements and so this income figure could improve next month. In terms of our staffing forecast, we have recognised £437K of staff savings within the schools and £240K of savings within other PSFs. There may be further opportunities within both the Schools and PSF's for further reductions as the year progresses as our forecast still assumes staff cost growth of 7% as compared to our current run rate.

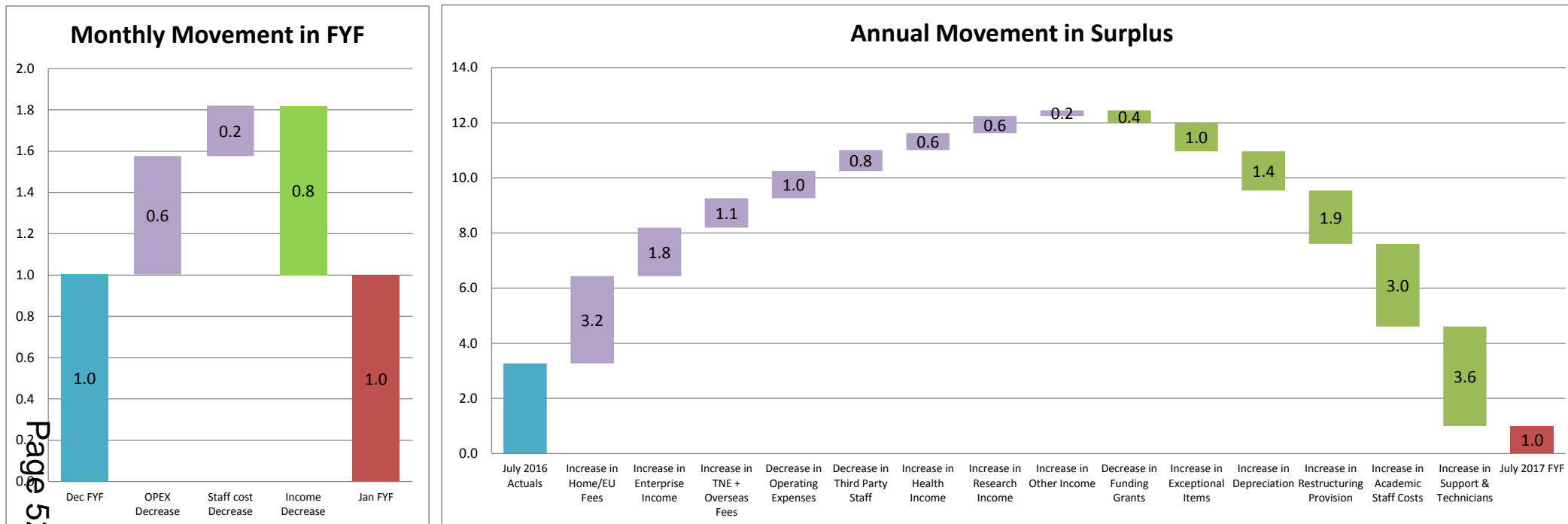
In terms of risks however, this month we have not delivered the growth in Enterprise income that was forecast due to weaker than expected growth within the School of Health & Social Care, we have also had to reduce the Enterprise income forecast from the Academy of Sport as the introduction of free membership for Year 1 Undergraduates has had a negative impact on their ability to deliver to target. The net result is a reduction in our Enterprise Income forecast of £676K. There was also a concern about the level of student withdrawals which are higher than in previous years and so we have reduced our tuition fee forecast. This month we have also recognised the additional investment in Consultants within Marketing, have increased the Student Services staffing forecast and have recognised the due diligence costs associated with expanding the LSBU family,

4) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	15/16 Actuals	16/17 Budget	Change to 15/16	Change %	Dec 16/17 Forecast	Monthly Move	Jan 16/17 Forecast	variance to Budget	Budget variance%	Jan 15 / 16 YTD	Jan 16 / 17 YTD	variance to 15/16	variance to 15/16
Funding Grants	13.3	12.8	-0.5	-4%	12.9	-0.0	12.9	0.1	0%	6.6	6.6	0.0	0%
Health - Contract	25.1	25.5	0.4	2%	25.7	-0.0	25.7	0.2	1%	12.4	12.6	0.3	2%
Home / EU UG Fees	57.2	60.7	3.5	6%	60.2	-0.7	59.4	-1.3	-2%	58.7	60.6	1.9	3%
Home / EU PG Fees	7.7	8.2	0.5	7%	8.2	0.4	8.6	0.4	5%	6.9	8.4	1.6	23%
Overseas + TNE Fees	9.8	10.7	0.9	9%	10.4	0.5	10.9	0.2	2%	8.2	8.5	0.3	4%
Research Activities	3.7	4.4	0.7	18%	4.4	-0.1	4.3	-0.1	-1%	1.8	2.3	0.5	31%
Enterprise Activities	7.8	9.9	2.2	28%	10.2	-0.7	9.5	-0.4	-4%	3.6	3.5	-0.1	-2%
Student Related Income	11.1	11.4	0.4	4%	11.4	-0.0	11.4	-0.1	-1%	5.6	5.7	0.1	2%
Other Operating Income	1.4	1.5	0.1	10%	1.5	-0.1	1.4	-0.1	-8%	0.5	0.6	0.1	26%
Endowments & Interest	0.3	0.2	-0.1	-40%	0.2	0.0	0.2	0.0	6%	0.2	0.1	-0.1	-33%
Income	137.3	145.5	8.1	6%	145.1	-0.8	144.3	-1.1	-1%	104.3	109.0	4.8	4.6%
in £'m													
Academic Staff Costs	38.4	42.7	4.2	11%	41.9	-0.4	41.4	-1.2	-3%	18.6	19.3	0.6	3%
Support & Technicians	33.6	38.0	4.4	13%	37.6	-0.3	37.3	-0.8	-2%	16.5	17.9	1.4	8%
Third Party Staff	2.9	1.6	-1.4	-47%	1.5	0.6	2.2	0.6	40%	1.5	1.2	-0.2	-15%
Restructuring Provision	-0.5	1.4	1.9		1.4	0.0	1.4	0.0	0%	-0.0	0.0	0.0	0%
Depreciation	9.7	11.2	1.4	15%	11.2	-0.0	11.2	-0.0	0%	4.8	4.8	-0.0	0%
Operating Expenses	45.0	43.8	-1.3	-3%	44.6	-0.6	44.0	0.3	1%	17.9	19.5	1.6	9%
Interest Payable	4.8	4.8	0.0	0%	4.8	0.0	4.8	0.0	0%	2.4	2.3	-0.1	-5%
Exceptional Items	0.0	1.0	1.0	0%	1.2	-0.1	1.0	0.0	0%	0.0	0.0	0.0	0%
Expenditure	134.1	144.5	10.4	8%	144.1	-0.8	143.3	-1.1	-1%	61.8	65.0	3.2	5%
Surplus for the year	3.3	1.0	-2.3	-69%	1.0	-0.0	1.0	0.0	0%	42.5	44.0	1.5	4%
Surplus as % of income	2.4%	0.7%			0.7%		0.7%			49%	48%	YTD Staff Cost %	
Surplus per student FTE	£221.1	£71.4			£76.3		£75.9			40%	44%	YTD OPEX Cost %	
										46%	45%	Total YTD Cost %	

5) Forecast Summary

As compared to 15/16 we are now forecasting a £7.0M increase in Income, a £9.3M increase in expenses and so a reduction of £2.3M in our annual surplus.



The key movements this month were a reduction in our forecasts for both staffing and operating expenses within the Schools to offset the reduction in Enterprise and Tuition fee income, a reduction in Income from the Academy of Sport and additional investments in Marketing, Student Services and the Development Office, the latter to fund the expansion of the LSBU family.

In terms of our year on year position, the University is now forecasting a £3.2M increase in Home/EU fees, a £1.8M increase in Enterprise income, a £1.1M increase in Overseas and TNE income, a decrease in Operating Expenses of £1.0M and a decrease in Third Party staff of £0.8M. The University has forecasted further income increases of £0.6M in Health Contract, £0.6M in Research income and a £0.2M in Other income. These income increases and expense reductions are being used to fund a planned reduction of £0.4M in HEFCE funding grants, a £1.0M increase in exceptional items, a £1.4M increase in depreciation, an increase of £1.9M in our restructuring provision, a £3.0M increase in academic staff and a £3.6M increase in support staff.

The increase in exceptional items relates to monies put aside for the £1M Investment Pot and for the research pump priming funds.

