

Meeting of the Board of Governors

4.00 pm on Thursday, 12 March 2020
In 1B27, Technopark, SE1 6LN

*3.30pm: Pre-Board presentation on progression

**3.15pm: Briefing on Modern Gov app

Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		JC
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		JC
3.	Minutes of previous meeting	3 - 8	JC
4.	Matters arising	9 - 10	JC
Chair's business			
5.	New staff governor	11 - 12	JC
6.	Vice Chair and Pro Chancellor	13 - 16	JC
7.	Senior Independent Director	17 - 20	JC
Items to discuss			
8.	VC's report	21 - 34	DP
9.	CFO's report	35 - 52	RF
10.	Health and Safety annual report 2018/19	53 - 86	NL
Major projects update			
11.	Croydon HE business case	87 - 98	PB
12.	LSBU Cairo business case	99 - 106	PI
Items to note <i>The following papers will only be discussed at the meeting if there is a matter that any governor wishes to raise with the Secretary the day before the meeting</i>			
13.	Reports and decisions of committees	107 - 116	JS
14.	Corporate risk	117 - 122	RF

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
15.	Prevent policy	123 - 134	PB
16.	Declarations of interest	135 - 136	JS

Date of next meeting
Strategy Day: 10.00 am on Thursday, 2 April 2020
Board: 4.00 pm on Thursday 21 May 2020

Members: Jerry Cope (Chair), Duncan Brown, John Cole, Michael Cutbill, Peter Fidler, Nelly Kibirige, Mark Lemmon, Hilary McCallion, Mee Ling Ng, Jeremy Parr, David Phoenix, Rashda Rana, Tony Roberts, Deepa Shah, Nazene Smout and Vinay Tanna

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

Supplement: DMU changes

- New Speak Up policy
- Application of policies to governors
- LSBU email addresses
- Directors' liability guidance

**Minutes of the meeting of the Board of Governors
held at 4.00 pm on Thursday, 21 November 2019
Technopark, SE1 6LN**

Present

Jerry Cope (Chair)
Douglas Denham St Pinnock (Vice-Chair)
Duncan Brown
John Cole
Michael Cutbill
Nelly Kibirige
Mark Lemmon
Hilary McCallion
Mee Ling Ng
Jeremy Parr
David Phoenix
Rashda Rana
Tony Roberts
Deepa Shah
Vinay Tanna

Apologies

Peter Fidler
Nazene Smout

In attendance

Pat Bailey
Michael Broadway
Richard Flatman
James Stevenson
Fleur Nieboer
Jack Stapleton

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies were noted.

2. Declarations of Interest

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

3. Minutes of previous meeting

The Board approved the minutes of the meeting of 17 October 2019, subject to minor amendments, and their publication.

4. **Matters arising**

The Board noted the update on matters arising.

The Board received an update from an independent governor who observed the Academic Board meeting of 12 November 2019. The Board discussed the revised terms of reference for the Academic Board (included in the reports and decisions of committees item (minute 17 refers)). The Board approved the revised terms of reference, subject to reviewing the Academic Board's role in developing academic strategy and how the Board receives appropriate assurance on academic quality in the institution.

5. **Chair's business**

The Chair reported that this was the last Board meeting for Douglas Denham St Pinnock before his second term ends in March 2020. The Board thanked Mr Denham St Pinnock for his significant contribution to the Board, as a governor, Vice Chair and Chair of MPIC, and the University since 2012.

The Chair would ask for expressions of interest in the roles of Vice Chair and Chair of MPIC from the independent governors.

6. **VC's report**

The Board discussed the VC's report in detail.

The Board noted that despite a successful year overall, progression was still below target and sector benchmarks. The Executive and the Academic Board are reviewing ways to improve progression. The Board requested that the topic is presented ahead of its March 2020 meeting.

The Board discussed apprenticeships provision and noted the low progression rates in the School of Health and Social Care. The Board noted that actions had been taken to address this issue and was assured by the Executive that the level of non-progression would improve. An update would be provided at the next meeting.

The Board noted the Vice Chancellor's report on the late payment of fees to the OfS and QAA and remedial steps taken to prevent a recurrence.

7. **CFO's report**

The Board discussed the Chief Financial Officer's report, which included an update on the latest income projections for 2019/20 and an update on year end reporting matters.

The Board noted that the current forecast for 2019/20 is to deliver to the budgeted surplus of £1.5m. The Board noted that staff costs are currently

59% of income although this is forecast to reduce to 56% in line with the previous year by the year end.

The Board approved the updated pro forma financial commentary and five year forecasts (consolidating SBC as required by the OfS) for submission to the OfS as part of the annual accountability return.

The Board noted that the revaluation of the LPFA pension scheme is expected early in the new year 2020 and would help inform the approach to pension provision in the group.

8. Corporate strategy progress report

The Board welcomed the informative half-yearly Corporate Strategy Progress report.

The Board noted that there had been a review of senior management in the Students' Union in August 2019. The report is being finalised. An interim CEO has been appointed following the resignation of the previous CEO.

The Board noted that appraisal completion rate is currently below target and asked FPR to consider, when a final figure was available.

9. KPI targets 2019/20

The Board discussed the Key Performance Indicators (KPI) report and approved the proposed targets for 2019/20, subject to a review of rating criteria for each KPI.

The Board noted that the financial KPI targets were in line with the approved 2019/20 budget.

10. Audit Committee annual report

Fleur Nieboer and Jack Stapleton, KPMG joined the meeting

The Board reviewed the Audit Committee's annual report for 2018/19, which had been approved by the Audit Committee at its meeting of 7 November 2019.

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

11. External audit findings

The Board noted KPMG's audit findings report which had been discussed in detail by the Audit Committee. KPMG's opinions were unqualified and provide a "clean" opinion on the use of funds.

The external audit partner confirmed the independence of KPMG from LSBU.

All non-audit services provided by KPMG to LSBU during the year were permissible and not a conflict with KPMG's audit work.

12. **External audit letter of representation**

The Board discussed the letter of representation to the external auditors, which had been reviewed in detail by the Audit Committee. For the reporting year, a specific representation related to potential litigation had been included.

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.

13. **Remuneration Committee report to Board**

Members of the Executive, including the Vice Chancellor, left the meeting room

The Board discussed the remuneration committee report to the Board.

The Board noted the review of the performance of the Vice Chancellor for 2018/19 and associated individual bonus award of 8.5% (£20k) and team bonus award of 4.5% (£10.5k). The Board noted that the multiple of the Vice Chancellor's pay to the median pay of all staff was in line with the sector.

The Board noted that, at its meeting of 2 July 2019, the Remuneration Committee had agreed to a £10k accommodation allowance to the Vice Chancellor following the repayment of an interest free loan by the Vice Chancellor to the University. The accommodation allowance reflected the taxable benefit of this loan which was approximately £10k per year.

The Board discussed the performance-related bonus scheme for executive members and noted that the Remuneration Committee had agreed to increase the team bonus to 8% in addition to the individual bonus of up to 10%.

Members of the executive re-joined the meeting.

14. **Draft annual report and accounts**

The Board discussed the proposed LSBU group annual report and financial statements for year ended 31 July 2019, which had been reviewed in detail by the Audit committee and the Finance, Planning and Resources committee. The surplus was £3m.

The Board noted amendments to the accounts made since the meeting of the Audit Committee on 7 November 2019 and reviewed by the Audit Committee.

The Board received assurance from the Chief Financial Officer that no matters had arisen since the Audit Committee meeting of 7 November 2019 that would prevent a full internal control compliance statement being made in the annual accounts.

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

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

After careful consideration, the Board approved the LSBU group annual report and financial statements for the year ended 31 July 2019 and authorised the Chair and Vice Chancellor to sign on behalf of the Board.

The Board noted that the accounts for South Bank Colleges (SBC) had been approved by the SBC Board at its meeting of 14 November 2019 and that the accounts of South Bank University Enterprises Ltd (SBUEL) had been approved by the SBUEL Board at its meeting of 12 November 2019.

The accounts of SBC and SBUEL were consolidated into the University group accounts.

15. Written resolution to re-appoint external auditors

The Board noted the prior approval by a majority of the members of LSBU (the company) of the written resolution to reappoint KPMG LLP as external auditors to the University for the year to 31 July 2020 with delegation of remuneration to Executive. The Chair would sign the written resolution on behalf of LSBU at the end of the meeting.

16. Prevent annual return

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

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

17. Reports and decisions of committees

The Board noted the reports and decisions of committees.

The Board approved the Modern Slavery Act statement.

The Academic Board terms of reference had been discussed under Matters arising (minute 4 refers).

Date of next meeting
4.00 pm, on Thursday, 12 March 2020

Confirmed as a true record

..... (Chair)

BOARD OF GOVERNORS - THURSDAY, 21 NOVEMBER 2019

ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
4.	Matters arising	Academic Board's role in developing academic strategy & how Board receives assurance on academic quality – to be reviewed and reported	12 March 2020	Provost	Update in Chair's business
5.	Chair's business	Ask for expressions of interest in roles of Vice Chair and Chair of MPIC	12 March 2020	Chair	Completed
6.	VC's report	Presentation/update on progression to Board	12 March 2020	Provost	On agenda
8.	Corporate strategy progress report	FPR to consider appraisal completion rate when final figure available	28 April 2020	Nicole Louis	On FPR plan

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	CONFIDENTIAL
Paper title:	Staff Governor appointment
Board/Committee	Board of Governors
Date of meeting:	12 March 2020
Author:	Anita Ikpa, Governance Assistant
Board sponsor:	Jerry Cope, Chair of the Board
Purpose:	For approval
Recommendation:	The Board is recommended to appoint Professor Nicola Martin as Staff Governor.

Executive Summary

Under the standing orders, staff governors are members of the Academic Board and their appointments are recommended to the Board of Governors by the Academic Board. At its meeting of 13 November 2019, members were notified that a vacancy had arisen for the second staff governor position. Academic Board members were then invited to express interest in being appointed as a staff governor. Delegated authority from the Academic Board was given to a panel (Provost, DVC and Dean of School of Arts and Creative Industries) to select a candidate for the position.

The panel reviewed the nominations and considered the core responsibilities and role of a staff governor as set out in the role description. After due consideration the panel selected Professor Nicola Martin to be recommended for appointment as a staff governor.

Recommendation

The Academic Board recommends to the Board the appointment of Professor Nicola Martin as a staff governor for a term of three years from 1 April 2020.

Professor Nicola Martin

Professor Nicola Martin has 12 years' experience of being a University, College, Pupil Referral Unit and School Governor and has been a member of academic board in two universities and equalities boards in three. She has been a director of a non-profit company limited by guarantee working to promote equality in HE for almost 20 years and has also been a Trustee of various charities and a Borough Councillor. In the

university sector she has fulfilled leadership roles in Professional Services as well as academic contexts.

Professor Martin was Head of General Education at Lewisham College and Divisional Head at the University of Derby, where she was involved at a strategic level with the merger between High Peak FE College and the university.

Professor Martin's motivation for taking on the role as a staff governor relates to the exciting work LSBU is undertaking with FE partners to build the LSBU family.

Professor Martin's research interest is in widening participation beyond the front door and inclusive educational practice throughout the student journey from pre entry to post exit, based on Universal Design for Learning (UDL). She has been involved in various government and DfE initiatives around this agenda for 20+ years. Professor Martin's National Teaching Fellowship, RSA, and Visiting Fellowships is based on her reputation around UDL. She is actively engaged in research as well as teaching.

	CONFIDENTIAL
Paper title:	Appointment of Vice Chair
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Approval
Recommendation:	The Board is requested to approve the new role description for the Vice Chair and confirm the appointment.

Executive summary

Following the retirement of Douglas Denham St Pinnock, a vacancy of Vice Chair has arisen.

Adopting recent guidance from the Committee of University Chairs, a formal role description has been created for the Vice Chair. This is intended to clarify the main duties and responsibilities of the position and give clarity to the Vice Chair role in relation to the proposed SID role (see next paper). This will enable LSBU to ensure good governance practice.

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 Mr Michael Cutbill is appointed Vice Chair of the Board with effect from 12 March 2020.

In addition, the Board is requested to appoint Mr Cutbill as Pro Chancellor with effect from the same date. The role of Pro Chancellor is to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.

Recommendation

The Board is requested to:

- approve the role description for the Vice Chair;
- approve the appointment of Mr Cutbill as Vice Chair and Pro Chancellor.

Role description for Vice Chair of the Board

The Board of Governors

The Board of Governors is the University's governing body. The Board as a whole is collectively responsible for promoting the success of the University by leading and supervising its affairs. The Board:

- oversees all activities of the University and ensures it complies with the law;
- determines the strategic direction of the University;
- has responsibility for approving the educational character, mission and strategic vision of the University, together with its long-term academic and business plans.
- fosters an educational environment that enables students to succeed; and
- sets the values and standards of the University and ensures that its obligations to its stakeholders are understood and met;
- has overall responsibility for its academic provision, students, assets, property and estate, employees and health and safety; and
- takes all final decisions on matters of fundamental concern to the University.

Main duties and responsibilities of the Vice Chair

1. To assist the Chair in ensuring that the Board exercises control over the strategic direction of the University and that the performance of LSBU is critically assessed against the objectives which the Board has approved.
2. To establish constructive working relationships with fellow governors and the University Executive, recognising that day-to-day management is the responsibility of the Executive.
3. To deputise for the Chair where appropriate.
4. To act as a sounding board for the Chair.
5. To play a proactive role in times of significant disagreement within the Board, or between the Chair and Vice Chancellor.
6. To act as Pro Chancellor, including to assist the Chancellor in presiding at degree ceremonies and to promote the good reputation of the University.

Conduct

1. To act in accordance with the accepted standards of behaviour in public life and observe the highest standards of corporate governance, which includes ensuring and demonstrating integrity and objectivity in the transaction of business and following a policy of openness and transparency.
2. To exercise the Board's responsibilities in the interests of LSBU as a whole, rather than as a representative of any constituency and to accept collective responsibility for decisions made by the Board.
3. To act fairly and impartially at all times in the interests of LSBU as a whole, using independent judgement and maintaining confidentiality as appropriate.

External Role

4. To act as ambassador for LSBU externally.

Approved by the []

CONFIDENTIAL	
Paper title:	Senior Independent Director (SID) role description
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Approval
Recommendation:	The Board is requested to approve the new role and description for the SID and confirm the appointment.

Executive summary

Adopting recent guidance from the Committee of University Chairs, the role of Senior Independent Director (SID) has been created, distinct from the role of Vice Chair.

The role of the SID is an important aid to good governance: to help advise the Chair, to be an intermediary for other Board members, to act as sounding board for the Chair and to help appraise the performance of the Chair.

Based on expressions of interest and following consultation, the Chair recommends that Ms Hilary McCallion is appointed as SID with effect from 12 March 2020.

Recommendation

The Board is requested to:

- approve the role description for the SID;
- approve the appointment of Ms McCallion as SID.

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Role description for Senior Independent Director (SID) governor

The SID Governor should be an independent Governor who is not the Chair, Vice Chair or Chair of any LSBU Group committee.

Main duties and responsibilities

1. Be available to the Executive, Board of Governors (full and co-opted members) and other University senior staff if they have concerns about the operation and/or conduct of the Board which contact through the normal channels of Chair, Vice Chancellor, Chair of the Group Audit and Risk Committee or other Executive members has failed to resolve, or for which such contact is inappropriate. Concerns about the performance of the Chair should be raised with the SID in the first instance.
2. Maintain regular contact with Governors to understand their issues and concerns.
3. To lead the performance evaluation of the Chair, within an agreed framework and taking into account the views of the Governors. Led by the SID, the Governors should meet without the Chair present at least annually to appraise the Chair's performance, and on other occasions as necessary.
4. Be available to engage with external stakeholders if the normal channels (as above) are not appropriate.

Conduct

5. To act in accordance with the accepted standards of behaviour in public life and observe the highest standards of corporate governance.
6. To act fairly and impartially at all times in the interests of LSBU as a whole, using independent judgement and maintaining confidentiality as appropriate.

Support and independent advice

7. The SID is entitled to seek the advice and services of the Group Secretary & Clerk to the Board of Governors and their team in relation to the discharge of their duties.

8. Circumstances may arise when it will be appropriate to seek advice from independent advisers at the University's expense. The Group Secretary is able to facilitate such advice as required.

Approved by the []

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Agenda Item 8

	CONFIDENTIAL
Paper title:	Vice Chancellor's Report
Board/Committee	Board of Governors
Date of meeting:	12 th March 2020
Author:	David Phoenix, Vice Chancellor
Sponsor:	David Phoenix, Vice Chancellor
Purpose:	For information
Recommendation:	The Board is requested to note the report.

Executive Summary

We have started the year in a strong position with regard to recruitment achieving 150% of our enrolment target with 760 students enrolled against a goal of 505 for semester two. In International, the 19/20 target of £11.6 million has been exceeded by at least £1.9 million. Regarding September starts, we have generated 18.5k applications in total compared to 14.9k last year to date for undergraduate full time courses starting September 2020 (up 3.6k or 24% year-on-year). Progression has seen a slight increase from 72.2% in 2017/18 to 73.8% in 2018/19 and we are hoping that the range of in-year interventions we have in place will further increase this in 19/20.

Throughout 2020, our Research Office will focus on final refinements around our return to the research excellence framework which is due at the end of the year. Actions continue to be taken to enhance our submission.

The refurbishment of the London Road Building continues to time and budget. The contractor is now on site and internal strip out and demolition has commenced.

Vice Chancellor's Report March 2020

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

1.0 Corporate Strategy Outcome 1: Student Success

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

1.1 Retention

It was reported in November that LSBU had seen a marginal improvement in progression of full-time, first degree students from Year 1 to Year 2 from 72.2% in 2017/18 to 73.0% in 2018/19. The 2018/19 figure has improved to 73.8%, due to the updating of enrolment data. The final figure is dependent upon semester progression, which will not be fully understood until later in March.

1.2 Graduate Outcomes

As previously reported to the Board, HESA are carrying out the Graduate Outcomes (GO) survey of 2017/18 graduates between December 2018 and November 2019, approximately 15 months after graduation, split into four cohorts A-D. GO outputs will inform ranking outcomes, TEF and progress against Access & Participation plan targets.

HESA have provided detail of when reporting will be undertaken. LSBU will be in receipt of its final data (after HESA's statistical adjustments) by the end of March, and full sector data will be released by the end of April. It is unclear, if this will be early enough to inform the Complete University Guide or Guardian ranking tables. Though we have not received our GO results yet, we can expect to see a drop in positive outcomes (any employment or further study) of c2% to give a figure around 92% in work or further study. We expect a material reduction in graduate level outcomes but as yet, do not know how this compares to the sector.

It should be noted that there are key methodical differences between the new survey and the previous approach, for example it is calculating outcomes 15-18 months after graduation rather than six months and the survey is undertaken by HESA rather than ourselves. Our final response rate for the EPI cohort (FT, first degree, UK domiciled), was 50.5%, short of HESA's target of 60%, and significantly below the response rate achieved when the survey was administered by the University of 86%. To date, HESA have not communicated the implications of not reaching target response levels. We have encouraged our graduates to complete the survey via the Alumni newsletter and social media, in line with HESA guidance.

LSBU's 2019/20 GO initiatives have been adapted based on the experience from the first GO cycle. We will engage with graduates within 6 months of graduation and will offer tailored careers support, including one-to-one careers advice and a wider range of internships. Over 40% of 2018/19 graduates have joined the Alumni network as of October. This enables us to keep in touch and build lasting relationships.

2.0 Corporate Strategy Outcome 2: Real World Impact

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

2.1 Income Diversity

The end of the recruitment cycle for international in 19/20 has had a very satisfactory outcome. The target of £11.6 million has been exceeded by at least £1.9 million as the last few students' accounts are settled. Given the target itself was £1.3m above the previous year the 19/20 cycle is the best international recruitment performance to date in London South Bank. The existence of the increasing numbers of international students puts additional strain on the support infrastructure and the challenge for LSBU will be to ensure that future provision is made for this group. The first few weeks of arrival in a new country are particularly challenging and as the January starts are beginning to prove very popular, this enrolment period now resembles October. The increased numbers are a product of a change in the way we operate with greater use of LSBU agents and contracted activity in-house staff.

The 2019/20 income target for research is £7.5m: income to date and forecasted income for the remainder of 19/20 is showing a shortfall of £400k. This is in a large part due to TWI underperforming, although it should be noted that TWI still accounts for £1.4million of our total research income (vs. £940k income attracted from across the six non-Engineering Schools). Our work with TWI is at risk given the majority of funding is linked to the EU hence; we are currently reviewing our relationship with them but LSBU will need to build a new income pipeline for our business support and innovation activity, now that the UK has left the EU. The UK Shared Prosperity Fund (UKSPF) remains an area of interest, given our leading role in delivering European Regional Delivery Fund (ERDF) activity in London. We are currently working with the GLA to seek clarity on the future shape of this fund and a possible allocation for London but are committed to delivering ERDF until the end of the current funding programme in 2023. It is likely that in future there will be a significant focus on the regions by Westminster but within London, Lambeth and Southwark have some of the lowest productivity levels, which may help attract funding.

The enterprise target is £10.7million: based on the current forecast, there remains an income gap on enterprise of £700k to budget. The focus remains on the pipeline and delivering on income that has already been secured. Activity continues to be focused on diversifying our traditional sources of enterprise income, for example, work is underway with SBC to secure ESF skills funding to support our work on pathway development with learners at Level 2, 3 and 4 and through the Group (see section 3.2). LSBU's partnership with the Building Services Research and Information Association (BSRIA) (for radar, acoustics, bio fuels, life cycle costing) has been signed and will link LSBU more directly with their membership base, creating new opportunities to generate income (contract research).

2.2 Global Delivery

The application for a branch campus in Cairo is continuing through the official processes of Egypt. Feedback has now been received from the Ministry of Education in Egypt (MoE) which required very little additional input from London South Bank except further clarification around student staff ratios and course information. The focus for MoE has been on the arrangements with the host partner, particularly the interim arrangements prior to the presidential decree, which gives formal approval for the host to operate. Much of the operational responsibility rests with the host as set out in the previous update. The BUE staff currently acting as the proxy host have confirmed they will have submitted the required documents by the end of February. An update has been reported to MPIC and a case for approval is expected to be ready before summer.

New international opportunities are being pursued in a variety of locations including Colombia, Uzbekistan, Malta, the Gulf, the Czech Republic and Spain. It is clear that the model developed for BUE has transferability elsewhere and increases the attractiveness of LSBU to new partners. As/if the proposals mature, they will come to the Board for endorsement.

2.3 REF 2020 Update

The research excellence framework assesses three core components: the research outputs, the research impact case studies and the research environment. LSBU is ensuring that all of its eligible research outputs are externally reviewed in order to meet the Grade Point Average (GPA) outputs target which we think would place us mid table. A Mock-REF in Feb/March 2020 is being held to support this aim and the Research Office is working with Library Learning Resources to check the Open Access compliance of outputs, in line with 95% compliance target for outputs submitted to the REF. In REF 2014, LSBU achieved joint 89th position (GPA 2.52); with REF 2021 our GPA target is 2.80, the mock REF will allow LSBU to determine how close it is to meeting this target. In the 2019 mock-REF, five of LSBU's Units of Assessment's (UoA) were on target to meet the GPA output target score of 2.80, with c170 FTE staff expected to be submitted from all eight UoAs (c160 FTE Teaching and Research; 10 FTE Research only). This will be confirmed in the current mock-REF, with 160 FTE equating to c55% of 295 eligible Teaching and Research eligible staff, yielding a research intensity measure (% of eligible staff times GPA) of 1.68. This score would place LSBU at 55th position in THE REF 2014 Research Intensity rankings (though noting that other universities will be working to achieve higher GPAs). This would deliver a LSBU Research Power (GPA times FTE) rating of 459 on current estimates, placing it at c76 position in [THE REF 2014 Research Power league table](#).

External consultants are reviewing LSBU's Impact case study drafts: 14 of an expected 21-23 case studies have been reviewed. LSBU is broadly on course to meet its Impact GPA target of 3.0, although there is still a significant amount of work remaining on the case studies to meet this target. A consultant is working with academics to develop case studies in order to meet the quality threshold, and the

Research Office has appointed a REF administrator for 10 months to hone the case studies and collation of data.

A Research Environment group has been established to optimise the Environment statements. A first draft of the institutional statement has been completed, as have drafts of 6 of the 8 Unit of Assessment Environment Statements. A metrics group has also been established, in order to make recommendations on appropriate metrics to measure research performance. The call for declarations of staff circumstances has closed and the circumstances group will shortly be making recommendations on research output applications to Research England in time for the 6th March 2020 deadline. A workshop is being scheduled to provide those Governors with an interest with more information on the REF process.

3.0 Corporate Strategy Outcome 3: Access to Opportunity

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

3.1 LSBU January Recruitment University Semester Two – January 2019/20 Intake

The university has achieved 150% of its enrolment target with 760 students enrolled against a goal of 505 for semester two. The January intake has increased 68% year-on-year, with over 300 additional enrolments secured compared to 450 the previous year. Health Apprenticeship courses will continue to recruit beyond January, with further intakes planned in April and June.

Key to our semester two performance this year has been international recruitment: nearly 450 overseas students have enrolled which is over double the targeted number of 180, and more than double the overseas intake last year (200 students). There is currently a shortfall against target in the Home cohort 30 students (250 enrolments secured presently against a target of 280), but this is linked to the Apprenticeship courses due to start in-year. We expect the Home cohort to achieve target following these in-year starts.

(Fig 1: LSBU Enrolment Performance; Home, EU and OS as at 10th February 2020)

S1 - 2019/20	As at 18th Feb	Progress versus Target		Year on Year Performance		
Level/Mode Domicile	Year to Date Enrolments	Enrolment Target	Progress to Target	LYTD Enrolments	% +/- change	+/- change
UGFT	201	83	242.2%	84	139.3%	▲ 117
UGPT	0	0	-	0	-	▬ 0
Apprenticeships	84	150	56.0%	19	342.1%	▲ 65
PGFT	288	112	257.1%	149	93.3%	▲ 139
PGPT	82	58	141.4%	93	-11.8%	▼ -11
Study Abr.	103	101	102.0%	106	-2.8%	▼ -3
LSBU Overall	758	504	150.4%	451	68.1%	▲ 307
Home	250	281	89.0%	191	30.9%	▲ 59
EU	71	43	165.1%	59	20.3%	▲ 12
OS	437	180	242.8%	201	117.4%	▲ 236

3.1.1 University Semester One – September 2020/21 Intake (UGFT only)

The university has generated 18.5k applications in total compared to 14.9k last year to date for undergraduate full time courses starting September 2020 (up 3.6k or 24% year-on-year). Bursaries will be reinstated for nursing, allied health and social care entrants starting in September 2020, which has generated additional demand in health subjects. HSC alone accounts over half of our application growth this year but on excluding health courses from the mix, LSBU remains a positive 15% or 1.6k applications up on last year. In comparison applications at our London modern competitor group have grown by a smaller 0.6% year-on-year (by around 700 applications), while the sector has seen applications grow by 1% overall from 2.52m to 2.55m.

International data currently shows around 2100 applications from overseas markets and the same for EU. For international applications, this is a 33% increase against this time last year. Our key markets continue to perform well and in the coming months we should see an increase in applications from other markets, with our new overseas staff now in place for their first full recruitment cycle.

All Schools are up on applications or performing broadly on par with last year. The subject areas of growing demand are Economics, Business (including Business Foundation), Psychology, Games Design, Computer Science, Law and a number of Health courses (for which recruitment is limited on placement capacity). In addition, a number of new courses for September 2020 (Media Production, Fashion, Chemical Engineering and Biomedical Science) have generated a high volume of applications for first-year courses – ranging between 100 to 200 each – but their conversion outturn will remain unclear until later in the year.

(Fig 2: LSBU Apps by School, Overall and Excluding HSC as at 4th February 2020)

S1 2020/21 September starts	Total Applications UG+1 September zuzu Courses only			
School Domcile	Total Apps	Last Year to Date	% +/-	+/-
HSC	6.4 K	4.4 K	↑ 45.3%	↑ 2.0 K
ENG	1.8 K	1.2 K	↑ 49.3%	↑ 0.6 K
APS	2.1 K	1.7 K	↑ 22.4%	↑ 0.4 K
BUS	3. K	2.7 K	↑ 13.1%	↑ 0.4 K
ACI	1.6 K	1.4 K	↑ 14.7%	↑ 0.2 K
LSS	2.6 K	2.4 K	↑ 8.0%	↑ 0.2 K
BEA	1.0 K	1.1 K	↓ -11.3%	↓ -0.1 K
Overall LSBU	18.5 K	14.9 K	↑ 24.0%	↑ 3.6 K
LSBU exc HSC	12.1 K	10.5 K	↑ 15.1%	↑ 1.6 K

3.2 Apprenticeships

LSBU has 1544 apprentices with the Health School having two remaining Nursing Associate cohorts to enrol in April and June 2020. The UTC, Lambeth College and LSBU have successfully submitted their ROATP (registration) and full registration is in place for all three entities.

The Apprenticeship team continue to work closely with FMI to adapt to the new funding environment and have reduced the number of funding errors from 15% to 9%. The Apprenticeship team have commissioned a consultant to work with Registry to identify solutions to clear the errors and have contacted all employers to ensure any issues with their Digital Apprenticeship system are resolved. We will seek to reduce this to 0% by the deadline in July. A member of the Apprenticeship team is being seconded to LEAP for 12 months to ensure apprenticeships is embedded in the programme.

LSBU have secured £990k European Social Fund funding to spend between now and June 2023 to support progression from Level 3 students into Level 5 Nursing Associate Standards. This should increase recruitment and retention. The project 'Pathways to Success' is due to launch in April and we have tentative support from Guys & St Thomas' (GSTT) for the roll out.

The 18/19 Qualification Achievement Rates (QAR) will be published on 26th March 2020. As expected LSBU will be published as 0%. The 'Provider Group' benchmark is 65.1% and the National Average Benchmark across all providers is 67.3%. We can expect a considerable drop across the sector as there is a huge amount of frustration across the sector regarding issues with End Point Assessment which Ofqual are aware of. Challenges have remained in areas of Health delivery which is now 33% achievement for 19/20, with overall achievement for LSBU 19/20 achievement currently 29.3%. The 19/20 year ends on 31st July 2020 so we expect achievement to increase, month on month as we return achievements on the ILR and are seeking to meet or exceed the ESFA Minimum Level of Performance

threshold (62%). LSBU Bakery School and Lambeth College plan to jointly launch the Level 2 and Level 3 Apprenticeship programme on March 25th with an industry Stakeholder event. This will be a strategically important standard in terms of meeting our Passmore targets for Southwark residents. Whilst we have currently recruited 150 Southwark residents this is behind the target agreed with the Council. We are utilising the opportunities of the group to support uptake of apprenticeships in Southwark.

4.0 Group Issues and Environment

4.1 South Bank Academies Trust

Since the last update, there has been a wide range of activity to support the growth and development of South Bank Academies. A key focus is on raising outcomes in the 2020 examination cycle, ensuring that Year 11 and 13 results in particular are improved with targets of 0 (national average) in student progress. Year 11 progress is predicted as -0.02 against starting points at the UTC and -0.19 Progress 8 at the UAE currently. Work on developing staff through ongoing professional development has been powerful, and has included the first trust-wide CPD day, which included a keynote from the CEO of the Teacher Development Trust and a major input on a range of topics for both teaching and non-teaching staff.

External review has been productive and positive, with both schools benefiting from a consistency in approach. At the UAE, the work on developing a robust and powerful formative assessment model has been recognised as a strength; at the UTC the improvements in the quality of teaching and learning through staff development have been recognised. Staffing remains a challenge in some areas, with a competitive market for STEM teaching staff and retention issues in some cases. A range of approaches to support retention and workload reduction as part of a larger staff wellbeing package are being deployed.

Capital expenditure has been targeted successfully at areas of need. This has included replacement of 2014-era computing at the UAE to facilitate adoption of Google Classroom capabilities across the curriculum. At the UTC, it has comprised the addition of a gym and two specialist health suites, to support the delivery of the new health specialism and to extend the curriculum and wellbeing programme.

The trust has recently received the news that its application to deliver apprenticeships has been successful. Ongoing work with key partners including LSBU, Lambeth College, GSTT, Health Education England and Skanska is supporting the shaping of the apprenticeship offer, which is likely to begin in September 2021 in engineering and health at levels 2 and 3. The trust is currently expressing an interest in the delivery of T levels in health and engineering from 2022.