6) Risks and Contingencies

Although a number of risks have crystallised this month the Full Year Forecast still contains a number of further risks. We have withdrawn more students from a slightly smaller student body than last year and have now increased our refund forecast to £3.8M. There are also a number of costs that are not fully recognised in the forecast including additional funds that may be required to support students with Disabilities and Dyslexia and our year end Bad Debt provision. In order to balance these risks we are currently holding an OPEX contingency of £0.5M and a restructuring provision of £1.5M. There are no funds remaining in the Investment Pot.

There is a further risk in terms of our Research and Enterprise income forecasts. Our YTD Research income is 31% higher than in 15/16 and so we are on track to deliver the 17% forecast increase in income. Our YTD Enterprise income is however broadly comparable with 15/16 and so we may struggle to deliver the forecast growth of 23%. Although some of this stretch income growth was matched with costs there may be an impact on our contribution and so we will monitor this aspect of our portfolio closely over the next few months.

7) Contribution Analysis

The current forecast contribution for the year is £2.3M behind the 15/16 position. This reduction in surplus is due to finishing 15/16 in a much better position than anticipated rather than a deliberate reduction in contribution. Delivering to this forecast will deliver EBITDA at 11.7% which is a slight reduction on 15/16. Due to our investments in staffing our recurring staff cost expressed as a % of income at 56% will be slightly ahead of the 55% target set by the Board of Governors. The forecast also assumes that the University will end the year with cash and investments of £42.5M an increase of £3.8M from our current position.

Note: In the last month of 15/16 the University recognised £1M of costs associated with the redevelopment of Caxton House and £1M of funding income from Hanban. To avoid any year on year distortions these have been ignored in this analysis.

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 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF
Income (M)	£11.3	£11.2	£9.5	£10.3	£16.3	£18.0	£16.6	£16.8	£19.1	£18.9	£32.7	£34.2	£14.6	£14.9	£120.2	£124.2
Expenditure (M)	£5.2	£5.6	£4.2	£4.9	£6.8	£7.5	£7.3	£7.5	£9.2	£10.2	£17.5	£19.8	£6.5	£7.0	£56.8	£62.4
Contribution (M)	£6.1	£5.6	£5.3	£5.4	£9.5	£10.5	£9.2	£9.3	£9.9	£8.7	£15.2	£14.3	£8.1	£7.9	£63.4	£61.9
Contribution %	54%	50%	56%	53%	58%	59%	56%	55%	52%	46%	46%	42%	56%	53%	53%	50%

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 we are forecasting the Schools to deliver £4.1M of additional income to fund £5.6M of additional expenses and so continue 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

	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 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF	15/16 Actual	July 16/17 FYF
Teaching Income (M)	£10.8	£10.5	£9.2	£10.1	£15.7	£16.9	£16.3	£16.6	£17.2	£16.2	£28.6	£29.5	£14.0	£14.3	£111.8	£114.1
Teaching Staff (M)	£3.2	£3.2	£2.4	£2.7	£3.9	£4.4	£4.9	£5.0	£4.5	£4.7	£11.6	£13.2	£4.4	£4.6	£35.0	£37.9
Teaching Expenditure (M)	£1.5	£1.9	£1.4	£1.8	£2.0	£2.1	£2.5	£2.3	£2.6	£2.8	£4.0	£4.6	£1.7	£2.1	£15.6	£17.5
Teaching Contribution (M)	£6.1	£5.5	£5.4	£5.5	£9.8	£10.4	£8.9	£9.3	£10.2	£8.7	£12.9	£11.7	£7.9	£7.6	£61.2	£58.7
Contribution %	56%	52%	59%	55%	62%	61%	55%	56%	59%	54%	45%	40%	56%	53%	55%	51%
Student FTE	1,180	1,121	1,043	1,070	1,724	1,845	2,131	2,105	1,671	1,604	3,807	3,798	1,662	1,627	13,218	13,170
Contribution per Stud FTE	£5,200	£4,900	£5,200	£5,200	£5,700	£5,600	£4,200	£4,400	£6,100	£5,400	£3,400	£3,100	£4,700	£4,700	£4,600	£4,500
Return on Academic Investment	191%	171%	223%	202%	249%	233%	184%	186%	226%	185%	111%	89%	179%	166%	175%	155%

In terms of Staff / Student ratios, due to the limited HR data available these have not been reported this month but as a whole we are forecast to maintain the current SSR position. The Teaching staffing costs reported above exclude any technicians, administration or research staff and demonstrate that the Schools of the Built Environment & Architecture and Arts & Creative Industries are 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, Engineering and Arts & Creative Industries 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

Whilst we still have to finish enrolling Semester 2 students with outstanding requirements and NHS enrolments will continue through the Academic Year there are some clear trends in terms of student numbers.

Firstly in terms of Home/ EU, our New Full Time Undergraduate enrolments are broadly comparable with the position in 15/16 which is considered a good result given the increasingly competitive nature of the Higher Education market and the change in UK demographics. Our continuing Home/ EU FT Undergraduates are slightly ahead of last year's position which demonstrated the effectiveness of some of our activities around retention and progression.

In terms of Post Graduate, we have increased our New Home/EU Post Graduate numbers compared to last year by 10% and 17% respectively and are ahead of budget. Part Time Undergraduate numbers are down compared to 15/16 for both new and continuing students and the University is investing in developing our Apprenticeship portfolio to counter this trend.

In terms of Overseas student enrolments, the 16/17 Roadmap had a target of £9.5M of International Tuition Fee income for 15/16, this was reduced to £9.1M in the budget and was subsequently reduced to £8.5M in October following concerns around Semester 1 enrolment. However Semester 2 enrolment has been strong and we have increased our Income forecast back to £9.1M and early indications are that we may be able to exceed this forecast given the level of outstanding Semester 2 enrolments. This will be reviewed next month once enrolment has completed.

Our continuing Overseas student enrolments are showing a similar trend to our continuing Home/EU students with Full Time Undergraduate and Full Time Post Graduate numbers both ahead of the 15/16 position. Although the Part Time Post Graduate numbers are down as compared to last year these students are typically finishing off dissertations, are non fee paying and so there should not be an impact on

9) Student Withdrawal Analysis

In 15/16 we refunded £3.6M in income to students who Withdrew or Interrupted. We had budgeted for £3.5M of refunds in 16/17 but have increased our forecast this month to £3.8M as the level of drop outs is higher than expected.

Academic year	YTD Withdrawals
13/14	490
14/15	503
15/16	432
16/17	510

'Lost Income' in £000K	Forecast	YTD	% Lost		Forecast	YTD	% Lost
Applied Science	£460	£204	44.3%	Engineering	£716	£420	58.7%
Arts and Creative Industries	£434	£205	47.2%	Health & Social Care	£120	£91	75.8%
Built Environment & Architecture	£576	£360	62.5%	Law & Social Sciences	£717	£390	54.4%
Business	£778	£439	56.4%	Total	£3,801	£2,109	55.5%

Students are refunded 100% of their Fee if they leave within the first 2 weeks of term, otherwise they are charged 25% for Semester 1, 25% for Semester 2 and the final 50% for Semester 3. The value of each refund will decline during the year but refunds in Semester 2 are typically for 50% - 75% of the course fee and so have a significant impact on School profitability

10) Income Analysis

As detailed above, we have decreased our income forecast for the month by £0.8M of which £0.6M was in the Schools. Only 2 of our 7 schools are now forecast to deliver to their budgeted income and the Schools of Engineering, Applied Sciences and Law & Social Sciences are significantly behind. In total, the Schools are now forecasting to be £1.2M behind their income budget although as indicated above this is still £4.1M better than 15/16.

The other key change to our income forecast this month was the reduction in Enterprise income within the Academy of Sport due to the impact of free membership for 1st year Full Time Undergraduates. At this stage the University's YTD Income position is £4.8M ahead of the comparable position in 15/16 an increase of 4.6%. This is slightly behind our forecast for the year of 5.1% and reflects the YTD shortfall in Enterprise income of £1.3M. We have currently recognised £0.6M of this shortfall and we are working closely with the team in Enterprise to analyse this years' pipeline but may have to revise down our Enterprise forecast as a number of budgeted projects are behind schedule.

11) Staff Cost Analysis

In terms of staffing, the total YTD position shows a positive variance of £2.5M of which just £1.4M has been recognised. Even after the £1.4M reduction in forecast, the University is still expecting to invest an additional £3.0M in Academic staff and £3.6M in Support staff and Technicians whilst reducing our Third party Staff cost by £0.8M to give a net investment of £5.8M. This month however there has been a significant change in our Third party staffing forecast which increased by £0.6M. This is due to a reforecast of Staffing costs within HR, Marketing, the International Office, Estates and ICT who are currently filling vacancies with Agency Staff.