The trust is increasingly benefiting from Group membership. Academic enrichment is generally working well despite some logistical challenges and fertile discussions have been taking place in a range of areas that benefit the trust, including exploring

entrepreneurship accreditation with REI, coaching for students with the School of Business, support for food poverty schemes through the Fundraising Committee and support for the health curriculum through the School of Health. Budgeted income is £9.43m, expenditure on staff £6.42m, other expenditure £2.83m with a budgeted surplus of £170k.

4.2 South Bank Colleges

The focus at SBC continues to be on improving the quality of the provision and supporting students to achieve their qualifications. 19/20 retention is at 98% which is in line with this time last year and against the national average (NA) of 92.8%. For 16-18 year olds it is at 97.4% % against NA of 91.2% % and is also in line with this time last year. For Adults retention sits at 98.3% against NA of 94.5% and 1% above this time last year. For Apprenticeships, retention sits at 82.6% against the end of year retention of 72.5% in 2018-19.

As a college that was graded requires improvement (grade 3) by Ofsted in May 2019, we are expecting a monitoring visit from Ofsted between now and the end of the academic year. We continue to prepare both for the monitoring visit and the full inspection which will be conducted under the new Education Inspection Framework.

We are on target to achieve our planned budget and have met all ESFA CFADs KPIs to date in regard to quality and finance measures. We have more to do in relation to growth. The focus is on developing the curriculum and in particular growth of 16-18 year olds on level 3 programmes. There are targeted market campaigns to increase internal progression in addition to external campaigns. There is a real opportunity to develop new provision at level 4 supporting the career pathways work. We have invested in high quality Labour Market Information data and market share analysis and are using this to plan growth and our curriculum offer in line with local demand and DfE turnaround targets. Supporting our curriculum planning and growth has been a big focus between the college and other partners in the Group in developing the career pathways work. The career pathways map the LSBU Group offer across 50 different career pathway routes. This work is supporting the group in identifying gaps in provision and promoting the unique offer that we have as a group for young people and adults.

We are working with staff from across the college responding to the staff survey. There has been a significant investment in staff development in 19/20 as outlined in the previous report. To date this year, staff have participated in the LSBU Leadership and Management programme, accessed mental health awareness training, undertaken H&S training, attended a range of external awarding body events in addition to the TLA professional development programme lead by the Head of TLA.

The college has been shortlisted for a TES Further Education Award for our teaching and learning and for the UK Careers Development Award for its Careers Cluster project with Lambeth Council and LSBU.

4.2.1 SBC Campus Development

Demolition of the buildings on the Vauxhall site continue although there has been a delay due to party wall issues. Sir Robert McAlpine, constructor, is due to submit full costings for the main construction work in April 2020 at which time a further report will be submitted for consideration and approval - subject to the price submitted falling within the available budget. Avison Young (GVA), property consultants, have been commissioned to provide an options appraisal for both the disposal of land at Clapham and the proposed use of Block C at Vauxhall. The report will include a range of costed scenarios to inform discussions and decisions on what are considered to be the most economically advantageous options, what the risks and rewards are for both sites and what might be the best method of procurement. The construction of Block A at Vauxhall is expected to be delivered by January 2022 (slipped from Sept 2021) subject to DfE approval that we can progress. DfE is looking to make a recommendation by 18th March.

4.3 Government Update

It seems that we will now hear the government's response to the Augar review in conjunction with the Spending Review in the second half of the year. There is a risk that courses with metrics that fall below threshold (regulation B3 provides measures for continuation and graduate outcomes) could be capped, or if Augar is implemented, have grant funding withheld. A report showing those areas at risk will be available to executive by mid-March. There have been no further detailed announcements on other key HE matters although there is expected to be an FE related bill in the autumn. The OfS will be consulting on the future formulas for the teaching grant in the spring.

4.4 Lambeth Council

We have maintained regular meetings with Lambeth Council at a senior level around the creation of the Vauxhall Technical College. HEPI published my blog article on the first anniversary of the College becoming part of LSBU Group and the new Parliamentary Under-Secretary of State for Education, Baroness Berridge, visited the College the day after her appointment and visits are arranged for, Helen Hayes MP, Bell Ribeiro MP, Peter Mucklow ESFA Director of Further Education, and Simon Hughes our Chancellor.

4.5 Croydon

Alongside our work to finalise the business case for the Croydon Campus, we have been engaging more widely with stakeholders in the area. We have established some joint working with East Surrey College (which has a campus in Croydon) and opened discussions with North East Surrey College of Technology in Surrey. Other discussions included those with Gatwick Airport and Network Rail, key local employers in the area. We are also participating in the South London Knowledge Exchange Partnership.

4.6 Public Affairs

The Government is working on a series of strategies in which LSBU has an interest. The Department of Business, Energy and Industrial Strategy (BEIS) has announced a new Shared Prosperity Fund (SPF) to replace the European Structural Funds. As the largest HE provider in London of European funded advice to small businesses, LSBU has a particular interest. The Government has also continued to work up the details of its Industrial Strategy and its plans for a very substantial increase in investment in research. How the investment is focused – by geography, sector or type of research – could have a significant impact on LSBU's access to additional research funding. We have therefore concentrated our policy activities on these two areas including meetings with the BEIS Director of the Industrial Strategy (Jessica Skilbeck) and BEIS Director for Research and Development (Bairbre Kelly), and the Director General (Emran Mian) of the Ministry for Housing, Communities and Local Government (a key player in the SPF). Alongside, we ran another in our series of policy breakfasts, this time on the subject of place, universities and research and chaired by the Rt Hon Charles Clarke. Guests included representatives of BEIS, UKRI, Innovate UK, UUK and the GLA.

We continued our engagement with Ofsted, meeting with the National Director for Education, and then with Deputy Director Paul Joyce, to talk about the regulation of Level 4 & 5 apprenticeships. As a result, we have been invited to sit on a stakeholder group on cross-sector regulation. We met also with the Regional Schools Commissioner Clare Burton to explore different approaches to MAT oversight with particular reference to LSBU Group. We have subsequently arranged for Clare Burton to visit the MAT and the College.

More widely, we have continued our involvement with the Higher Education Immersion Programme, with five civil servants from the Department for Education visiting the University across three days in November. In the same month the University also hosted an Education Delegation from Victoria State in Australia, including the State Minister for Higher Education.

Other engagement with education sector colleagues included discussions with the Baker Dearing Trust, Association of Colleges and the Gatsby Foundation.

Following the election we made contact with the local MPs including the new MPs Bell Ribeiro-Addy and Florence Eshalomi. Following the recent government re-shuffle, we have written to the new education and science ministers. The Chair of the Education Select Committee, Robert Halfon MP, is due to visit the University in March.

The University took part in an apprenticeship fair in parliament as part of National Apprenticeship Week, which over 30 parliamentarians attended. Apprentices and staff spoke with a number of MPs including Damian Hinds, former Secretary of State for Education, and Emma Hardy, Shadow Secretary of State for Higher and Further Education. Damian has agreed to host a round table event at the university in coming weeks

We continue to work closely with our local councils. Research commissioned from our School of Law and Social Science is informing the creation of new hospitality skills facilities in Southwark and Lambeth. LSBU academics from School of Engineering are also developing an online careers advice tool for Southwark, Lambeth and Lewisham Councils. We have also provided advice to Lambeth Council on potential skills and education outputs from their leisure services procurement.

5.0 Strategic Enablers

5.1 Campus Development

The refurbishment of the London Road Building is the final part of the original Phase 1 of the campus re-development project. The contractor is now on site and internal strip out and demolition has commenced. The value engineering exercise continues to achieve the refurbishment within the £56.4m budget allocated and no delays to the programme are envisaged. The separate project to re-build/refurbish the Chapel is now underway with the two listed facades stabilised and made safe. This is the first phase of work for the delivery of the St. George's Quarter Development but is not dependant on the complete build and can be used as a standalone facility which will be delivered for use in September 2022. The procurement exercise to appoint professional consultants has now begun. Plans for a minor refurbishment of the Tabard Street building (lease expiry July 2023) to accommodate income generating executive education/CPD and a Health Tec/Immersive Centre are being prepared with a view to occupation late April 2020. Communication with the London Borough of Southwark continues with regards the re-development of the Perry Library/Keyworth Hostel site to create a NHS hub, general LSBU space and 1000 student bed spaces. A consultant will shortly be appointed to undertake a costed options appraisal to identify the most advantageous way forward for LSBU.

5.2 2025 Strategy Development

Since the last update, significant progress has been made in this area, including a revaluation of how the strategy is being structured. Previous iterations has looked at 9 sub-strategies supporting the four pillars and this worked well in getting multiple stakeholders to engage. To reduce complexity and bring this back together work will now be summarised under the four pillars approved by the Board. This is detailed in the table below.

Each of these pillars will have associated high-level KPIs, and more detailed outcomes (with associated measures) and a Board working group has been requested to support work on these. These outcomes and measures will be delivered through aligned organisational structures as according to the Target Operating Model, which is currently in development. It is essential, as part of the strategy development process, that the strategy translates into an effective planning process, to maximise the chances of successful implementation.

Pillars	Access to Opportunity	Student Success	Real World Impact	Fit for the Future		
				Technology & Estates	People, Culture & Inclusion	Resources, Market & Shape
Ambition	<i>Through local and global partnerships, we will create opportunities for individuals business and society and seek to remove barriers to success.</i>	<i>Recognised as a leading organisation for outstanding practice-led learning, fostering the development of able graduates ready to address business and societal challenges.</i>	<i>Research & Innovation that, enhances teaching and tackles global and civic challenges, generates critical insights, and sustainable solutions, to transform the lives of individuals, communities, businesses and society.</i>	<i>To create a flexible physical and digital environment, allowing opportunities for personalisation, that is mobile friendly, fit for the future and embraces innovation and sustainability.</i>	<i>Create a transformational and inclusive culture that is people centric, values led and ambitious; enabling LSBU Group to empower staff and to attract and retain a diverse range of skilled individuals.</i>	<i>Alignment of core activity with business and societies current and future requirements in terms of skills, knowledge and innovation and insight.</i>

5.3 New JNCHES 2019-20 – Final Offer Update

There are currently two disputes involving UCU in higher education. One relates to the USS pension fund and the other is about pay and working conditions. UCU members in 52 institutions have voted to take strike action and action short of a strike (ASOS) about USS. Members in 70 institutions have voted to take strike action and action short of strike about pay and working conditions. In total, 74 institutions are affected. 14 days of strike action is now taking place from 20 February in the 74 institutions affected.

LSBU is not currently affected, but UCU are encouraging all local branches to re-ballot. At LSBU, we have not (to date) received any notice from unions to re-ballot. The College unions are seeking to ballot members on strike action based on a 1% pay offer that has been implemented.

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	CONFIDENTIAL
Paper title:	Report from the Chief Financial Officer
Board/Committee	Board of Governors
Date of meeting:	12 March 2020
Author:	Richard Flatman, Group Chief Financial Officer
Executive sponsor:	Richard Flatman, Group Chief Financial Officer
Purpose:	For information
Recommendation:	The Board is requested to note the report.

Attachments:

Appendix 1: Management accounts summary to 31 January 2020

Report from the Chief Financial Officer: March 2020

1. LSBU Financial performance

Management accounts:

January Management Accounts

The full year forecast as at 31 January is trending towards a surplus of £3m, which would deliver the University £1.5m ahead of budget and in line with the outturn for 18/19. The unchanged surplus of £3m masks some significant changes in income and expenditure forecasts as summarized below.

A full income reforecast was undertaken for the January management accounts and the University is now trending to deliver £158.3m of income, an increase of £3m compared to December's forecast. This represents £6.2m more than budget and £9.2m (6.1%) income growth compared to the outturn for 18/19.

£2.3m of this income increase is due to successful student recruitment in semester 2 particularly in terms of International Students. The forecast for overseas student fee income has been increased from £11.2m in the Dec 19 forecast to £13.5m; this is £1.9m more than budget and represents year on year growth of £3.2m (30.4%).

We have now enrolled 745 more FTE students compared to the same period in 18/19, delivering total growth of 6% and the number of New FTE students has increased by 721 (13%) year-on-year.

The January income forecast also recognised £1.8m of additional OfS grant. The University was informed as to the level of potential grant in June 2019 after the budget was agreed but we held back from recognising it until we had confidence in the total number of enrolled students.

By the end of January we had delivered 43.3% of the budgeted Research Income target and 33.2% of the budgeted Enterprise Income budget and so following consultation across the Schools and REI, we have revised down our full year forecast for Research and Enterprise income by approx £1m. £600k of this reduction is due to a lower revised forecast from TWI Innovation Centre, which has traditionally been based on EU funding and which has as a result seen less activity than expected this year. The forecast for Research and Enterprise income currently stands at £17.1m, £1.1m less than budget but £0.6m and 3.4% higher than 18/19.

Year to date staff costs across the University (excluding structural costs) are underspent by £964k, or 2.2% and we have undertaken a comprehensive staff reforecast this month, reducing our recurring staff cost forecast total by £1.9m to £87.5m. This is £2m lower than budget and represents year on year growth of £3.5m (4.1%). Staffing costs

expressed as a percentage of income are now forecast at 55.3%. This includes a provision of £0.5m for the Leap Project Management Office and backfill costs which we had previously assumed as capital expenditure.

Given the revised income position, we have expensed a further £2m to take account of the set-up and rental costs for the Portakabins and Tabard Street. The net effect of the January income and expense reforecast was an increase of £2.2m, which we have taken to the University's contingency fund. The balance on the revised investment pot at 31st January is £4.5m. This will enable us to:

- Fund further essential tactical investments in year
- Write off or impair assets as required at year end, or
- Increase the level of surplus and ease the pressure on future cash flow.

Key January movements can be summarized as follows:

	£m
Recruitment Income	2.3
Release of Grant Income	1.8
Downgrade REI forecast	(0.9)
Total income increase	3.2
Revised staff cost forecast	1.9
Total increase	5.1
Less opex increase (including Portakabins and Tabard)	(2.9)
Increase in revenue investment pot	2.2

The University is currently holding cash and cash equivalents of £53.5m and is holding £4.3m of cash with respect to the recent Lambeth College transaction. Without these transactions, the University would be holding £49m, an improvement on the equivalent position of £41.2m in January 2019.

A surplus of £3m will deliver EBITDA at 10.8%, which is broadly comparable with the 11.1% delivered in 18/19. Given the level of the revenue investment pot, we would expect EBITDA to improve year on year.

2. Planning and budgeting update for 2020/21

The 2020/21 Planning and Budgeting process has started. The 5 year forecast that we submitted to the OFS in December 2019 included prospective targets for next year, with

income growing from a budget of £152M to £160M and a budgeted surplus moving from £1.5m to £2.85m.

This looks reasonable given the current financial position but in order to test further, the Schools are in the process of generating student recruitment targets for the next 2/3 years with the support of Marketing through a series of meetings with Deans, the Director of International and the Chief Marketing Officer. This process should again ensure that recruitment targets and associated income streams are robust and reflect changes in the market place.

These student number targets for Home, EU and Overseas students will form the basis for the University's 2020/21 income budget along with income from our Research and Enterprise & TNE pipelines. Once we have an income budget, we can then determine an expenditure budget that delivers an appropriate financial return with funds for capital expenditure.

The University is completing the 2020 – 2025 strategy review and this will inform the KPI performance targets for both the Schools and PSGs and the development of local area roadmaps. The intention this year is to ensure that local plans, resources and performance metrics are better aligned and so revisions to each will be made before the budget is finalized in May.

3 OfS matters

3.1 Assurance / risk assessment review

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

3.2 Grant letter

The OfS Board expects to make decisions at its March meeting to enable grants for 2020/21 to be announced in late Spring. Last year, recurrent grants to providers for 2019/20 were announced on Wednesday 8 May 2019 which was very late.

We do know that the Secretary of State for Education has issued guidance which announced a reduction to recurrent teaching grant in financial year 2020-21 of £58 million. The reduction affects the funding the OfS has available for distribution to higher education providers in both the 2019-20 and 2020-21 academic years. The potential cut

at sector level is equivalent to approx. 5% of the total recurrent teaching grant for 2019/20. Assuming this is allocated equally across the sector (which is unlikely), our share would be approx. £600k, with £200k being allocated to the current financial year.

The Office for Students (OfS) has issued a consultation to seek views on how it should implement necessary savings in recurrent funding for academic years 2019-20 and 2020-21. We have responded suggesting that cuts should not be made to student opportunity funding which could disadvantage us given our student profile. We understand that there will be a wider consultation later this year about the longer term allocation of total grant monies across the sector and we will respond to that when issued.

Linked to future funding is the issue of student number controls and the question as to whether they are coming back to higher education in England. With the number of 18-year-olds set to soar in the next decade, and the government exerting pressure over the cost of the current system (during a demographic dip), it seems all but inevitable that the Treasury will insist on reducing costs still further, which could start to spiral if nothing changes. There have been plenty of signals in recent months of a return to student number control, with the OfS already imposing number controls on some providers as a condition of registration. The difficulty will be delivering cost reduction without capping aspiration. Given the possible threat of future controls, we need to continue to focus on growing student numbers.

4 Lambeth College/SBC

4.1 Statutory reporting matters

Statutory accounts to 31 January 2019

The Lambeth College Corporation closure accounts to 31 January 2019 were finally signed in December once all required changes were made. These accounts have been submitted to the ESFA as part of the year end return.

Statutory accounts to 31 July 2019

The accounts for South Bank Colleges to 31 July 2019 were signed in December with no further changes to the figures reported in the November SBC Board meeting and included in the consolidated Group accounts. These accounts were also submitted to the ESFA as part of the year end return.

ESFA December finance return

The end of year finance return has been made (signed by the Accounting Officer) and this return shows the statutory accounts to the end of July in ESFA format.

4.2 SBC current financial performance

January management accounts have been presented to the SBC Board. These include a full year forecast for income and expenditure based on activity to date and a roll forward of expected activity. The operating loss for the year is forecast at £2.3m, which is better than the budget deficit of £2.785m (in line with CFADS). This increase reflects a reduction in depreciation as a result of changes on merger to asset values and expected lives. No account has been taken at this stage of the release of deferred grant to match the operating loss forecast; although this adjustment will be made at year end so as not to impact the consolidated group result.

4.3 SBC future forecasts

A new forecast process has been introduced this year by the ESFA with the intention of simplifying finance returns to the ESFA. The attempt is to combine a number of returns including the December finance return and the July forecast return into one return. This year the deadline for submission is 28 February but in future years this may be 31 January. The report format is already in its sixth version from the ESFA and it is widely recognized that the spreadsheet still does not work properly. It is fair to say that the FD/CFO reaction across the sector to this return has been scathing; for example the return asks us, one month before we get our funding allocations, to predict our funding allocations. Nevertheless, this is a return that must be made and a forecast has been provided to SBC Board for review and approval before submission. This is broadly in line with earlier forecasts submitted and the CFADS model.

4.4 SBC Cash Flow

A detailed cashflow has been prepared modelling cash balances up to August 2022. This includes drawings against LSBU balances for NESC project and to fund operating cash flow.

4.5 SBC estates position

DfE are currently reviewing the SBC estate option appraisals we have undertaken over the past 3 years. The aim is to come to a decision on whether we can progress with the estates strategy by mid-March.

4.6 LSBU current financial exposure to SBC

Our current financial liability can be summarized as follows:

On 31 January 2019, the university accepted debt novated from Lambeth College of £13.72m, at a fixed interest rate of 5.16% plus a margin of 1.65% (6.81% in total) over a 16 year period to 2035. In the statutory accounts to 31 July 2019, the debt outstanding was £13.467m.

On 1 February 2019, SBC also transferred £13.75m cash to LSBU to clear the inter-company balance created on novation of the loan and to ensure that there was no net liability on LSBU's part at the point of acquisition.

Since acquisition, SBC has drawn down cash from LSBU of £7.092m to fund normal operating expenditure and a further £2.313m specifically to fund development of the NESC. Costs borne by LSBU and interest on the novated loan (which will be cross charged back to SBC by way of a management charge) amount to a further £961k. The total owed to date by SBC to LSBU amounts to £10.366m. This represents LSBU's current financial exposure.

SBC has also indicated that it will require a further £2m financial support during 2020 to fund working capital. The Facility agreement sub-committee met on 27 February and approved a facility agreement between LSBU and SBC to formalize arrangements regarding cashflows to facilitate the ongoing turnaround of the College.

LSBU is also putting in place an additional borrowing facility to cover the £20m required to fund SBC's share of the matched costs for development of the NESC. We should not draw down against this facility, or proceed further with the NESC, until there is certainty on the GLA funding position. This second facility agreement, to fund capex flows for the NESC development, will be executed following the DfE's acceptance of the estates plan.

5 Audit matters

5.1 External audit

The Finance team recently met with our external auditors, KPMG for a debrief on the 2018/19 year end audit process and this will inform the 2019/20 audit planning process. In particular a good discussion was held regarding the timing of some activities that have potential to cause delays if not managed carefully, for example the availability of pension valuation data and consolidation with the SBC accounts (new for 2018/19).

South Bank Academies are tendering for new External Auditors to replace Moore Kingston Smith who have been auditors for the past 7 years. They will consider bids from firms and expect to make an appointment during March. The accounts of SBA are not consolidated for group financial reporting purposes and KPMG have already confirmed that they will not submit a response to the tender.

5.2 Internal audit

BDO was appointed group internal auditor from August 2019. Recommendations from previous audits conducted by PWC have been followed up and 47 recommendations that are due (62.8%) have been implemented in full. A further 15 recommendations (34.9%) are in progress with all high risk recommendations being implemented or in progress.

The table below shows the new reviews that have taken place and the resulting level of assurance:

Review	Assurance over controls		Recommendations made and risk level		
	Design	Effectiveness	High	Medium	Low
Financial Controls – LSBU	Moderate	Moderate	2	4	3
Financial Controls – SBC	Limited	Moderate	2	3	0
Payroll – SBC	Substantial	Substantial	-	-	-
Financial Controls – SBA	Limited	Limited	4	4	0
Student Data	Moderate	Moderate	0	3	4
UK Visa Compliance – Staff	Limited	Moderate	0	7	0

Possible assurance ratings:

- ❖ Substantial
- ❖ Moderate
- ❖ Limited
- ❖ No assurance

Work is continuing to improve the controls at both SBC and SBA. The SBC report has been considered by the local audit committee and the key action regarding the transfer of opening balances from Symmetry to the new Agresso finance system has now been completed. A couple of new key issues have been identified in SBA which will be considered in detail by the local audit committee when it meets in March. However, we

are confident that SBA continues to make good progress on the old historic issues which have been reported previously both to Board and to the ESFA.

6 Pension schemes

6.1 2019 LPFA valuation results

Non-academic staff at both LSBU and SBC are entitled to join the London Pension Fund Authority (LPFA) pension scheme, which is part of the Local Government Pension Scheme (LGPS). Results of the LPFA 2019 triennial valuation for both LSBU and SBC were received in December 2019 with new employer contributions effective from April 2020. Overall cash contributions are broadly unchanged. For the University, future contribution rates go up from 12.7% to 15.4% but this is offset by a reduction in the past deficit cash contribution. In SBC, contribution rates go up from 13.5% to 16.3% with a reduction in past deficit contributions to zero (there is no longer a pension deficit in SBC), resulting in an overall reduction in cash contributions.

We have shared these results with our advisors, Mercers, who have confirmed that the results are as expected. After review by the Pensions sub-committee, the CFO has signed and returned the rates and adjustment certificate for both LSBU and SBC, thereby agreeing to pay the revised contribution rates for the next 3 years until the time of the next valuation.

6.2 Proposal for future support staff pension scheme (Strictly Confidential)

The issue of future pension provision for non-academic staff has been considered in detail over the past couple of years and reported to Board. A pensions sub-committee of the Board has been established and has met 3 times in the past 6 months, most recently on February 19 to consider revised costings and a draft reward strategy. The sub-group also met in January to consider the proposed structure of the future defined contribution (DC) scheme, which would be more generous than the existing LSBU Group DC scheme administered by Aviva.

A proposal to enrol new non-academic staff into the re-structured DC scheme rather than the LPFA would reduce the risk of pension provision becoming unaffordable in the future. Subject to consultation with staff and unions, it is likely that a recommendation will be made to the Board in June with a view to implementing the new offer from 1 August 2020.

Any new arrangements will not affect existing staff who will retain the right to stay in or join the existing LPFA scheme (if currently opted out). The proposal is for this arrangement to cover new non-academic staff employed by LSBU, SBC and their subsidiary companies. The matter is therefore also being considered by the SBC board.

7 Group Cashflow

A detailed cashflow has been prepared for Group as presented previously to FPR, MPIC and Board. This covers funding required for the LSBU estate development plans, SBC estate development plans, the LEAP programme and working capital requirements.

The cashflow shows that the Group will breach its (internally imposed) minimum cash target in July 2020, with a maximum cash deficit of £31M in the academic year 2021/22. The decision was taken to approach the market with a request for a Revolving Credit Facility of £45M.

Working with our adviser, Finalysis, who worked with the university to raise funds for both Keyworth and K2, we have developed a Request For Proposal for this borrowing facility and this has now been released to market. We are proposing a Revolving Credit Facility of £45M between 3 and 5 years in duration to ensure that we maintain minimum cash balances of £15M during this time.

A recommendation will come to Board via the appropriate committee.

In terms of timing, we have proposed the following.

Activity	Target Date
Request for Proposal Issued	18 February 2020
Closing date for submission of Proposal by: 1600hrs	10 March 2020
Evaluation of Offers	20 March 2020
Presentation by Banks	Week of 6 th April 2020
Heads of Terms	20 April 2020
Revision to Heads of Term (Evaluation)	28 April 2020
Board Approval	ASP after 28 April 2020
Target Date of Signature/Execution	31 May 2020

This timetable will provide the Board with assurance on funding before signing off the LEAP business case.

8. Project LEAP

At the December 2019 MPIC meeting a recommendation was made that the deployment of technologies in support of the LEAP vision should be Customer Relationship Management (CRM) led. The rationale for this was that:

- Many of the issues with the current student experience at LSBU will not be fixed by a new SRS
- Market insight suggested a CRM offered a more innovative roadmap for the future
- 'CRM first' would allow a new approach to SRS replacement
- Analysis indicated that a CRM could be implemented more quickly and easily than the SRS, thereby unlocking benefits sooner.

Both the LSBU Executive and MPIC requested that these assumptions be tested in the early part of Work package 3.0. Whilst the deployment of CRM technologies could still be first, there needed to be assurance that core SRS functionality, particularly in relation to LSBU meeting its statutory reporting requirements, was maintained and enhanced. The Strategic Change Partner (PwC) has therefore undertaken an extensive analysis to consider the best combinations of technologies that could be deployed within the indicative £32m budget envelope. This work has progressed as planned and a recommended technology solution will be taken to MPIC on 27 February. This will form the basis of the revised business case which will go to MPIC in early April and the Board in May.

Another key element of Work Package 3.0 is development of the future target operating model (TOM) required to ensure the delivery of the LEAP benefits. This work is well advanced and we are now at the stage of considering substructures at department level and direct reports to members of the Executive.

We have not yet advanced the implementation of the Align efficiency savings programme. In the opinion of the Executive, it would have been inappropriate to progress this further before the work on the TOM and the new corporate strategy was complete. The intention therefore is to plan during the remainder of 2019/20 for implementation of Align in next financial year.

Apendix 1

Management Accounts to 31 January 2020

CONFIDENTIAL

21/02/2020

JANUARY 2020 EXECUTIVE SUMMARY

This Executive Summary reports on the draft financial position of London South Bank University as at 31st January 2020

1) RAG Status

Income Growth FYF v 18/19 outturn	6.1%
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Staff Cost % excluding restructuring	55.3%
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FYF Surplus (Contribution %)	1.9%
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Opex Growth	-0.1%
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Staff Cost Growth excluding restructuring	4.1%
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EBITDA	10.8%
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2) Summary

The full year forecast as at 31st January is trending towards a surplus of £3m, which would deliver the University £1.5m ahead of budget and in line with the outturn for 18/19. There is no change in this position since last month.

A full income reforecast was undertaken for the January management accounts and the University is now trending to deliver £158.3m income, an increase of £3m compared to December's forecast and £6.2m more than budget. £2.3m of this increase is due to successful student recruitment in semester 2. We have enrolled 745 more FTE students compared to the same period in 18/19, growth of 6%. The number of FTE has increase by 182 compared to last month as enrolment for semester 2 started in January. The number of new FTE students has increased by 721 (13%) year-on-year; the number of continuing students is up by 25 (0.4%).

The Jan-20 income forecast also recognised £1.8m of additional OfS grant. This was partially offset by a reduction of £893k to Research and Enterprise income that is unlike to be delivered. The forecast for Research and Enterprise income currently stands at £1.1m less than budget.

The forecast for Overseas Student income has been increased to £13.5m, £1.9m better than budget and growth of £3.1m (30.4%) compared to the outturn for 18/19. The forecast for overseas recruitment agency costs in Other Operating Expenses (OPEX) was increased to £3.1m, £1.1m more than budget and £1.5m (87%) more than the total expense for the previous year. The forecast for semester 2 overseas recruitment agency fees is an estimate only as we do not have visibility for these costs at present.

The forecast for OPEX, was increased by a further £2m to take into account the set-up and rental costs for the Portakabins and Tabard Street. The overall increase in the OPEX forecast for January was £2.9m.

Year to date staff costs across the University (excluding structural costs) are underspent by £964k, or 2.2%. The forecast has been reduced by £1.9m from the previous iteration, to £87.5m. This is £2m lower than budget. The Jan-20 staff forecast includes allocations that have been approved by the Exec from the Investment Pot, but not existing overspends or new initiatives that have yet to be presented for Investment pot funding (c£0.8m). Staffing costs do include a provision of £0.5M for Leap backlog costs. Staffing costs expressed as a percentage of income are forecast at 55.3% compared to 57.5% in December's forecast but could increase to 56.1% if all £1.3m of pending investment pot bids are approved.

The net effect of the Jan-20 forecast was an increase of £2.2m to the Revenue Investment pot which currently stands at £4.5m. The Executive has approved £1.2m of expenditure against this balance through the business case process leaving £3.2m available for potential investment in revenue projects or to increase contribution.

The University is currently holding cash and cash equivalents of £53.5m and is holding £4.3m with respect to the recent Lambeth College transaction. Without these transactions the University would be holding £49m, an improvement on the equivalent position of £41.2m in Jan-19.

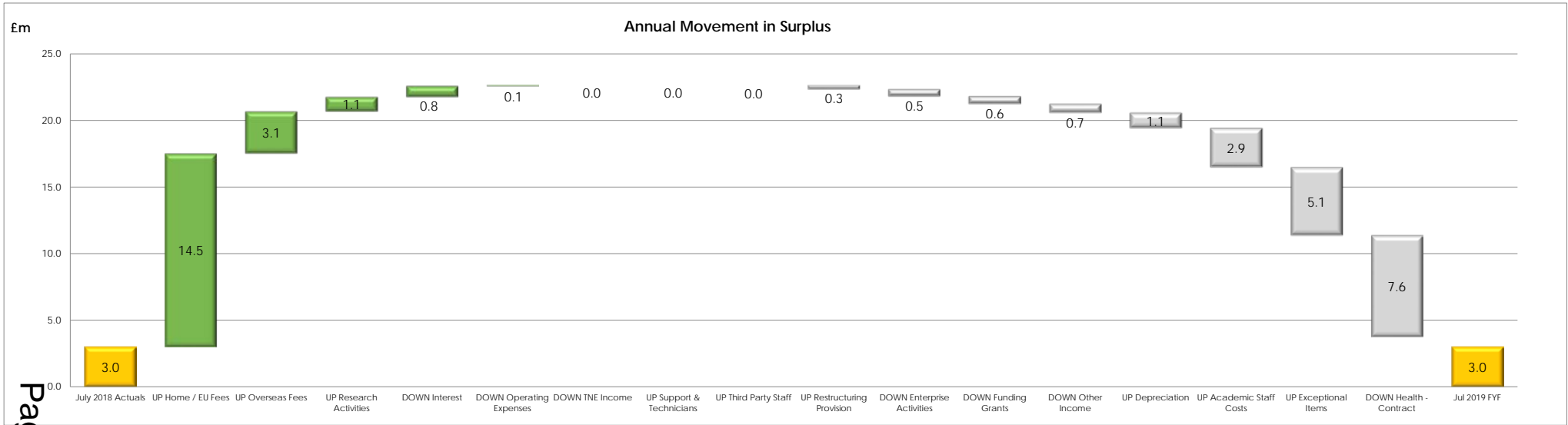
The above position will deliver EBITDA at 10.8% which is marginally lower than 18/19.

3) Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	CURRENT YEAR BUDGET vs PRIOR YEAR ACTUALS				FULL YEAR FORECAST OUTTURN POSITION					YEAR ON YEAR (Y-T-D COMPARISON)			
	18/19 Actuals	19/20 Budget	Change to 18/19	Change %	Dec 19/20 Forecast Outturn	Monthly move	Jan 19/20 Forecast Outturn	Variance to 19/20 Budget	Budget variance %	18/19 Actuals	19/20 Actuals	Change to 18/19	Change %
Funding Grants	14.4	12.0	-2.4	-17%	12.0	1.8	13.8	1.8	15%	7.1	7.0	-0.1	-1%
Health - Contract	10.6	2.2	-8.4	-79%	2.9	0.0	2.9	0.8	36%	5.4	1.9	-3.5	-65%
Home / EU UG Fees	73.5	82.5	8.9	12%	85.8	-0.4	85.4	3.0	4%	74.1	86.7	12.6	17%
Home / EU PG Fees	10.2	12.5	2.3	22%	12.5	0.4	12.8	0.3	3%	9.7	12.5	2.7	28%
Overseas Tuition Fees	10.3	11.6	1.3	12%	11.2	2.3	13.5	1.9	16%	8.6	12.1	3.5	41%
TNE Income	1.8	2.0	0.2	10%	1.8	-0.2	1.6	-0.4	-21%	0.1	0.1	-0.0	-32%
Research Activities	6.0	7.5	1.5	25%	7.5	-0.4	7.1	-0.4	-6%	2.8	3.2	0.4	16%
Enterprise Activities	10.5	10.7	0.2	2%	10.4	-0.5	10.0	-0.7	-7%	3.7	3.5	-0.1	-3%
Student Related Income	10.2	10.9	0.7	7%	10.8	-0.0	10.8	-0.1	-1%	5.5	5.3	-0.2	-4%
Other Operating Income	1.2	0.1	-1.1	-91%	0.1	0.0	0.1	0.0	13%	0.2	0.2	-0.0	-9%
Endowments & Interest	0.3	0.1	-0.2	-63%	0.1	0.0	0.1	0.0	0%	0.2	0.2	0.0	26%
Income	149.1	152.1	3.0	2%	155.3	3.0	158.3	6.2	4%	117.4	132.7	15.3	13%
Academic Staff Costs	39.9	45.7	5.8	14%	45.8	3.0	42.9	-2.8	-6%	20.0	20.5	0.5	3%
Support & Technicians	41.4	42.0	0.6	1%	41.5	0.2	41.6	-0.4	-1%	19.4	20.6	1.2	6%
Third Party Staff	2.7	1.7	-1.0	-35%	2.0	0.9	2.9	1.2	69%	1.3	1.9	0.6	50%
Restructuring	1.2	1.5	0.3	26%	1.5	0.0	1.5	0.0	0%	0.5	0.2	-0.3	-55%
Depreciation	9.4	10.5	1.1	12%	10.5	0.0	10.5	0.0	0%	4.5	4.1	-0.3	-7%
Operating Expenses	47.2	44.5	-2.8	-6%	44.3	2.9	47.2	2.7	6%	21.4	22.2	0.7	3%
Interest Payable	4.4	3.5	-0.8	-19%	3.5	0.0	3.5	0.0	0%	2.0	2.3	0.3	15%
Exceptional Items	0.0	1.2	1.2	0%	3.1	2.0	5.1	3.9	333%	0.0	0.0	0.0	0%
Expenditure	146.2	150.6	4.4	3%	152.3	3.0	155.3	4.7	3%	69.1	71.9	2.8	4%
Surplus for the year	3.0	1.5	-1.5	-49%	3.0	-0.0	3.0	1.5	100%	48.3	60.7	12.5	26%
Surplus as % of income	2.0%	1.0%	-1.0%	-50%	1.9%	1.9%	1.9%	1.9%	1.9%	41.1%	45.8%	4.7%	11%
Staff costs as % of income	57.1%	59.8%	2.7%	5%	58.6%	58.6%	56.2%	56.2%	56.2%	35.1%	32.7%	-2.4%	-7%

4) Forecast Summary

Compared to 18/19 we are forecasting an increase in total income of £9.2m (6.1%), a £3.4m (4.1%) increase in total recurring staff costs, a £0.3m increase in the costs associated with staff restructuring, and an increase of £1.1m in depreciation. Operating expenses are forecast to decrease by £0.1m (0.1%), this does not include the £5.1m increase in exceptional items to fund in-year investments. We are also forecasting a £0.8m (19%) decrease in interest payable. This maintains our annual surplus at £3m.



The key movement in the year-on-year position remains the £14.5m increase in Home/EU Tuition fee income. This is partially driven by a strong recruitment round for Semesters 1 and 2, but is also because the NHS contract which funded student fees for Pre-Registration courses has ended and new Health & Social Care students are funded through Tuition fee income, hence the £7.6m decrease in Health Contract. The Jan-20 forecast for Overseas Tuition Fee income is £3.1k (30%) ahead of the position for 18/19 reflecting successful recruitment particularly for semester 2.

Research income is forecast to grow by £1.1m year-on-year due to a general increase in research activity in the Schools and additional funding grants. Enterprise activities are forecast to decrease by £0.5m (5%) compared to 18/19. Following a full re-forecast of Research and Enterprise activities in January the year-on-year increase in TWI Innovation Centre income, has been reduced by £592k, from growth of £791k year-on-year to £199k.

Recurring staff costs are forecast to increase by £3.4m year-on-year (a reduction of £1.9m on the position in Dec-19). £2m of this increase is due to a rise in pension costs whilst the remainder represents ongoing investment by the University to support the growing student population. The University finished 18/19 with a recurring staff cost of £80.8m including £3.2m of extraordinary pension costs.

Operating expenses are forecast to decrease marginally (£0.1m, or 0.1%) but this is offset by an increase in Exceptional Items of £5.1m assuming that the investment pot is used to fund revenue expenses rather than increasing contribution.

5) Contribution Analysis

The forecast has been updated for Jan-20 to reflect semester 2 recruitment and a comprehensive reforecast of staff costs was also undertaken.

The income forecast for the Schools portfolio is £138m, an increase of £1.9m compared to Dec-19. The change in forecast position reflects strong recruitment for semester 2 particularly for Overseas students. The Schools are forecasting to deliver £10.0m (7.8%) more than the outturn for 18/19. Overseas student income is forecast to grow by £3.1m (30%) year-on-year and overseas recruitment agency fees are expected to increase by £1.5m (87%) compared to 18/19.

The full year forecast for the Schools staff costs has been updated and is £868k less than budget reflecting savings made year to date and taking into account current recruitment plans; this is £4.8m more than the outturn in 18/19. Most significantly HSC is forecast to underspend by £937k compared to budget, and is already £627k behind budget for the first half of the financial year.

Net contribution from the Schools is forecast to increase by £3m or 3.9% year on year, to £78.9m although contribution percentage will decrease from 59% in 18/19 to 57% due to the forecast increase in total costs.

Contribution per School across Teaching, Research and Enterprise activities

E'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF	18/19 Actual	Jan 19/20 FYF
Income	£10.8	£11.2	£11.3	£11.2	£18.9	£19.9	£18.0	£23.0	£17.9	£19.0	£36.7	£37.5	£14.4	£16.3	£128.0	£138.0
Expenditure before space charge	£4.7	£5.2	£4.2	£4.7	£5.9	£7.4	£6.2	£8.1	£9.1	£9.4	£16.3	£17.6	£5.6	£6.8	£52.1	£59.1
Contribution	£6.1	£5.9	£7.1	£6.5	£12.9	£12.5	£11.8	£14.9	£8.8	£9.6	£20.4	£20.0	£8.8	£9.5	£75.9	£78.9
Contribution %age	56%	53%	63%	58%	69%	63%	66%	65%	49%	51%	56%	53%	61%	58%	59%	57%

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

E'millions	Applied Sciences		Arts and Creative Industries		Built Environment & Architecture		Business		Engineering		Health & Social Care		Law & Social Sciences		Total All Schools	
	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF	18/19 Actual	Dec 19/20 FYF
Teaching Income	£9.9	£10.1	£10.8	£10.5	£17.8	£18.5	£17.2	£20.7	£13.9	£14.8	£32.0	£34.1	£13.9	£15.5	£115.5	£124.2
Teaching Staff	£3.6	£3.8	£3.1	£3.2	£4.8	£5.5	£4.3	£5.1	£4.7	£4.8	£12.6	£14.7	£4.7	£5.5	£37.8	£42.7
Teaching Expenditure excl. space charge	£0.4	£0.5	£0.7	£0.6	£0.7	£0.9	£1.6	£1.9	£1.1	£0.9	£1.6	£1.8	£0.7	£0.8	£6.8	£7.4
Teaching Contribution	£6.0	£5.8	£7.0	£6.9	£12.3	£12.4	£11.2	£14.2	£8.1	£9.6	£17.8	£17.6	£8.5	£9.4	£70.9	£74.1
Staff cost as %age of income	36%	38%	29%	31%	27%	30%	25%	25%	34%	32%	39%	43%	34%	35%	33%	34%
Contribution %	60%	57%	65%	65%	69%	67%	65%	69%	59%	65%	56%	52%	61%	61%	61%	60%
Return on Academic Investment	167%	151%	225%	212%	253%	225%	258%	276%	174%	202%	142%	120%	180%	172%	187%	174%
Full Year Student FTE (actual + S2 budget)	1,007	1,053	1,189	1,104	1,879	2,078	2,096	2,439	1,380	1,444	3,961	3,974	1,546	1,732	13,058	13,824
Expenditure per FTE	£3,926	£4,127	£3,198	£3,473	£2,937	£3,100	£2,840	£2,889	£4,167	£3,894	£3,581	£4,160	£3,519	£3,623	£3,416	£3,624
Contribution per Stud FTE	£5,900	£5,500	£5,900	£6,200	£6,500	£6,000	£5,300	£5,800	£5,900	£6,600	£4,500	£4,400	£5,500	£5,400	£5,400	£5,400

The School of Business is forecasting an increase to teaching contribution of £3m (27%) compared to the 18/19 outturn, as a result of strong student recruitment in both semesters 1 and 2. Staff costs are only forecast to increase by 16% putting pressure on their staff student ratio. The Schools of Engineering and Law and Social Sciences are also forecasting significant increases in teaching contribution, £1.5m (18%) and £0.9m (11%) respectively.

The School Teaching budget was set using Staff / Student ratios and with a standard investment in Operating Expenses per student. Schools predominately offering courses categorised as "high-cost subjects" by the OfS receive more funding per student to compensate for the cost of providing specialised laboratory space and technical support. It is consistent with expectations that those Schools delivering a portfolio of courses biased towards "high-cost subjects" would have a higher contribution to cover the costs incurred by Estates and Technicians required to support delivery.

6) Student Number Analysis

At the end of Jan-20 we had 13,214 enrolled FTE and are 6% ahead of the year on year position. This is 303 more than last month due to semester 2 enrolments; there are 30 students who are waiting to complete the enrolment process (47 at the same time last year). In terms of the comparable position, in 18/19 we had 12,468 FTE and finished the year with a student body of 13,058.

The biggest increase is in new students which is up by 13%; most significantly the School of Business has seen growth of 43% in new student number (up by 5 percentage points compared to Dec-19), but a 7% decline in continuing students. Law and Social Sciences is showing a total increase of 12% compared to the same period last year, The School of Built Environment and Architecture is up 9% and Engineering by 7%.

[----- New -----]				
School	Jan-19	Jan-20	Change	% Change
ASC	444	504	60	14%
ACI	500	474	-26	-5%
BEA	831	908	76	9%
BUS	918	1,315	398	43%
ENG	569	678	110	19%
HSC	1,656	1,618	-37	-2%
LSS	746	886	140	19%
YTD Total	5,664	6,385	721	13%

[----- Continuing -----]				
School	Jan-19	Jan-20	Change	% Change
ASC	532	513	-20	-4%
ACI	647	652	6	1%
BEA	1,051	1,150	99	9%
BUS	1,069	989	-80	-7%
ENG	772	759	-13	-2%
HSC	1,958	1,947	-11	-1%
LSS	776	820	43	6%
YTD Total	6,804	6,829	25	0%

[----- TOTAL -----]				
School	Jan-19	Jan-20	Change	% Change
ASC	976	1,017	41	4%
ACI	1,147	1,126	-20	-2%
BEA	1,882	2,058	176	9%
BUS	1,987	2,304	318	16%
ENG	1,340	1,437	97	7%
HSC	3,614	3,565	-48	-1%
LSS	1,523	1,706	183	12%
YTD Total	12,468	13,214	745	6%

7) Student Withdrawal Analysis

Lost income due to drop-outs increased by £224k (8.9%) from £2,526k at the end of December to £2,750k at January month end. Headcount of drops has also increased during the month by 78 from 429 to 507, or 18.2%. This figure includes 41 students from CPPD, CEG and off-site collaborations – so the underlying head count is 466. (Off-site does not attract fee income in QLX.)

As compared to the equivalent position last year, there was a marginal increase in total lost income year-on-year from £2,731k to £2,750k, £19k or 0.7%.

We are continuing to perform better than last year in terms of lost income from Under Graduates; Jan-19 UG lost income was £2,368 compare to Jan-20 which is £2,264k, a increase of 4.4% - whilst headcount of drops increased by 8 or 2.0% compared to the equivalent period in 18/19.

PG drops have increased compared to the equivalent period in 18/19, continuing the trend from last month and are up 3.9% in headcount terms.

Interrupted and withdrawn student activity are broadly in line with last year's numbers. Head count is up by 4.6%, from 173 in 18/19 to 181 for Interrupts, and withdrawal activity has increased marginally year-on-year by 1.2% from 322 in 18/19 to 326 and by 1.4% in income terms.

In terms of income lost as a percentage of total billed income (£2.8m v £110m) the Schools portfolio lost 0.45% less income than the equivalent period in 18/19.

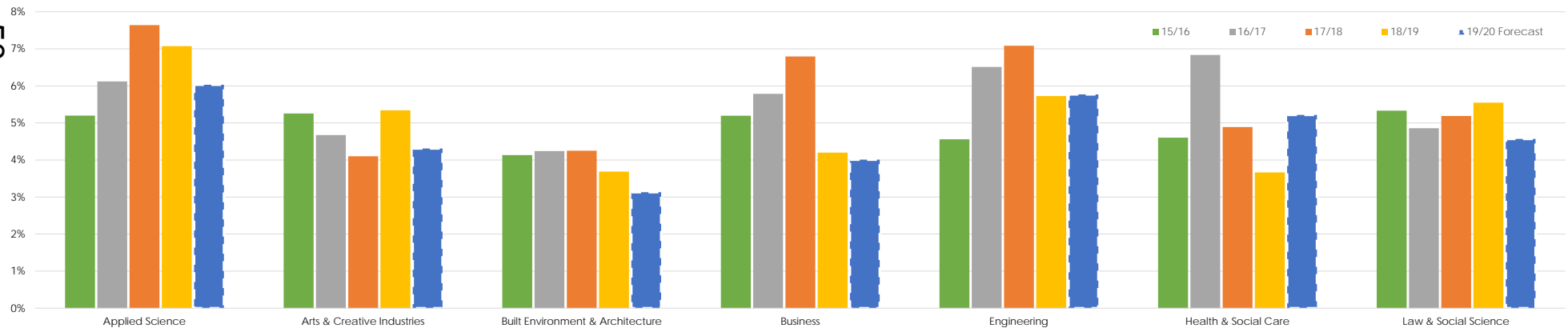
Lost Fee Income' in £000K	16/17 Actuals	17/18 Actuals	18/19 Actuals
Applied Science	552	653	603
Arts and Creative Industries	429	391	538
Built Environment & Architecture	616	601	558
Business	904	998	696
Engineering	834	815	659
Health & Social Care	232	482	715
Law & Social Sciences	647	652	722
Total	4,214	4,592	4,490

Forecast 19/20	% change 18/19 vs 19/20	Forecast % income lost by Jul 20	Last 4 year school average	Lost income as at Jan-20
559	-7.3%	6.0%	6.5%	383
422	-21.5%	4.3%	4.8%	244
521	-6.7%	3.1%	4.1%	349
805	15.6%	4.0%	5.5%	582
743	12.8%	5.8%	6.0%	353
1,375	92.3%	5.2%	5.0%	406
689	-4.6%	4.6%	5.2%	433
5,113	13.9%	4.7%	5.4%	2,750

Academic year	YTD withdrawals (incl. Interrupted)
16/17	510
17/18	464
18/19	495
19/20	507

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% of total income lost to drop-outs per year & forecast 19/20



"Lost income" is the difference between income generated at Enrolment and the amount retained at the end of the Year. The University receives funding for UG students in 3 tranches; 25% for Semester 1, 25% for Semester 2 and 50% for semester 3; if a student does not progress into the following semester then a refund is generated.