Our total staffing forecast however still feels overstated. Our current forecast assumes that our monthly run rate will increase by 7% which is considered unlikely and there may well be another £2M of costs to release. We will continue to work closely with budget holders and this may well enable us to absorb any further reductions in our Enterprise income forecast without compromising our financial outcome for the year.

12) Operating Expense Analysis

In terms of Operating Expenses, we are currently forecasting a year on year reduction of £1M and we should be able to deliver that. We have spent £19.5M in the first 6 months of the year and our current forecast is to spend £24.5M in the final 6 months and so we do have some flexibility should our potential surplus be compromised.

13) Investments

There was no significant movement in our Capital Expenditure this month. The Executive has reviewed the Capital Expenditure plans and Investment Pot plans and are looking to invest £20.0M in 16/17, so far we have invested £11.0M YTD. Both revenue and capital funds are not being invested at the rate that was expected and it may be worth reviewing the agreed priorities and allocations in order to identify if priorities have changed. The £1M investment pot has just £326K spent YTD whilst the £0.5M Staff Development Fund has just £161K spent.

In terms of Capital Expenditure, of the £2M ICT infrastructure fund we have spent £545K YTD, of the £0.5M Innovation fund we have invested £34K whilst of the £1M Teaching & Learning Equipment Fund we have plans for £381K of that investment but have not yet started that program. Of the £4M identified as possible Estates investment we have agreed plans for £2.6M of expenditure and have spent £199K YTD.

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)
			2016 Forecast (£)	2016 Budget (£)	Variance - Forecast to Budget (£) %		2016 Actuals (£)	2016 Budget (£)	Variance - Actuals to Budget (£) %		
-138,327,251	-104,294,847	Total Income	-144,321,788	-145,462,025	(1,140,237)	(1%)	-109,048,076	-110,725,432	(1,677,356)	(2%)	-35,273,712
74,517,843	36,653,301	Total Staff Costs	82,300,481	83,709,460	1,408,978	2%	38,418,660	40,950,270	2,531,610	6%	43,881,821
9,749,153	4,829,295	Total Depreciation	11,175,308	11,192,000	16,692	%	4,813,958	4,804,842	(9,116)	(%)	6,361,350
46,035,517	17,889,000	Total Other Operating Expenses	44,045,945	43,761,296	(284,649)	(1%)	19,494,163	21,085,116	1,590,953	8%	24,551,782
4,755,431	2,413,768	Total Interest Payable	4,777,152	4,777,152		%	2,286,583	2,388,576	101,993	4%	2,490,569
		Total Exceptional Items	1,022,718	1,022,718		%		(245,779)	(245,779)	(100%)	1,022,718
-3,269,308	-42,509,484	Contribution	-1,000,184	-1,000,000	184	%	-44,034,711	-41,742,407	2,292,305	5%	43,034,527
53.9%		Staff costs as % of income	57.0%	57.5%			35.2%	37.0%			
2.4%		Contribution %	0.7%	0.7%			40.4%	37.7%			

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	CONFIDENTIAL
Paper title:	Update on Project Larch
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Author:	David Phoenix, Vice-Chancellor and Chief Executive
Executive/Operations sponsor:	David Phoenix, Vice-Chancellor and Chief Executive
Purpose:	Information
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:	The meeting is requested to note the Project Larch update and approve the establishment of an FE subsidiary.

Executive Summary

- 1) Update by Vice Vice-Chancellor: The Board of Governors is requested to note the verbal update to Project Larch.
- 2) Designated institution – setting up a ‘shell’ company: As noted at the meeting of Major Projects and Investment committee on 2 March 2017, approval by the Secretary of State for a designated institution for Further Education provision has been received. (Letter dated 14 February 2017 is attached as appendix A.)

On behalf of the Board of Governors, Major Projects and Investment Committee authorised the establishment of a Company Limited by Guarantee



'shell' company in preparation for stage two of Project Larch, which in the medium term will involve a transfer of business from Lambeth Further Education College to the Company Limited by Guarantee (subject to due diligence, full business case and board approval.)

The Board is requested to ratify the decision of Major Projects and Investment Committee. If it does, a 'shell company' will be established.

- 3) Group structure: An update on the group structure is attached as Appendix B to this document.



Education
Funding
Agency

Education Funding Agency
53-55 Butts Road
Earlsdon Park
Coventry
CV1 3BN

Tel: 0370 000 2288

www.education.gov.uk/efa-enquiry-form

14 February 2017

Professor David Phoenix OBE
Vice Chancellor & Chief Executive
London South Bank University

By Email – phoenixd@lsbu.ac.uk

Dear Prof. Phoenix

Designation of FE institutions to facilitate HE/FE mergers

I am writing on behalf of the Secretary of State about your interest in the use of the powers under s28 of the Further and Higher Education Act 1992 to designate an FE institution in order to facilitate the planned merger between London South Bank University and Lambeth College. As you will be aware, this would be a novel use of this power in England and we have found that there is currently limited and inconclusive evidence about whether the use of designation in HE/FE mergers would be in the best interests of students.

The Secretary of State has decided, therefore, to trial the use of the designation power where the Area Reviews have recommended HE/FE mergers. Your institutions will be invited to apply. The trial will be based on one application from the parties concerned and each case will be assessed on its merits. We will be looking for credible plans about how the merger will improve on the status quo and will add real value in terms of outcomes for students. Applications will be assessed against criteria in areas such as improved educational performance, financial sustainability, governance and leadership. Details of the application process and these criteria will be provided to you by 3 March. To prevent duplication, we will ensure that the process follows on from the work done during the Area Reviews, and if relevant, is aligned with an application for the Restructuring Facility.

As early applicants in this new trial, we will work with you on realistic timescales for submission and assessment of your application and, if it is successful, for preparing the secondary legislation for designation. You will want to ensure that you take appropriate legal advice and to prepare for a consultation to meet statutory requirements.

We will evaluate the trial and will work with you on the scope and timing of that but our initial thinking is that we would first evaluate the success of the process and then after a suitable time has elapsed, the outcomes.

The policy lead on this work is David Rawlins (david.rawlins@education.gov.uk 07768 252031) and he and Stephen Bagley (Stephen.bagley@sfa.bis.gov.uk 07775 910849), the Joint Intervention Team lead for your area, will be in touch with you shortly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Lauener', with a long, sweeping flourish at the end.

Peter Lauener
Chief Executive

Cc.

Monica Box
Interim Principal
Lambeth College

Mary McCormack
Chair of Governors



**London
South Bank
University**

EST 1892

LSBU Larch

Collaboration Operating Principles

Page 64

Draft for Discussion

1st March 2017

v0.3

Become what you want to be

Contents

Section	Page
1. Background Context and Purpose	3
2. Key Principles of Collaboration	4
3. Governance, control and services in the TEN Model	5

Page 62

1. Background, Context and Purpose

Background and Context

The provision of Further Education in England and Wales is changing rapidly. In July 2015, the Government identified a need to alter the configuration of FE Colleges leading to a model with fewer, larger, more resilient and efficient FE providers.

The revised FE configuration needs to ensure that pathways for academic progression in Post-16 learning provide genuine choices for learners who wish to pursue a variety of education and career types. This needs to cater for complimentary learning routes for different people including academic, professional, vocational and technical.

Lambeth College and LSBU have an unparalleled opportunity to offer ground breaking education to London learners to support these changes. This will be provided through creating a group structure - a variety of connected but differentiated providers which will work together to support individual learners and the local community.

Within this new and highly innovative model each entity maintains its specialism but we will remove existing barriers, for example, between FE and HE, by providing clear learning pathways within the Group to match learners needs, styles and aspirations. The model preserves the distinctiveness of each of the organisation whether FE or HE and the LSBU Family model has the potential to act as a national pathfinder and set the benchmark for future successful provision of HE and FE across England and Wales.

As part of this exciting opportunity, the LSBU estates strategy will be broadened to create a new flagship College in London's primary redevelopment area of Nine Elms. This will provide class leading post-16 and adult learning facilities and state of the art education provision across the LSBU Group. The structure also needs to be design to enable additional colleges to be created or acquired in the

future.

Bringing Lambeth into the LSBU Family will be a two step approach:

1. In May 2017, upon approval of the Full Business Case by both LSBU and Lambeth College Boards, a change of control will be granted by Lambeth College. This means that Lambeth College will remain as a Statutory Corporation with LSBU gaining nomination rights to the Board. This is known as the TEN Model.
2. During the next academic year the Minister (subject to successful review) will approve LSBU to set up a new designated subsidiary. Lambeth College will dissolve and move to an FE entity which will be part of the LSBU Group Structure. In this instance, the new FE entity will be a Charitable Company Ltd by Guarantee and wholly owned by LSBU.

In both these models there is an opportunity to drive significant cost efficiencies and service improvements for Lambeth College.

Purpose

In order to understand where the efficiencies and service improvements could be made, this document outlines the Key Principles of collaboration for step one above: the TEN Model. In addition, it outlines some key services which could be shared.

Upon agreement of these Principles and the specific services which will be provided, a Collaboration Agreement can be created which outlines the obligations between LSBU and Lambeth as well as the Service/Operational Level Agreements.*

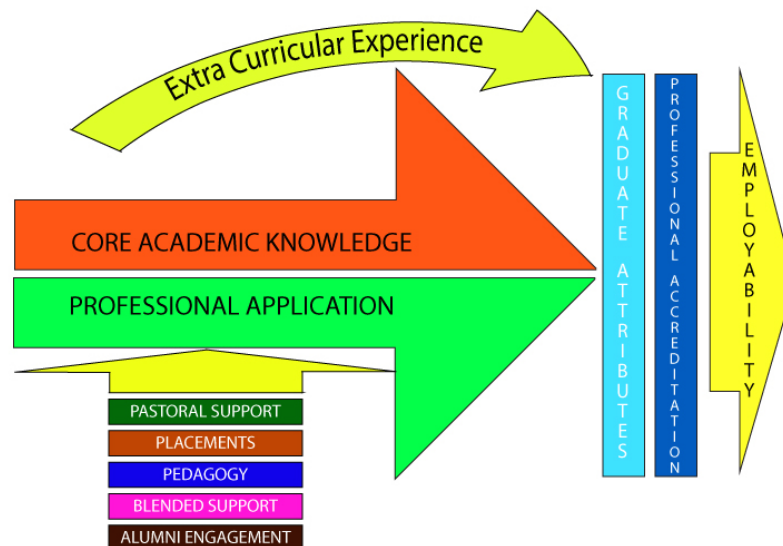
This framework will also provide the basis for discussion of the implications from a governance perspective at the Board strategy day

*N.B. For clarity, this document does not consider the Group Structure arrangements for collaboration or shared services.

Educational Framework

- There will be a single mission and overarching strategy for the group
- Each entity will have a specialist focus (e.g. FE, HE, Secondary) and vision
- All parts of the group involved in academic delivery will adopt a common educational framework that is based on an entrepreneurial approach but adapted locally to the learners needs

The Group will support working between the different parts to aid individuals reach their potential and support the needs of the local communities



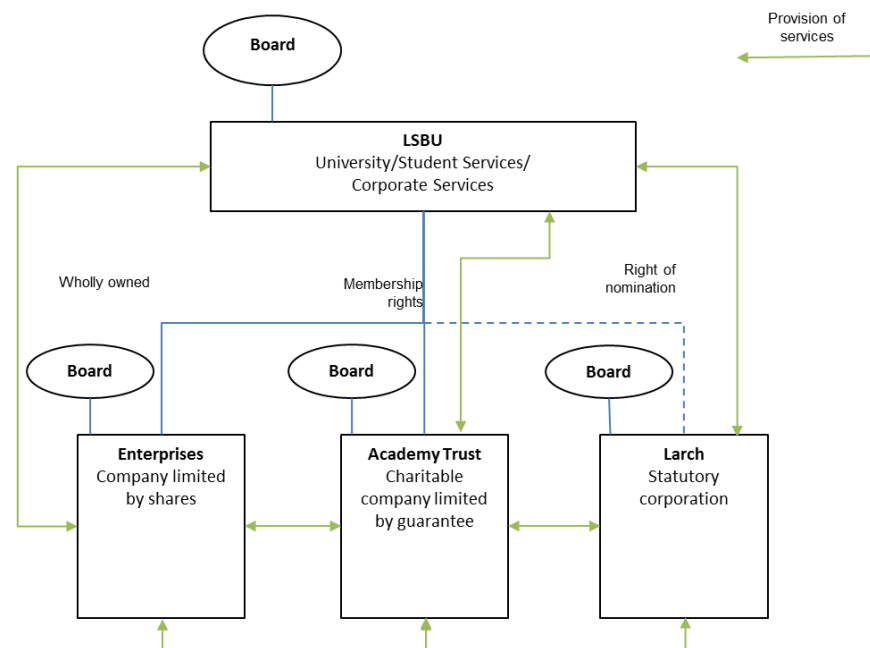
2. Key Principles of Collaboration

It is important to establish the Key Principles for any potential collaboration. The principles establish the key tenets of any agreement and, in turn, will lay the foundations for any operational collaboration or sharing of services. Once the Principles and services have been agreed, Service and Operational Level Agreements can then be drawn up which reflect the areas for collaboration. The diagram below shows the legal structure for the TEN Model. It is expected that where possible LSBU and Lambeth will pool resources to drive control, efficiency and student/customer service.

The **Key Collaboration Principles** are as follows:

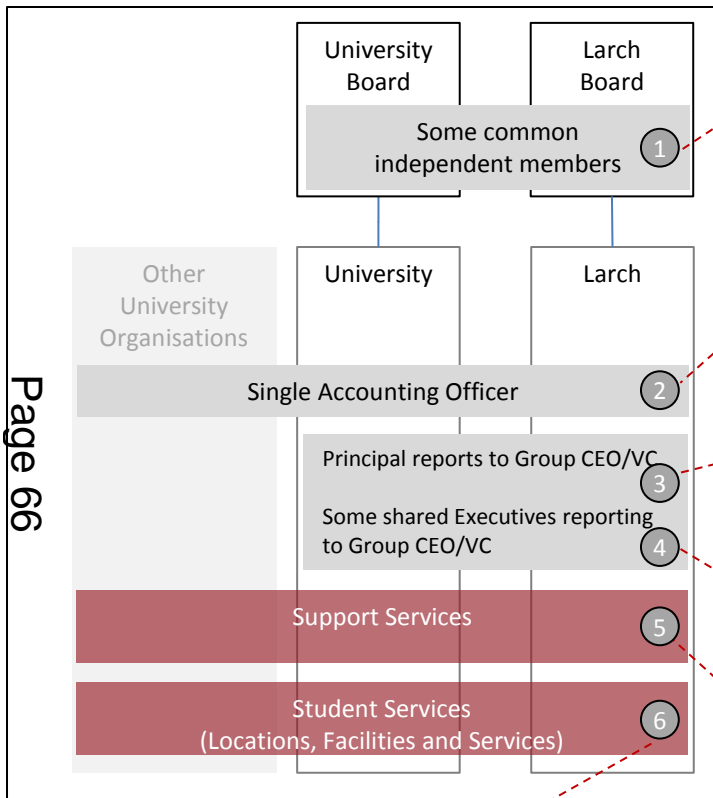
1. A focus on the best student experience, outcomes and educational quality.
2. Clear benefits and outcomes for the local community in all activity.
3. Making best use (optimising) education facilities, teaching staff and other resources.
4. The sharing of front and back office resources and services to make cost efficiencies and increase customer service quality.
5. Appointment of a single Accounting Officer for the Group.
6. A tightly knit Senior Executive responsible for operational delivery across the Group.
7. A Larch Executive responsible for education delivery in the College.
8. A Larch Board responsible for delivering the Larch education mission and strategy.

Page 65



3. Governance, control and services in the TEN Model

What kinds of services and service ownership could be shared in the TEN Model?



- a. Members are appointed through a fair and transparent process mindful of any potential conflicts.
- b. The preference is for common Board members to sit independently on both Boards.

- a. There is a single Accounting Officer across the Group providing singular responsibility for use of public funds who is answerable to Parliament.
- b. The Accounting Officer would also be a Board member.

- a. A new Principal would be appointed for Larch.
- b. The Principal reports to the Group Chief Executive/VC of the University.
- c. The Principal's contract would be with LSBU with a secondment arrangement to Larch.

- a. Control and service ownership of key operational aspects of Larch will be the responsibility of key Executives jointly responsible across the University and Larch. For example, the Heads of Finance, HR, IT, Procurement, MarComms and Estates would be responsible for delivery in both organisations.