8) Income Analysis

YTD income remains significantly ahead of the 18/19 position particularly in terms of Home and EU UG income which is £12.6m (16.9%) ahead. £3.8m of this increase is because students who were funded through the Health Contract who are now paying their own fees. Home and EU PG income is up £2.8m (28.3%) and Overseas Tuition fees have increased by £3.5m (40.9%) compared to the equivalent period in 18/19.

Following a full review in Jan-20, income is forecast to be £158.3m for the year. This is an increase of £3m compared to December's forecast, £6.2m more than budget and £9.2m (6.2%) more than the 18/19 outturn.

£2.3m of this increase is attributable to second semester student recruitment, and a further £1.8m is due to OfS grant income. These are offset by reduced forecasts for Enterprise, down £450k on the Dec-19 forecast position, and Research down £443k. The latter due to the TWI Innovation Centre revising down their potential funding income as a consequence of a lower volume of bid submissions and slower decision making by funding bodies.

YTD Research income is £42k (1.3%) behind the budgeted position for Jan-20 but £393k (14%) ahead of the same period in 18/19. Despite revising the forecast down by £443k, the University is expecting to deliver £1.09m (18.1%) more than in 18/19. Enterprise income as at the end of Jan-20 was £223k (7%) more than the same period in 18/19 but £658k (16%) behind budget. The revised forecast is £519m (5%) lower than the outturn for 18/19 and £709k (7%) lower than budget.

9) Staff Cost Analysis

In terms of recurring staff cost, we have revised our forecast down by £1.9m to £87.5m this month. Excluding restructuring costs, the University has spent £964k (2%) less than budget for the first 6 months of the year. The majority of YTD staff savings are in the Schools portfolio: the Schools of Health and Social Care, and Built Environment and Architecture are particularly behind in terms of spend, £672k and £407k respectively.

Excluding FUNI and Lambeth costs (which should be recharged to the college by the end of the year), the PSGs are collectively on budget for the first half of the year. However, there is a large underspend in TWI (£255k) which is offsetting overspends in other areas. In particular ICT, Estates and Residences, Marketing, and Legal are overspent and unlikely to deliver to budget.

Year-to-date Third Party costs are overspent by £632k (48%) as some areas are employing LSBU agency staff or contractors to cover vacancies, particularly in ICT, Finance and Student Support. The run rate for the last three months remains considerably lower than the average spend during the first 3 months of the year. The full-year-forecast has increased to £2.9m.

Recurring staff costs are £2.4m (5.8%) more than for the comparable period in 18/19. The spend on Academic staff cost is £521k (2.6%) higher compared to the same period in 18/19, which is to be expected given the increase in TSA pension costs. Support staff costs have also risen year-on-year and are £1.2m (6.3%) more than the equivalent period last year.

10) Operating Expense Analysis

Currently we are reporting an underspend of £482k or 2.1% YTD for Operating expenses vs budget and have incurred £736k (3.4%) more costs than for the comparable period in 18/19. A significant increase relates to the overseas agency fees relating to semester 1 recruitment which is driven by increased Overseas student Numbers and a higher finders fee per student.

We have increased our forecast spend by £2.9m to include £2m to cover the set-up and rental costs for the Portakabins and Tabard Street, and an additional £1m for overseas recruitment agency fees. The full year forecast for 19/20 is now almost exactly the same as the total outturn for 18/19, but excludes any spend on OPEX from the Investment Pot.

11) Interest Payable

Interest payable is £460k over budget. The overspend relates to the interest costs on the novated loan from Lambeth College that will be recharged as a Management fee to SBC at the end of the financial year. The forecast for the year remains as per the budget.

12) Exceptional Items

The forecast for Exceptional Items has increased by £2m to £5.1m. This is made up of £4.5m for the Revenue Investment pot and £0.5m for the Research Investment pot.

The Executive has approved £1.2m of expenditure against this balance through the business case process (including £400k earmarked for the Cairo business case) leaving £3.2m available for investment in revenue projects or to increase contribution. 100% of the Research Investment pot has been allocated.

13) Budget Analysis

The University operates on a Portfolio basis so members of the Executive are expected to manage their portfolio as a whole and if one area requires additional funds this can be generated by reducing investment in another area of the Executive's responsibility. Where it is anticipated that an Executive's consolidated portfolio will not deliver its budgeted contribution, an application for funding from the Investment post should be made via a business cases to the University's Executive.

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2019 To The End Of January 2020

SMT Area: All

Cost Centre: %



Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Note	Full year Forecast less Actual YTD (£)
			2019 Forecast (£)	2019 Budget (£)	Variance - Forecast to Budget (£) %		2019 Actuals (£)	2019 Budget (£)	Variance - Actuals to Budget (£) %			
-149,049,467	-117,368,662	Total Income	-158,264,194	-152,100,000	6,164,194	4%	-132,652,484	-123,185,637	9,466,847	8%		-25,611,709
85,203,850	41,213,009	Total Staff Costs	88,951,096	90,930,267	1,979,171	2%	43,311,086	44,177,976	866,891	2%		45,640,010
9,352,180	4,455,586	Total Depreciation	10,500,000	10,500,000		%	4,148,534	4,181,188	32,655	1%		6,351,466
47,234,281	21,425,799	Total Other Operating Expenses	47,174,642	44,456,527	(2,718,115)	(6.1%)	22,161,777	22,643,386	481,608	2.1%		25,012,865
4,360,146	2,013,862	Total Interest Payable	3,532,906	3,532,906		%	2,314,636	1,854,688	(459,948)	(25%)		1,218,270
		Total Exceptional Items	5,105,549	1,180,300	(3,925,249)	(333%)						5,105,549
		Total Internal Allocations							(280)			-280
-2,899,009	-48,260,406	Contribution	-3,000,000	-1,500,000	1,500,000	100%	-60,716,172	-50,328,399	10,387,773	21%		57,716,172
57.2%		Staff costs as % of income	56.2%	59.8%			32.7%	35.8%				
1.9%		Contribution %	1.9%	1.0%			45.8%	40.9%				

CONFIDENTIAL	
Paper title:	Annual Wellbeing, Health, Safety and Resilience Report 2018/19
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Ed Spacey, Head of People and Organisation Compliance Annie Jennings, Head of Wellbeing Sven Harris, Jack Newing, Annie Yau, Wellbeing, Health Safety and Resilience Team
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Information
Recommendation:	The Board is requested to note the annual report.

Executive summary

The following report is designed to relate to the University; however, in the future, the intention is to provide a combined Group annual report.

The report outlines the key wellbeing, health, safety, and resilience activities, statistics and major events supported during the reporting period at London South Bank University (LSBU). This includes information on the extensive work carried out by the University's wellbeing, health, safety and resilience staff who have provided support to colleagues across the University to promote health and wellbeing for staff and students, as well as working to improve the University's impressive safety record during a time of significant development.

Some of the critical highlights delivered over the last year concerning health, safety and wellbeing include:

- The launch of the new mental health champions across LSBU and the new external "Access to work mental health support service" in addition to existing Employee Assistance Scheme
- Further embedding fire safety by delivering training to additional staff and reviewing fire safety arrangements in light of the Bolton University Fire;

- Increasing Health and Safety awareness by introducing and promoting new an online training resource which is available to all staff and includes 80+ safety videos
- Successfully managed 30 out of hours Emergency Planning Incidents and arranging the external testing and verification of Emergency Incident Plans, and supporting contingency plans such as the successful deployment of “Back up Call Centre” during Clearing

Wellbeing, Health, Safety and Resilience Report 2018/19

Staff Wellbeing Conference



Staff Choir



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1.0 Summary

Wellbeing, Health, Safety and Resilience continued to evolve and develop across the University, during the academic year 2018/2019. This has been achieved through significant programmes of:

- Wellbeing activities and events including mental health awareness;
- Health and Safety related training for staff and students both face to face and online;
- Resilience exercises, Business Continuity review and Gold Commander Training.

1.1 Our achievements:

- Launched Mental Health Champions across LSBU;
- New external “Access to work mental health support service” in addition to the existing Employee Assistance Scheme;
- Successful staff wellbeing conference with increased attendance from the previous year;
- 15% increase in the uptake of free staff influenza vaccinations (2019 vs 2018);
- Continued to embed fire safety, delivering training to additional staff and reviewing fire safety arrangements in light of the Bolton University Fire;
- Advised the Transition Joint Executive Group in providing safety technical advice and direct professional support to Lambeth College, and subsequently in day to day safety integration issues;
- Transformed Display Screen Equipment awareness, embedding knowledge and safe working practices wider than just former DSE Assessors;
- Launched and promoted an online toolkit resource available to all staff of 80+ safety videos;
- Provided guidance and support to areas undergoing external health and safety audit, e.g. Academy of Sport. (Resulting score of 94%, 19% higher than the national average);
- Successfully managed 30 out of hours Emergency Planning Incidents;
- External testing and verification of Emergency Incident Plans, and introduction of new Business Continuity Templates;
- Successful deployment of “Back up Call Centre” during Clearing.

1.2 Our challenges:

- Embedding a safety culture;
- Establishing consistent safety practice across the wider Group.

2.0 Wellbeing and Health

2.1 Staff Wellbeing

2.1.1 LSBU conducted a benchmarking exercise Nov 2018 – Feb 2019 with 6 organisations from different sectors in order to identify and implement best practices:

Bougues UK Ltd - Construction and Estates;
Management Macquarie Group Ltd - (Merchant Bank);
Bank of England;
London Fire Brigade;
Richmond & Wandsworth Council;
Greater London Authority.

2.1.2 The results of these discussions and shared learning sessions highlighted that LSBU's has a well-developed wellbeing programme and offers an extensive range of wellbeing initiatives to staff, despite having access to less resources as compared to some of the bigger companies.

2.1.3 We raised the profile of LSBU by hosting a community event on the topic of Ageism, in collaboration with Age UK London. The event was sold out with 120 attendees and focused on the prejudices which older people face and the impact this has on organisations. Thereafter a workshop was held for LSBU staff which utilised a series of interactive exercises to identify their unconscious attitudes towards ageing.

2.1.4 The annual free flu jab campaign commenced in October 2019 and saw a 15% increase in vaccinations for staff, compared to 2018. With a 100% take-up of purchased vaccines, this event continues to be one of the most popular which we deliver.

2.1.5 Staff engagement continues to be promoted through social events such as the annual summer wellbeing barbecues for the Staff Networks and is attended by over 200 members of staff.

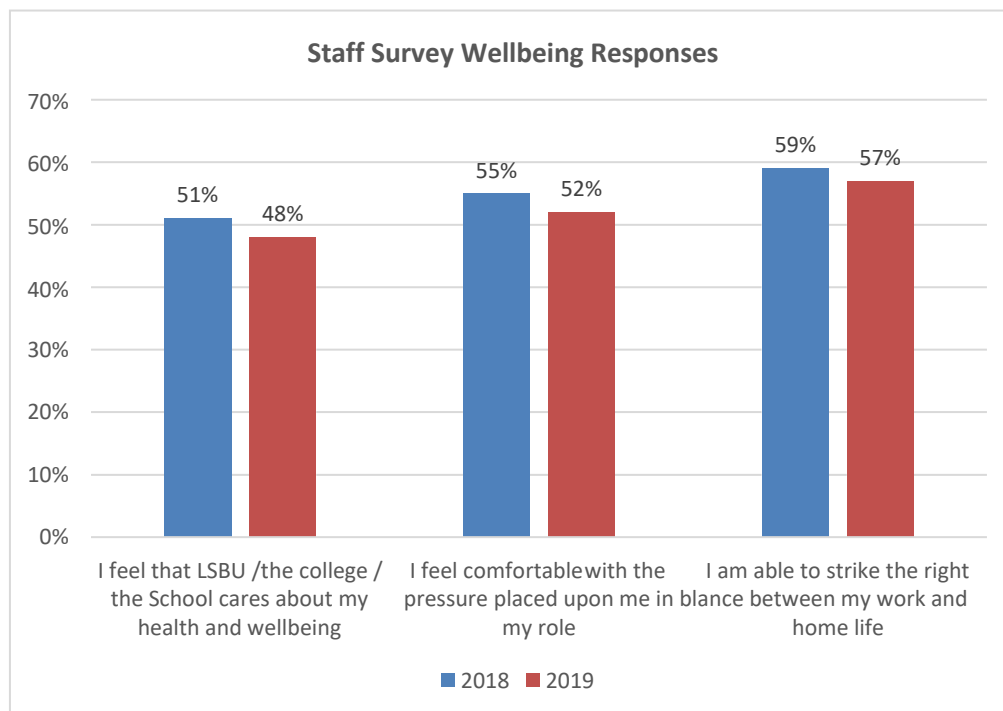
2.1.6 The Annual Wellbeing Activity Day was held on 10 April 2019 and colleagues from Lambeth were welcomed for the first time. A highlight of the event was the launch of a pilot corporate wellbeing programme that included an application for staff to track their activity, sleep and emotional wellbeing. Technical issues around the digital platform and system compatibility issues frustrated the user experience and meant interaction with the App tailed off. This meant insufficient data was available to make any meaningful analysis on the effectiveness of the app or provide insights into staff wellbeing.

2.1.7 In our continuous efforts to develop mental health awareness, we have introduced a Mental Health Champion scheme that includes proposals on mental health awareness training across the organisation and a network of Mental Health Champions. This will be supported by our Dignity at Work Advisors and Health & Wellbeing

Champions, whose schemes are being reviewed and refreshed. This commenced with a new communications campaign to recruit new volunteers launched in Nov 2019.

2.2 Staff Survey

2.2.1 The 2019 staff survey saw a slight decrease in scores for wellbeing.



2.2.2 The Universities Resilience & Managing Workplace Stress Policy continues to provide a toolkit for investigating work-related stress, including a stress risk assessment that staff can request to have done, providing an avenue for individuals to raise concerns and seek a resolution with their line manager under guidance of HRBPs.

2.2.3 A new Group-wide stress survey is planned to take place in late 2020.

2.3 Sickness absence

2.3.1 Sickness absence data is aligned to the Universities and Colleges Employers Association (UCEA) reporting standard and is based on the current sickness absence recording system. The latest data across the sector from UCEA for 2018/19 stands at 6.2 days on average per employee, and 4.8 days by region for London and South East. The figure for LSBU is 3.1 days and remains lower.

2.3.2 Figures from UCEA continue to indicate significant under-reporting of sickness absence in universities overall especially among academic staff, and this may be reflected in our data where two schools and one PSG (Sch. of Business and Sch. of Law & Social Sciences, International PSG) report sickness absence rates below 1 day per full time equivalent in 2018/19. Absence level statistics are discussed and disseminated at the Health and Safety Joint Committee in order to work to address issues.