- a. There could be a shared provision of Support Services (for example, Finance, HR, IT, Procurement, MarComms and Estates). Functional responsibility would reside with LSBU/Larch shared Board Executives with teams supporting both LSBU and Larch.

- a. Collaboration across locations, facilities and services will contribute to improved student outcomes and experience. Students will be able to enjoy University level subject interaction and experience of University teaching styles. Access to local employers, entrepreneurs and communities are provided through the University Careers services. In addition, Larch students can also use a specialist central function which provides dedicated support for hardship funding, bursaries, special needs and skills support.



	CONFIDENTIAL
Paper title:	Health Safety and Wellbeing Update
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Authors:	Dr. Markos Koumaditis, Ed Spacey and Dave Garioch (Health, Safety and Resilience Team)
Executive/Operations sponsor:	Mandy Eddolls Executive Director of People and Organisation
Purpose:	To provide the Board of Governors with the update of the progress made on health safety and wellbeing.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	<i>Corporate Strategy 2015-2020:</i> 1. People and Organisation - High standards of Health and Safety help to deliver an appropriate environment within which staff feel valued and proud of their university.
Recommendation:	The Board of Governors notes the progress made in the report.

Matter previously considered by:	Executive	1 March 2017
Further approval required?	NA	On:

Executive Summary

This report is to update the Board of Governors on the health, safety and wellbeing and seek approval for the recommendations including the forward plan in the report.

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Health Safety and Wellbeing update

1.0 Background and Purpose

The Board of Governors received the Annual Health and Safety Report in July 2016, a briefing on the 2016 health and safety sentencing guidelines in October, and the Annual “Prevent” Report in December 2016.

- 1.1 This report is to provide a health safety and wellbeing update and a forward plan for 2017.

2.0 Health and Safety

The Health and Safety Executive (HSE) health priorities for 2017/18 are focused on stress management, musculoskeletal problems, and occupational lung diseases.

- 2.1 A stress survey was issued across the organisation in late 2016, and a paper to Operations Group in February 2017 set out requirements for how the results are addressed and implemented. The survey identified common themes with the staff engagement survey carried out earlier and as a consequence the actions include developing stress reduction as part of the staff engagement work-streams.

- 2.2 Stress Survey Reports have been provided to Schools and Professional Service Groups on the key areas for improvement, including a breakdown of the individual statements to help prioritise improvements. The main themes which scored poorly were:

- a. for the University - Change management and the Work Demands staff face
- b. for Schools – Change management, Work Demands and Management Support
- c. for PSGs – Change management and the Work Demands staff face

None of these were deemed by the HSE as requiring urgent attention.

- 2.3 The importance of completing Display Screen Equipment Assessments has continued to be promoted across the organisation and supported by the Executive, to address musculoskeletal issues.

2.4 Improving fire safety continues to be a high priority at LSBU, and a proposed new fire policy going to the Health and Safety Joint Committee in March will drive this forward.

2.5 The future of Health and Safety Management is being influenced by the changes to the sentencing guidelines and the rapid rise in the level of fines now being set. The 20 largest fines imposed on businesses for health and safety offences last year totalled £38.6m, compared with £13.5m in 2015 and £4.3m in 2014. Northumbria University was recently fined £400,000, showing how the increase in fine levels has directly impacted on the university sector.

2.6 For the detailed forward plan for the university, please see Appendix 1.

3.0 **Wellbeing**

Following the positive success in gaining the Mayor of London Healthy Workplace Charter Award at the end of 2016, work has continued to further develop wellbeing.

3.1 The Mayor of London website features an LSBU case study. The BBC also contacted the university with regard to its approach to staff wellbeing, which featured on BBC London TV News in February.

3.2 A major wellbeing event for staff has been organised for 29 March 2017. This will be supported by the Executive and feature a range of drop in seminars, activities, stalls and wellbeing staff benefits.

3.3 A wellbeing strategy has been produced. Wellbeing branding has been launched, along with a “Yammer” social network Wellbeing page, which 74 staff have already signed up to follow.

3.4 Further initiatives this period have included:

- negotiating arrangements for reduced rate staff private healthcare, dental care, and medical savings plans at no cost to LSBU.
- Commissioning improvements to pre-employment and ongoing occupational screening, depending on the nature of the job role.

4.0 **Safeguarding**

The university continues to develop a strong reputation across the sector and with the Higher Education Funding Council for England (HEFCE) in our approach to implementing “Prevent”.

4.1 Following submission of the statutory Annual Prevent Report to HEFCE, London South Bank University (LSBU) gained the highest outcome category on 2 February

2017. This was based on having demonstrated suitable evidence of compliance of the prevent duty, and direct feedback from HEFCE Officers.

- 4.2 The London Regional Prevent Co-ordinator conducted a general progress visit to the university in February and also confirmed he was very happy with our approach.
- 4.3 Safeguarding students from harm: LSBU recently completed and submitted a business case to the HEFCE Safeguarding Catalyst Fund for £43K matched funding.
- 4.4 If successful the project aims to work in partnership with students and local organisations, in order to create a community of students and staff confident and empowered to challenge violence if it occurs, and to clearly demonstrate that hate crime, harassment, and sexual assault are not tolerated at LSBU.

Health, Safety and Resilience Team Forward Plan for 2017

Work-stream	Output	Date
1. Improve Fire Safety.	New Fire Policy approved. Training for all roles within the new policy. Review of Assembly points and identification of zones to be “swept” by fire evacuation assistants.	March 2017 March – May 2017 March – May 2017
2. Stress Management.	Issues arising from the stress survey are linked to staff engagement plans for each area. A further stress survey is completed during 2017.	March 2017 December 2017
3. Address musculoskeletal problems.	Continue to report DSE completion data to the Executive. Clear DSE Policy which promotes appropriate usage. Improve the provision of manual handling training for those who regularly lift and carry. Ensure the referral process to occupational health is clear, timely and known by managers.	Ongoing June 2017 Ongoing April 2017
4. Take steps to address issues around occupational lung disease.	Improve pre-employment screening for applicable roles. Raise awareness of the issues of silicosis.	June 2017 May 2017
5. Resilience	Review and produce new Business Continuity Plan. Counter Terrorism Plan.	June 2017 April 2017
6. RoSPA Awards	Achieve Silver Award, to help demonstrate continued improvement of H&S management	April 2017
7. Mayor of London Healthy Workplace Charter	Build on wellbeing progress and make a submission for the Excellence Award.	November 2017
8. IOSH Accreditation	To expand provision to deliver the IOSH Leading safely course.	July 2017



	CONFIDENTIAL	
Paper title:	Report on decisions of Committees	
Board/Committee	Board of Governors	
Date of meeting:	16 March 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. Minutes and papers are available on modern.gov.

The Board is requested to note the reports, in particular the proposed legal charge over the Passmore Centre, which was discussed by the Major Projects and Investment Committee meeting of 2 March 2017.

Summary of Committee decisions

South Bank Enterprises Ltd Board – 7 December 2016 and 7 March 2017

The Board approved:

- Appointment of Michael Broadway as Company Secretary

The Board discussed:

- the CEO report
- risk register
- company shareholdings and investment policy

The Board authorised directors' annual declarations of interest.

Audit Committee – 7 February 2017

The committee recommended to the Board:

- The appointment of KPMG as external auditors – covered in the CFO's report on the Board agenda

The committee approved:

- The TRAC return which had been submitted to HEFCE, subject to a committee member reviewing the return in detail
- A self assessment of the committee's effectiveness using the KPMG's audit committee institute's self assessment guide

The committee discussed:

- Internal audit report on placements which was rated as medium risk. An update on the management response will be provided for the 8 June 2017 committee meeting
- Internal audit report on HEFCE assurance review – the draft letter from HEFCE following the review is included as an appendix to the VC report
- Continuous audit report on student data which was rated as medium risk
- The corporate risk register

- Speak up report. Two speak up matters were raised in January 2017. One was an internal matter and is being investigated. The other was an external matter relating to a member of staff.

Academic Board – 22 February 2017

The Board approved the Student Experience Committee's recommendation to appoint the President, LSB Student's Union to the committee.

The Board discussed:

- Deputy Vice Chancellor's report
- Educational Framework update
- Academic portfolio and environment
- Student attainment gap

The Board noted:

- Course validations update
- Institutional Examiner's report
- Promotions Panel update
- Academic Year Planning Group update
- Research Ethics update
- Academic KPIs update
- Reports from sub-committees
- A presentation on research structure and environment

Finance, Planning and Resources Committee – 28 February 2017

The committee discussed:

- Management accounts to 31 January 2017 (summary included in the CFO report)
- Student recruitment update
- Key performance indicators for the strategic enablers
- School information sheets
- Annual report on fundraising and charitable funds expenditure
- Strategic HR report
- Chief Operating Officer's report
- Strategic ICT update

The committee approved:

- LPFA 2016 contribution rates for three years to 31/3/20
- Target change for KPI11 (included on the Board agenda)

Major Projects and Investment Committee – 2 March 2017

The committee reviewed updates on:

- Project Larch, including:
 - a draft Letter of Intent
 - proposed interim and final governance structures
 - arrangements for collaboration between Larch and LSBU
 - approved setting up a designated institution in relation to HE/FE mergers following approval by the Secretary of State – on the Board agenda
 - PWC's proposal for further analysis of the financial business case
 - application to Skills Funding Agency for a Transition Grant to support restructuring
- Passmore Centre development and the draft development and financial agreements with the London Borough of Southwark (LBS) for £5m capital funding. As part of the agreements the committee recommended to the Board that LBS take a legal charge over the land/building for a period of up to 25 years. Full details of the charge are currently being negotiated and Board approval will be required in due course.



	CONFIDENTIAL
Paper title:	KPI 11 revision
Board/Committee	Board of Governors
Date of meeting:	16 March 2017
Author:	Ian Mehrtens
Executive/Operations sponsor:	Ian Mehrtens, COO
Purpose:	A revision to the KPI 11 in relation to student recruitment.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	Goal 2: Student Experience Goal 3: Teaching & Learning Goal 4: Research & Enterprise Goal 5: Access Goal 7: Resources and Infrastructure
Recommendation:	The Board is requested to note the revised target for KPI 11 which has been approved by the Finance, Planning and Resources Committee

Matter previously considered by:	Finance, Planning and Resources	On: 28 February 2017
Further approval required?	N/A	On:

Executive Summary

The Board is asked to note the contents of the paper.

1. Background and proposal

- 1.1. KPI 11 measures the proportion of students enrolled who made pre-clearing applications. This is important because there is evidence that students who are recruited through the clearing process perform less well in their courses and are more likely to withdraw. Additionally, relying heavily on clearing applicants creates uncertainty both in terms of overall budget but also operationally in setting timetables etc.

- 1.2. There has been concern that the current methodology of including all undergraduate students in the calculation could distort the true figure since HSC operates selectively having many more applications that places allowed through the commissioned numbers.
- 1.3. As a result, the Executive have agreed to exclude commissioned HSC numbers from the methodology creating a more accurate measure.
- 1.4. The following table indicates the proportion of non-HSC undergraduate students enrolled at the University who made an application pre-clearing.

Academic Year	% students enrolled as pre-clearing applicants.
2012/13	74.73%
2013/14	73.63%
2014/15	71.75%
2015/16	71.76%
2016/17*	71.14%

*Numbers still adjusting for Semester 2 enrolment

- 1.5. There has been a decline in recent years largely because of increased competition in the sector and a declining 18-year-old demographic.
- 1.6. As the Committee will know, we have attempted to mitigate against this with increased conversion activity and improved communications keeping in touch with applicants throughout the process.
- 1.7. As a result, we have agreed a stretch target for 2020 set at 75%.
- 1.8. The Board is asked to note this revision.

Ian Mehrtens
Chief Operating Officer
February 2017



	CONFIDENTIAL
Paper title:	Corporate Risk Register
Board/Committee	Board of Governors
Date of meeting:	16 th March 2017
Author:	John Baker – Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To provide the Board with the current corporate risk register.
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	All aspects as the risk entries on the register are aligned to the goals of the Corporate Strategy.
Recommendation:	Committee 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:	Operations Board Audit Committee	On: 24 January 2017 On: 9 February 2017
Further approval required?		

Executive Summary

The latest version of the Corporate Risk Register is attached for review. This has been reviewed by the January 2017 meeting of the Strategic Risk Review Group & Audit Committee.

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

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: 17th Feb 2017

Author: John Baker – Corporate & Business Planning Manager

Executive Lead: Richard Flatman – Chief Financial Officer

Page 8 of 11	4 Critical <i>fail to deliver corporate plan / removal of funding or degree awarding status, penalty /</i>	1: Lack of capability to respond to policy changes & shifts in competitive landscape (DP)	2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (IM)	
	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>	37: Affordability of Capital Expenditure investment plans (RF) 494: Inconsistent delivery of Placement activity across the institution (SW) 495: Higher Apprenticeship degrees (PB)	6: Management Information perceived as unreliable, doesn't triangulate or is not presented (RF) 14: Loss of NHS contract income (WT) 305: Data not used / maintained securely (IM) 362: Impact of Low staff engagement (ME) 3: Increasing pensions deficit reduces flexibility (RF) 402: Unrealised research & enterprise £ growth (PI) 467: Progression rates don't rise (SW) 519: Negative Quality Assessment (SW)	517: Impact of EU Referendum result on operating conditions & market trends (DP)
	2 Medium <i>failure to meet operational objectives of the University</i>		398: Academic programmes not engaged with technological and pedagogic developments (SW) 457: Anticipated international & EU student revenue unrealised (PI)	518: Failures in core student systems (SW)
	1 Low <i>little effect on operational objectives</i>			
		1 - Low	2 - Medium	3 - High
		<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>
		Residual Likelihood		
Executive Risk Spread: VC – 3, DVC – 1, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 2, Dean Health – 1, ExD-HR – 1, US - 0				

Changes since presentation at previous Operations Board meeting, and overdue action progress updates detailed below:

Reference	Risk title	Completed Actions & Risk Changes	Overdue Actions
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 Steering Group created: The group was inaugurated in December.	DEL Appointments progress note: Recruitment for two positions is underway. An Academic Developer (DEL) was advertised but no suitable candidates applied. This role, & a Learning Technology Developer will be advertised in Jan 2017. A temp resource will commence in January to focus on content allocation.
467 (SW)	UG Progression rate doesn't rise	New action around conference for Course Directors implemented: Course Directors Conference took place on 24th January, and included good practice presentations, an NSS Question Time panel, and development sessions.	Learner Analytics progress update: The rollout of the Dashboard was been postponed whilst ICT addressed data protection and privacy issues. A Privacy Impact Assessment is almost finalised, and ICT need to adjust the dashboard to mitigate some of the identified risks. Rollout is planned alongside the intranet in January. Course Review progress update: CRIT is working with the QA team to review and develop validation processes. The team plans to define centralised electronic storage and management of key course data including course specification, and is working with DESEs and validation panel chairs to develop an alternative to event-based validation during January 2017.
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 progress note: A job description for a role to support this area of work has been HERA'd. Recruitment is scheduled for the early January. In the interim a temporary resource to support this area of work.
519 (SW)	Negative Quality Assessment	New Risk entry: Validation cycle action completed: A new deadline has been set for the annual validation cycle - 31st May, and a series of mini panel reviews with DESEs reduced the events being considered by around 50%.	Course Review progress update: CRIT working with QA team to develop alternative to validation event-based model for roll out in 2017, to ensure sufficient time for specific support is included in the revised validation model.
Goal 3: Employability: Ensuring students develop skills, aspiration and confidence.			
494 (SW)	Inconsistent delivery of Placement activity across institution	Team appointments action completed: By the 3 rd of January, the Apprenticeships Administrator, Account Manager & Business Development Manager will all be in post (along with a marketing intern). Internal Audit review completed:	Policy & Agreement ProForma action update: Policy and contract terms now agreed by the Gov/Legal team, but summary 'key facts' overview template being developed before implementation.
Goal 4: Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.			
402 (PI)	2020 £ growth through Research & Enterprise		

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 on existing recruitment markets	<p>Launch strategy action implemented: Apprenticeship Scheme was launched in November by Robert Halfon (Minister of State at the Department for Education)</p> <p>Staff Appointment Action completed: Apprenticeship Administrator and Account manager now appointed.</p>	<p>Staff Appointment Action completion note: Apprenticeship Administrator and Account manager have gone to advert. Application closing date Friday 21st October. Interviews w/c 31st October.</p>
Goal 6: Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.			
457 (PI)	International & EU student £income unrealised	<p>Partnership model action completed: New 3 tier Gold Silver Bronze model developed, and all partnerships reviewed, with 7 of 17 identified for closure.</p>	
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	<p>Corporate Affairs Team now appointed.</p> <p>TEF Submission made to Hefce.</p>	
62 (DP)	Poor Staff Engagement	<p>Soft launch of new intranet implemented: New action created for formal launch.</p>	
Goal 8: Resources & Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.			
2 (PI)	Home UG Recruitment income targets		
3 (RF)	Pensions deficit		
6 (RF)	Quality and availability of Management Information	<p>Replacement HR system implemented: The new i-Trent System was successfully introduced, and Oracle replaced.</p>	
14 (WT)	Loss of NHS income	<p>Bursary information action implemented: The corporate website has been updated with a new FAQ section & Youtube video.</p> <p>Programme of open events completed:</p>	
37 (RF)	Affordability of Capital Investment plans		<p>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.</p>
305 (IM)	Data Security		<p>Mandatory training action progress update: The Pilot programme completed in January, feedback from this was implemented in February and ICT are now in discussions with HR comms team to work out optimum distribution method and comms package.</p>