- 2.3.3 Mental health (including stress) remains the main cause of sickness absence identified in the UCEA data at 25.6% (an increase of 4.4% from 2017/18). At LSBU figures for mental health including stress stands at 11.6%, which although lower than the UCEA average, still makes it one of the top three reasons for sickness absence The Wellbeing Advisor is continuously working with the EDI and OD teams to develop a strategy and programme to improve awareness, earlier interventions, and support service engagement.
- 2.3.4 In 2018/19 recorded sickness absence with no detailed identifiable reason recorded remains under 10%, in keeping with last year's figures. This also implies that more work is needed to ensure that Line Managers appropriately record absence reasons.
- 2.3.5 The top three reasons for sickness absence in 2018/19 were Cold/Cough/Flu (16.8%), unidentifiable reason (9.9%), followed by Operation/recovery/medical (8.5%)
- 2.3.6 Cold/Cough/Flu and Operation/recovery/medical remain in top three causes from last year, see tables 2.3.3 to 2.3.5 for more details.
- 2.3.7 Musculoskeletal absence no longer features in the top three causes of either short term or long term absence.
- 2.3.8 The Professional Service Groups with the highest level of sickness absence per full-time equivalent staff are Academic Related Resources (ARR) and Research Enterprise and Innovation (REI) with 5.8 days. This is a decrease for ARR from 8.1 days and an increase for REI from 2.2 days in 2017/18.
- 2.3.9 Student Support (SS) and Technical Services are the second areas with the highest levels of reported sickness absence per full-time equivalent at 5.7 days. See table 2.3.6 for more details.
- 2.3.10 Two areas that have seen a significant reduction in their reported sickness absence are Teaching Quality and Enhancement (-11.8 days per FTE) and School of Business (-7.9 days per FTE) both due to a significant decrease in long term sickness absence.
- 2.3.11 The area with the largest increase in absence reporting was REI +3.6 days per FTE, followed by School of Arts & Creative Industries at +1.9 days per FTE, mostly due to increases in long term sickness absence. Four PSGs and three schools recorded no long term sickness absence during 2018/19.

Table 2.3.1 Summary of sickness absence for the three years

Period	01/08/16 - 31/07/17	01/08/17 – 31/07/18	01/08/18 – 31/07/19
No of working days reported sick	5655.5	6352.9	3868.8
Average no of days sickness per staff full-time equivalent.	4.6	4.8	3.1
No of occasions sickness absence	1063	1153	970
% Sickness days due to Stress	2.5	15.6	5.6

2.3.12 Figures for sickness absence are lower than 2017/18. Most notably, figures for stress are significantly lower. Higher figures for 2017/18 were accounted for through better reporting. However, higher levels of agile working to accommodate reduced working space may have led to under-reporting of stress & sickness overall and account for a drop in recorded instances.

2.3.13 The number of staff recording stress sickness absence is 21, an increase of UCEA figures indicate stress-related absences range between 3.5% for senior management to 18.5% for academic staff.

Table 2.3.2 Number of PSG/School staff reporting stress sickness absence in days

PSG/School	Short Term	Long Term	Total
PSG - Academic Related Resources & Support	24		24
PSG - Estates and Academic Environment	6		6
PSG - People and Organisation	2		2
PSG - Student Support and Employment	31	70	101
PSG – Technical Services	7		7
School of Applied Sciences	8	22	30
School of Health and Social Care	30		30
School of the Built Environment and Architecture	16		16
Total	124	92	216

2.3.14 The long-term stress sickness absence figure primary relates to a small number of individuals. The figure 70 for PSG Student Support and Employment consist of 2 people, and School of Applied Science figure of 22 relates to 1 person

Table 2.3.3 Top three reasons for sickness absence comparison of 2017/18 & 2018/19

Reason	2017/18 Total (days & percentage)		2018/19 Total (days & percentage)	
Stress	992.1	15.6%	Not in top 3 reasons 2017/18	
Operation, recovery & medical	940.7	14.8%	330	8.5%
Cold, cough, flu	842.5	13.3%	649.9	16.8%
No Identified reason	Not in top 3 reasons 2018/19		385	9.9%

Table 2.3.4 Top three reasons for short term sickness absence comparison of 2017/18 & 2018/19

Reason	2017/18 Short Term (days & percentage)		2018/19 Short Term (days & percentage)	
Cold, cough, flu	842.5	23.6%	649.9	24.8%
Stomach, digestive & gastrointestinal problems	564.2	15.8%	305	8.2%
Operation/recovery/Medical appointment	473.7	13.3%	Not in top 3 reasons 2017/18	

Other/unknown	Not in top 3 reasons 2018/19	213.9	11.7%
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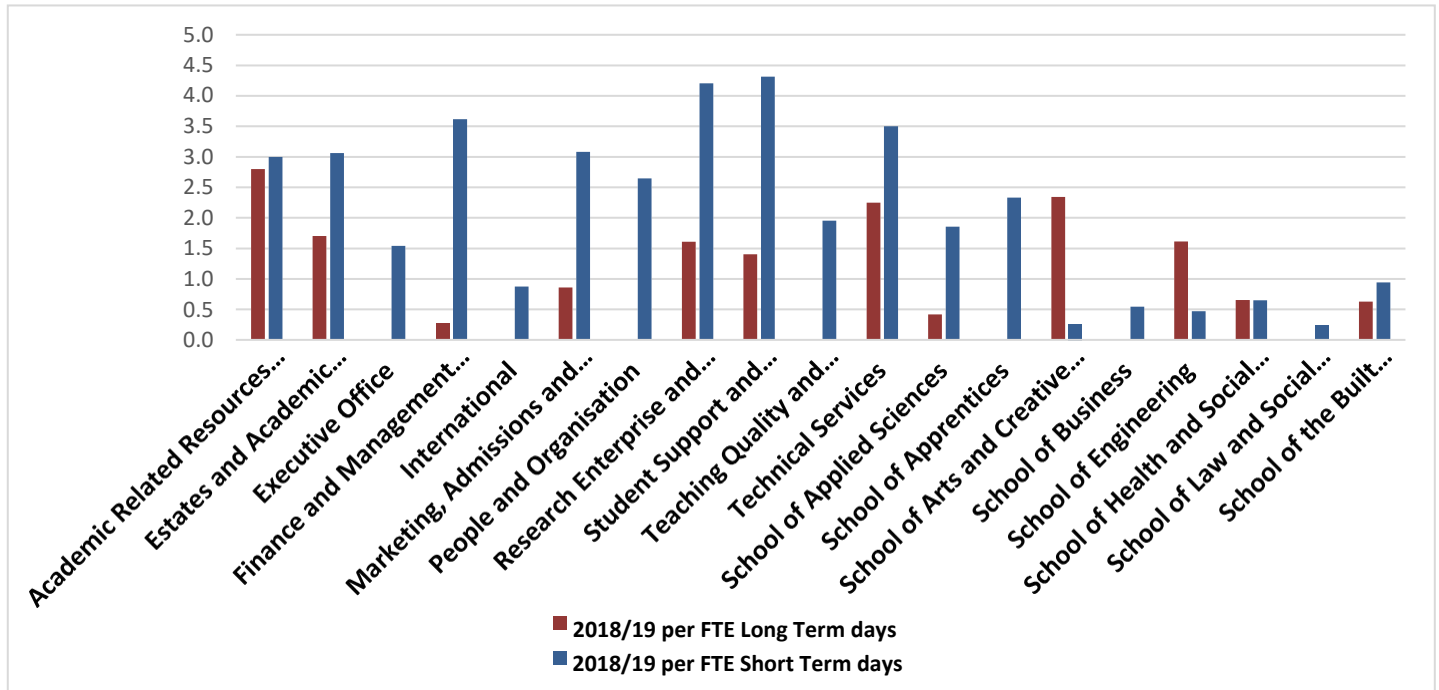
Table 2.3.5 Top three reasons for long term sickness absence comparison of 2017/18 & 2018/19

Reason	2017/18 Long Term (days & percentage)		2018/19 Long Term (days & percentage)	
Stress	885	31.8%	Not in top 3 reasons 2017/18	
Operation, recovery & medical	467	16.8%	182	14.6%
Musculoskeletal	384	13.8%	Not in top 3 reasons 2017/18	
Genitourinary and gynaecological disorders, excl pregnancy	Not in top 3 reasons 2018/19		140	11.2%
No identified reason	Not in top 3 reasons 2018/19		228	18.6%

Table 2.3.6 2017/18 & 2018/19 Comparison of FTE Short & Long Term Sickness Absence

Professional Service Group / School	2017/18 per FTE			2018/19 per FTE			Change 17/18 to 18/19 days
	Short Term days	Long Term days	Total days	Short Term days	Long Term days	Total days	
Academic Related Resources & Support	3.8	4.3	8.1	3.0	2.8	5.8	-2.3
Estates and Academic Environment	3.6	2.1	5.7	3.1	1.7	4.8	-0.9
Executive Office	2.2	0.8	3	1.5		1.5	-1.5
Finance and Management Information	2.9	0.7	3.7	3.6	0.3	3.9	0.2
International	0.4	-	0.4	0.9		0.9	0.5
Marketing, Admissions and Communications	1.9	4.6	6.5	3.1	0.9	3.9	-2.6
People and Organisation	2.6	-	2.6	2.6		2.6	0.0
Research Enterprise and Innovation	2.2	-	2.2	4.2	1.6	5.8	3.6
Student Support and Employment	6.2	1.5	7.7	4.3	1.4	5.7	-2.0
Teaching Quality and Enhancement	4	9.7	13.8	2.0		2.0	-11.8
Technical Services	-	-	-	3.5	2.2	5.7	No data
School of Applied Sciences	2	0.5	2.5	1.9	0.4	2.3	-0.2
School of Apprentices	-	-	-	2.3		2.3	No data
School of Arts and Creative Industries	0.7	-	0.7	0.3	2.3	2.6	1.9
School of Business	2.3	6.2	8.4	0.5		0.5	-7.9
School of Engineering	0.8	-	0.8	0.5	1.6	2.1	1.3
School of Health and Social Care	2.4	3.4	5.8	0.6	0.7	1.3	-4.5
School of Law and Social Science	4.6	-	4.6	0.2		0.2	-4.4
School of the Built Environment & Architecture	0.6	-	0.6	0.9	0.6	1.6	1.0

Graph 2.3.1 2017/18 Staff Sickness Short & Long Term Absence per Full-Time Equivalent. Note: Student Services are listed as a separate PSG in line with suggested HSJC requirement. While they come under the remit of Academic Related Resources, it is recognised that the service they provide has its distinctive remit.

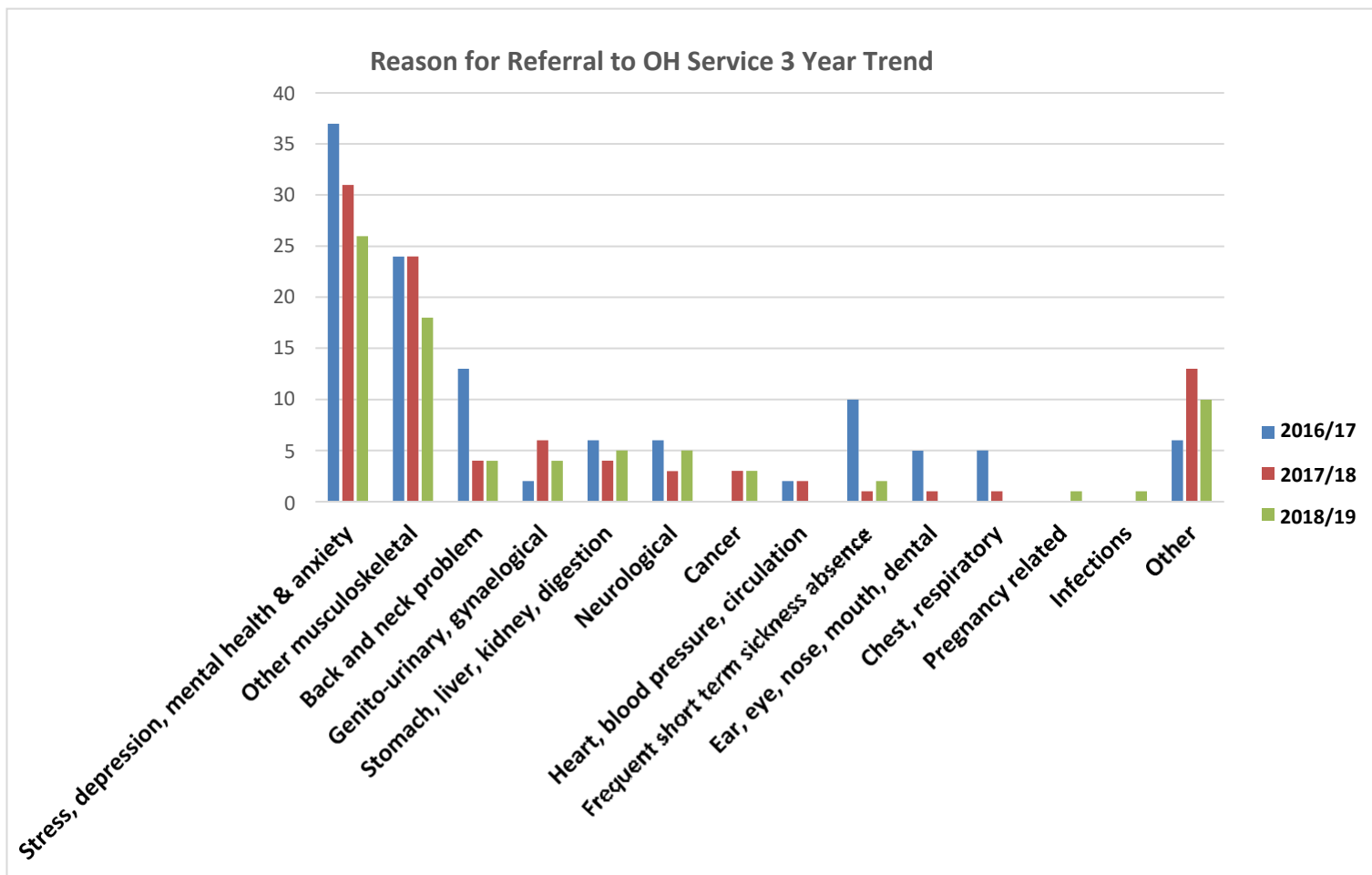


2.4 Occupational Health

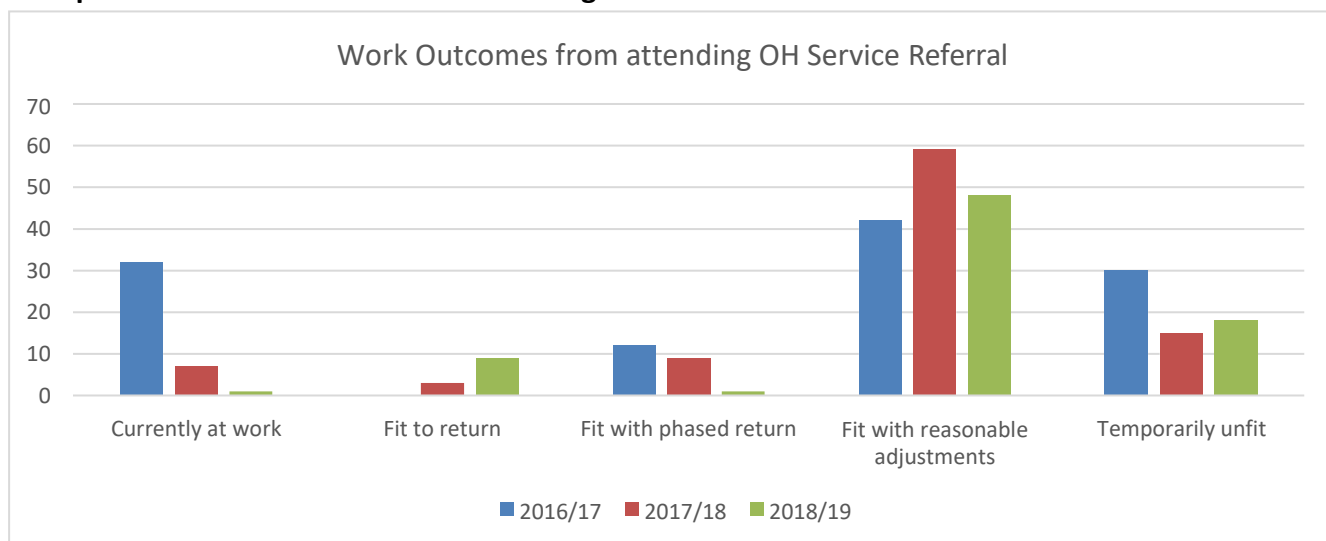
2.4.1 The number of referrals to OH has seen a year on year decline. This may be because Line Managers are not sufficiently aware of the benefits of early referral and only use as a last resort, or are not recording absences appropriately. The OH contract is due to be re-tendered in early 2020. Part of the specification will be improved communications, and a direct referral pathway by line managers to streamline the process, improve the accessibility and efficiency of the referral pathway.