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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 delivery 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>The Student Experience Committee reports regularly to the Quality & Standards Committee on the Achievements of work undertaken by CRIT (Centre for Research Informed Teaching).</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)	Marc Griffith	Appoint to positions within DEL team to develop and support use of MyLSBU and Digitally Enhanced pedagogies.	23 Dec 2016

Page 80

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
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)	<p>Study Support & Skills Sessions provided by the Library & LRC</p> <hr/> <p>Student Welfare advice and support provided by Student Life Centre</p>	I = 3 L = 2 High (6)	Saranne Weller	Provide review of newly validated courses to Academic Board to inform discussion around review of existing procedures, ensuring effective linkage with CRIT in future process.	04 Nov 2016
							Shan Wareing	Review current Job Description for Course Directors, ensuring fit with current priorities and Career Pathway structure.	31 Mar 2017
							Jamie Jones	Amend Academic Regulations to provide greater support to students at risk of withdrawal.	31 Mar 2017
							Jamie Jones	Review impact of Engagement and Attendance Monitoring Strategy.	31 Jul 2017
							Lesley Roberts	Oversee rollout of stage 1 of Learner Analytics Project with demographic data dashboard available to Personal Tutors and Student support teams.	31 Oct 2016

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
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. Operational Issues reported and tracked through ICT TopDesk system, with internal escalation protocols.	I = 2 L = 3 Medium (6)	Andrew Wignall	Review possibility of utilising the automated functions of timetabling system	01 May 2017
							Jennifer Laws	Amend QL to mitigate known problems with Sessions with January starts.	28 Jul 2017
							Marc Griffith	Allocate staffing to support my LSBU	30 Nov 2016
							Shan Wareing	Complete review of requirements for new Student Record System, and complete procurement proposal.	31 Jul 2017

Page 02

Standard Risk Register





Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
519	Negative Quality Assessment	Shan Wareing	<p>Cause: Reductions in staffing, or increase in activity could lead to overstretched teams and a failure to complete adequate quality processes in the Schools or PSGs. Academic staff are insufficiently prepared for quality processes, (because of being new to HE or not having had appropriate professional development) do not follow quality processes. 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: Failures in quality: Negatively impacts on Board of Governors ability to sign off HEFCE assurances, affecting income, reputation and university status. Negative affect on Annual Provider Review, and TEF outcome, impacting negatively on income through reputational impact on recruitment and through static fee levels. 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 = 2 High (6)	Janet Bohrer	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.	30 Sep 2017
							Saranne Weller	Collaborate with AQDO to ensure validation timetable allows for sufficient CRIT engagement with course teams.	30 Nov 2016

Standard Risk Register



Page 88

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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) 	Valerie Tomlinson	Creation of placements policy and placement agreement pro-forma.	30 Sep 2016
							Kirsteen Coupar	Establish Placements Steering Group; with representatives from each School and relevant PSGs, to review operations managed through InPlace system and develop practice and procedure across the university in relation to the recruitment guarantee.	28 Apr 2017
							Kirsteen Coupar	Complete restructure of Employability team to ensure improved ability to support placements.	28 Feb 2017
							Valerie Tomlinson	Develop procedure and systems for quality assurance of placement opportunities.	31 Jan 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
402	Income growth expected from greater research and enterprise activity does not materialise	Paul Ivey	<p>Cause:</p> <ol style="list-style-type: none"> 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. 8) TNE partnerships are not approved, present quality risks, or break down due to absence of adequate support structures, or when contacts relocate. <p>Effect:</p> <ol style="list-style-type: none"> 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. 9) TNE enterprise expectations unrealised. 	I = 3 L = 2 High (6)	<p>Operation of Sharepoint Enterprise Approval Process for authorisation of new income opportunities.</p> <hr/> <p>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.</p> <hr/> <p>Bid writing workshops for academic staff delivered routinely</p> <hr/> <p>Enterprise Business Plan & strategy submitted for approval annually to SBUEL Board (which has 2 Non-Executive Directors) for monitoring & quarterly updates provided at LSBU Board meetings.</p>	I = 3 L = 2 High (6)	Shan Wareing Graeme Maidment	<p>Ensure financial model recognises the costs of managing risks to quality and the student experience</p> <hr/> <p>Development of bid management strategy for each School.</p>	01 Aug 2017 22 Dec 2016

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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.</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.</p>	I = 3 L = 1 Medium (3)			Pat Bailey	Develop a financial model for the efficient running of Higher and Degree Apprenticeships , with funding mechanisms for student transfer from FE-HE.	28 Oct 2016
							John Baker	Oversee Internal Audit Review into administration of Apprenticeships.	28 Apr 2017
							Pat Bailey	Oversee 'launch' events, planned during 16/17 to raise the profile of IPTE at key points in the recruitment cycle.	31 Oct 2017



Page 01 of 00

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
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.</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.</p>	I = 2 L = 3 Medium (6)	<p>Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team.</p> <hr/> <p>International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.</p> <hr/> <p>Recruitment Reports presented to each meeting of Ops Board.</p>	I = 2 L = 2 Medium (4)			

Standard Risk Register



Page 02

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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. Whilst we appear to be a long way from the triggering of article 50, itself a 2 year process, the news of the outcome of the plebiscite has already seen impact in markets and international opinion.</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. 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 = 3 L = 3 High (9)			David Phoenix	Continue to monitor closely, through UUK and other sector bodies, the potential impacts and responses.	31 Jul 2017
							Gurpreet Jagpal	Review bid development strategy in Research, and seek to find alternatives to offset any anticipated shortfalls from European sources.	31 Jan 2017
							Mandy Eddolls	Monitor situation with regard to employment law and right to work, and ensure that appointments are made in compliance with any changes to regulation.	28 Jul 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
1	Failure to position LSBU to improve reputation & effectively respond to policy changes & 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 - TEF and Apprenticeship development - Failure to anticipate change - Failure to position (politically) - Failure to position (capacity/structure) - Failure to improve League Table position <p>Effect:</p> <ul style="list-style-type: none"> - Failure to recruit students - Failure to differentiate 	I = 4 L = 3 Critical (12)	<p>Ketchum appointed to advise LSBU on the ongoing changes to the political environment for higher education & its external communications in response to these changes.</p> <hr/> <p>Financial controls (inc. forecasting & restructure) enable achievement of forward operating surplus target communicated to Hefce in July Forecast.</p> <hr/> <p>Planning Performance & Assurance team provides Senior Managers with trend analysis and competitor benchmarking against KPIs</p> <hr/> <p>A horizon scanning report produced by the Policy Unit</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p>	I = 4 L = 1 High (4)			

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
362	Low staff engagement impacts performance negatively	Mandy Eddolls	Cause: <ul style="list-style-type: none"> •Bureaucracy involved in decision making at the University •Systems and structure do not facilitate teamwork between areas of the University •Staff feeling that they do not receive relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises Effect: <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)	Cascade messages from Ops Board circulated for Cascade Meetings within each School & Professional Function.	I = 3 L = 2 High (6)	Markos Koumaditis	Complete progress review of University, School & PSG action plans.	28 Feb 2017
					Departmental Business Planning process		Jo Sutcliffe	Formal Launch of new Staff Intranet to all staff.	23 Jan 2017
					Direct staff feedback is encouraged through the "asktheVC@" email address and through feedback forms on intranet and 'developing our structures' microsite.		Cheryl King-McDowall	Conduct EES Pulse survey for key themes.	31 May 2017
					Scheduled Team meetings				
					Regular Business review meetings				

Page 3 of 3

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
2	Revenue reduction if course portfolio, or related marketing activity and admissions process does not achieve Home UG recruitment targets	Ian Mehrtens	<p>Cause:</p> <ul style="list-style-type: none"> - Changes to UGFT fees - Increased competition (removal of SNC cap in 15/16) - Failure to develop and communicate brand & lsbu graduate attributes - Lack of accurate real-time reporting mechanisms - Poor league table position - Portfolio or modes of delivery do not reflect market need - Tighter tariff policy during clearing <p>Effect:</p> <ul style="list-style-type: none"> - Under recruitment - loss of income - Loss of HEFCE contract numbers - to 14/15 - Failure to meet related income targets - cost of legal challenge relating to CMA guidance 	I = 4 L = 3 Critical (12)	<p>Report on student applications is presented to every monthly meeting of Operations Board & reviewed by Board of Governors</p> <hr/> <p>Weekly Report linking student numbers to anticipated income levels circulated to Ops Board.</p> <hr/> <p>Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July</p> <hr/> <p>Differentiated marketing campaigns are run for FTUG, PTUG and PG students on a semesterised basis.</p>	I = 4 L = 2 Critical (8)	Pat Bailey	Oversee Executive scenario planning activity, to explore growth opportunities within portfolio, and to consider action in the event of an income shortfall feeding into 5 year forecast models underpinning budget.	31 Mar 2017

Standard Risk Register



Page 3 of 7

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
3	Staff pension scheme deficit increases	Richard Flatman	<p>Cause:</p> <ul style="list-style-type: none"> - 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 - Impact of change from FRS17 to FRS102 - Further change to accounting requirements for TPS & USS schemes <p>Effect:</p> <ul style="list-style-type: none"> - 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)	<p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p> <hr/> <p>Annual FRS 102 valuation of pension scheme</p> <hr/> <p>Regular participation in sector review activity through attendance at LPFA HE forum, & UCEA pensions group by CFO or deputy.</p> <hr/> <p>Regular Reporting to Board via CFO Report</p> <hr/> <p>DC pension scheme for SBUEL staff.</p> <hr/> <p>Tight Executive control of all staff costs through monthly scrutiny of management accounts</p> <hr/> <p>Strict control on early access to pension at redundancy/restructure</p>	I = 3 L = 2 High (6)			

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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 to review matters of data quality and provides reports to Operations Board.	I = 3 L = 2 High (6)	Richard Duke	Launch MIO Phase 2 project with Ops Board Demonstration of dashboard functionality & data set availability.	31 Jan 2017
					Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance. 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 Systematic data quality checks and review of key data returns prior to submission by PPA team. 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		Shan Wareing	Develop a specification for a new Student Record system, underpinned by configuration requirements and workflows.	29 Jul 2017

Standard Risk Register



Page 5 of 7

Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	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 student loan system. Recruitment to contracted programmes could dip following shift from bursaries to tuition fees. Applications numbers are down overall, but quality of applications 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 = 2 High (6)	Anthony Mcgrath	Increase formal progression/ access partnerships with FE colleges and establish FE partner health & social care network to increase supply chain for FE-entrants to pre-reg education	31 Dec 2016
							Sue Mullaney	Improve NSS participation & scores Develop action plans for Departments and School from results of 2015 NSS	28 Feb 2017
							Warren Turner	Plan for renewal of Havering lease in 2018/19 or alternative site. Continue discussions with NHS partners in NE London (BHR, NELFT and Barts) together with Queen Mary School of Medicine and Dentistry re potential for revitalising the Harold Wood site for the future.	31 Dec 2016
							Warren Turner	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	31 Dec 2016
							Sheelagh Mealing	Increase uptake in band 1-4 activity Support Trusts in seeking external (non NHS) funding Work with NHS partners to meet demand for apprenticeship programmes/ Foundation Degrees (esp around Assistant/ Associate Practitioner roles)	31 Mar 2017
							37	Affordability of Capital Expenditure investment plans	Richard Flatman
							Ian Mehrtens	Creation and submission of business case for wider estate development programme to MPIC Board Committee.	28 Feb 2017

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
			<ul style="list-style-type: none"> - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students 		<p>Full Business Cases prepared; using guidance and process approved by Executive - including clarity on cost and funding, for each element of Estates Strategy, and approved by Board of Governors where cost = >£1M</p> <hr/> <p>Clear requirement (including authority levels) for all major (>£1m) capital expenditure to have Board approval</p> <hr/> <p>Major Projects & Investments Committee (MPIC) is a Board sub-committee with remit to review all property related capital decisions, and is empowered to approve all unplanned capital expenditure > £500K but <£1M.</p> <hr/> <p>Capex reporting routines established and embedded into regular updated financial forecasts & management accounts and regular Board reports.</p> <hr/> <p>LSBU Project methodology & Estates & Facilities Dept project controls, including Governance arrangements applied to all Capex projects.</p>				

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Person Responsible	Action Required	To be implemented by
305	Student & corporate data not accessed and stored securely or appropriately	Ian Mehrtens	<p>Cause: Loss or inappropriate access to data, or breach of digital security; either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive files / data)</p> <p>Effect: Reputational damage, regulatory failure, undermining of academic credibility or compromise of competitive advantage.</p>	I = 3 L = 2 High (6)	Responsibility for control over data protection risks at an institutional level allocated to Director of ARR (Academic Related Resources)	I = 3 L = 2 High (6)	Craig Girvan	Deliver project to ensure mandatory training is delivered to staff via ICT log on, to include data security awareness.	29 Jan 2016



	CONFIDENTIAL	
Paper title:	Written resolution to appoint the auditors	
Board/Committee	Board of Governors	
Date of meeting:	16 March 2017	
Author:	Michael Broadway, Deputy University Secretary	
Executive sponsor:	James Stevenson, University Secretary	
Purpose:	Decision	
Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver?	N/A	
Recommendation:	The meeting is requested to approve the appointment of KMPG as external auditors, starting from 1 August 2017.	
Matter previously considered by:	Audit Committee	7 February 2017

Executive Summary

Following an external audit tender process and recommendation from the Audit Committee, as set out in the CFO's report, the Board of Governors will be asked to approve the appointment KMPG LLP as the University's auditors from 1 August 2017 to the year ending 31 July 2018.

Under the Audit Code of Practice (Annex A of the Memorandum of Assurance and Accountability with HEFCE) the Board is responsible for the appointment of external auditors. As LSBU is also a company limited by guarantee, the appointment of its auditors needs to be approved by the members of the company (under Companies Act 2006).

The members of LSBU (all governors are members) are asked to approve, if thought fit, the appointment by signing the attached written resolution at the Board of Governors meeting on 16 March 2017.

In addition, the current auditors, Grant Thornton, are required when ceasing “to hold office for any reason to provide the governing body with either a statement of any circumstances connected with their removal which they consider should be brought to the governing body’s attention, or a statement that there are no such circumstances. Any such statements must also be sent to HEFCE by the accountable officer” (Audit Code of Practice).

Grant Thornton will be asked to submit this statement to the Board when their contract expires on 31 July 2017.

Company Number: 00986761

The Companies Act 2006

Ordinary Written Resolutions

of

London South Bank University

(University)

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

Ordinary Written Resolutions

1. That the University appoint KMPG LLP as auditors to hold office for the financial year 1st August 2017 to 31st July 2018.
2. That the University delegate approval of the remuneration of the auditors, KMPG LLP, for the year ending 31st July 2018 to the Executive.

Agreement

Please read the notes at the end of this document before signifying your agreement to the resolution.

The members of the University who were entitled to vote on the Resolutions on 16 March 2017 irrevocably agree to the Resolutions, as authorised below.

Name of Member

Signature

Date signed

Temi Ahmadu

.....

.....

Steve Balmont

.....

.....

Shachi Blakemore

.....

Jeremy Cope

.....

Michael Cutbill

.....

Douglas Denham St
Pinnock

.....

Neil Gorman

.....

Carol Hui

.....

Hilary McCallion

.....

Kevin McGrath

.....

Mee Ling Ng

.....

Jenny Owen

.....

Andrew Owen

.....

David Phoenix

.....

Tony Roberts

.....

Calvin Usuanlele

.....

Notes:

1. Members who wish to agree to the resolution should signify their agreement in the following way:

- Sign immediately after the Board meeting of 17 March 2017
- Sign and return this document to James Stevenson, University Secretary and Clerk to the Board of Governors.

If you do not agree to the resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. If sufficient agreement is not received by 12noon on Thursday 13 April 2017 then this resolution will lapse and members will not be able to indicate agreement after that date. If you agree to the resolution, please ensure your agreement reaches us before that date.

3. Once you have indicated your agreement to the resolution, you may not revoke your agreement.

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