2.4.2 The majority of reasons for referral to the OH service remains to be stress and musculoskeletal issues. The wellbeing adviser continues to work with colleagues on projects aimed at reducing these issues.

Graph 2.4.1 Reason for Referral to OH Service



Graph 2.4.2 Work outcome from attending OH service referral



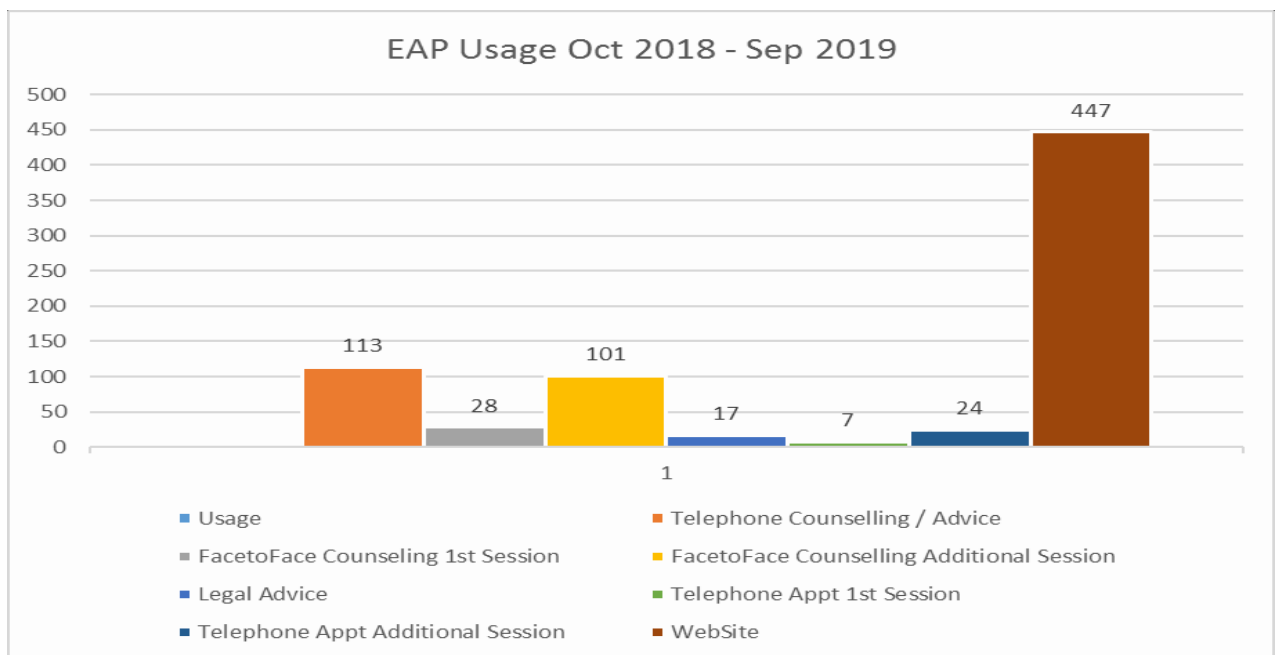
2.4.3 77% of staff are either currently fit or fit to attend work with phased or reasonable adjustments in place, which is lower than the previous year's figure of 84%.

2.5 Employee Assistance Programme (EAP)

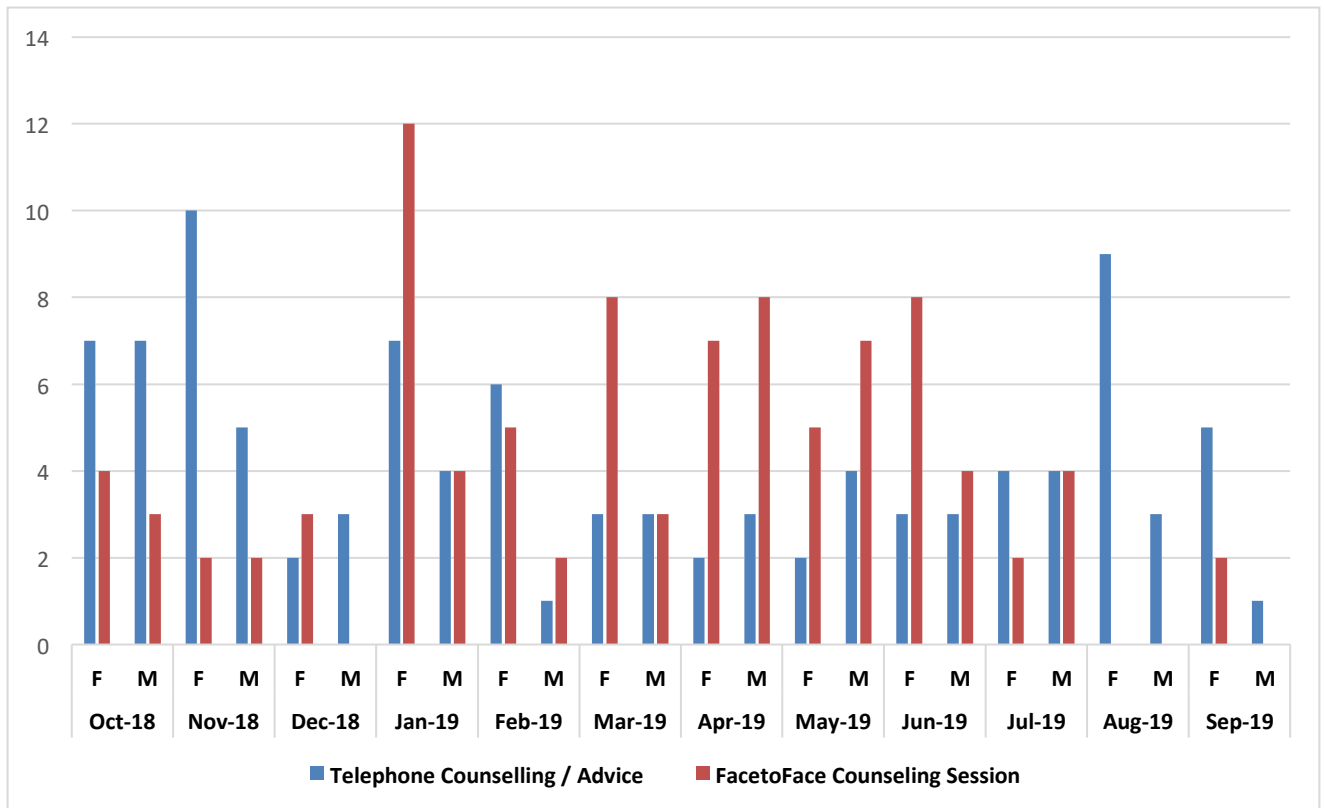
2.5.1 Employee Assistance figures covering the period of Oct 2018 to Sep 2019 show the majority of interaction with the EAP continues to be via the website where staff have accessed information 447 times which is down on last year's figure of 615. Graphs 2.5.3 – 2.5.4 show the usage during this period. Mental health & Cognitive Behavioural Therapy (CBT) Support remain the keys reasons for access at 26% and 29% of website usage, respectively.

2.5.2 Campaigns have begun to increase awareness, generate greater publicity, and improve engagement figures. This includes wellbeing drop-in sessions, development of mental health champions network, mental health training programme.

Graph 2.5.3 EAP Usage Oct 2018 – Sep 2019

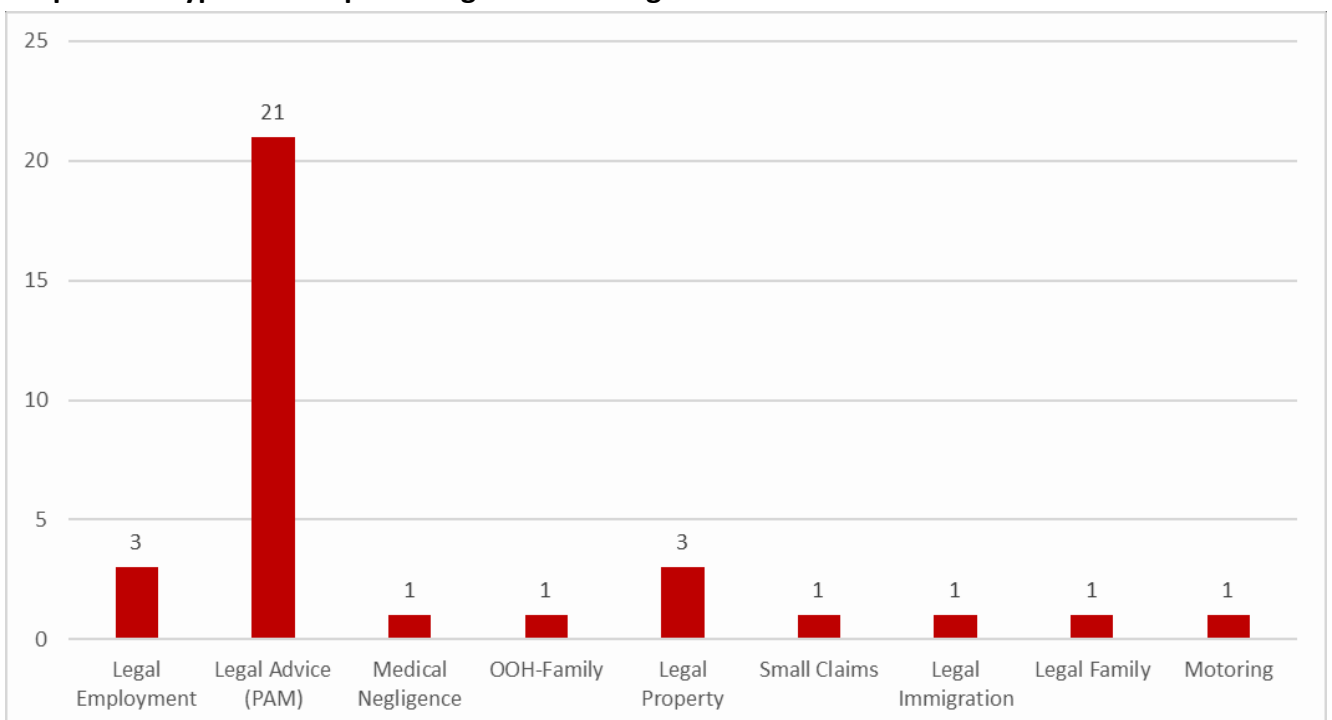


Graph 2.5.4 shows the gender split of staff who accessed the EAP counselling service either by telephone or face-to-face



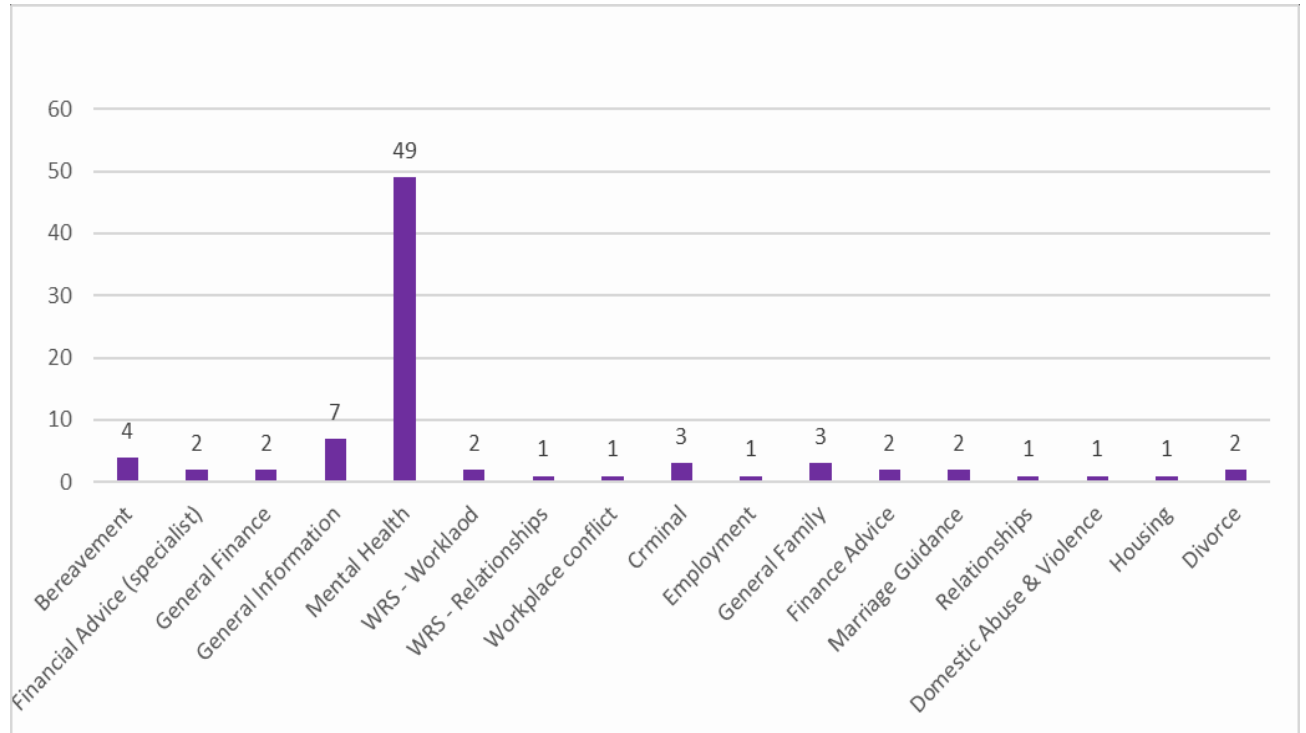
2.5.3 The information has been provided on the type of advice being sought through the telephone service, and details are provided in graph 2.5.6 The majority is for 'support advice' followed by 'employment' and 'property'.

Graph 2.5.6 Types of Freephone legal advice sought



2.5.4 The final graph provides details of the other free telephone call service provided by the EAP. Mental health remains the reason for the majority of calls and continues to highlight the importance of the EAP provision. The mental health figure on the graph 2.5.3 is a slight increase from last year's figure of 37.

Graph 2.5.3 Other types of Freephone advice sought



2.6 Student Mental Health and Wellbeing

2.6.1 This summary has been provided by Head of Student Wellbeing, Student Services

Key Information	17/18	18/19	change
MHWB Appointments booked	1744	1964	+12.5%
Number of individual students attending at least one appointment	666	815	+22.5%
Number of individual students who had some individual contact with the team (i.e. email, phone call, booked appointment but did not attend, attended appointments)	(not recorded)	1123	n/a
Number of students who were referred to counselling provider Mind	292	255	-12.5%
SilverCloud (online skill-based support)	410	642	+56.5%

18/19 saw a further significant increase in demand for emotional and mental health support

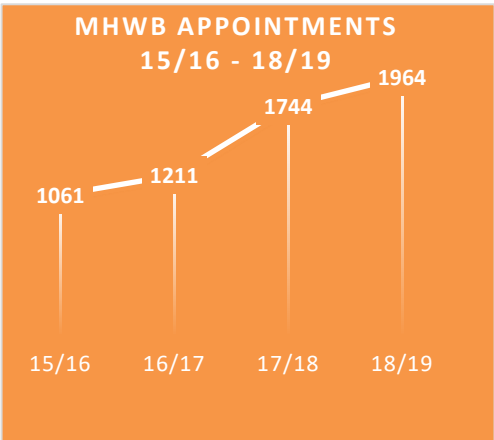
In addition to the **815** students who accessed at least one appointment, a further 308 students had contact with the team, such as email support, phone call or a booked but missed appointment bringing the total number of students contacted for individual support to **1123**.

Demand for online support also significantly increased with 642 students accessing online skills-based platform SilverCloud.

There was a slight reduction in students being referred to counselling support, the team's view on the reason for this overall reduction is that many students that were seen in the 18/19 academic year required specialist statutory support due to the complexity of their need, and so were referred to NHS services.

In addition to student appointments, the team also delivered whole population interventions such as weekly Wellbeing Wednesday and University Mental Health Day. The team also delivered staff training both via MyWorkplace and in response to bespoke requests from schools and course teams and delivered embedded wellbeing content within taught modules on several courses.

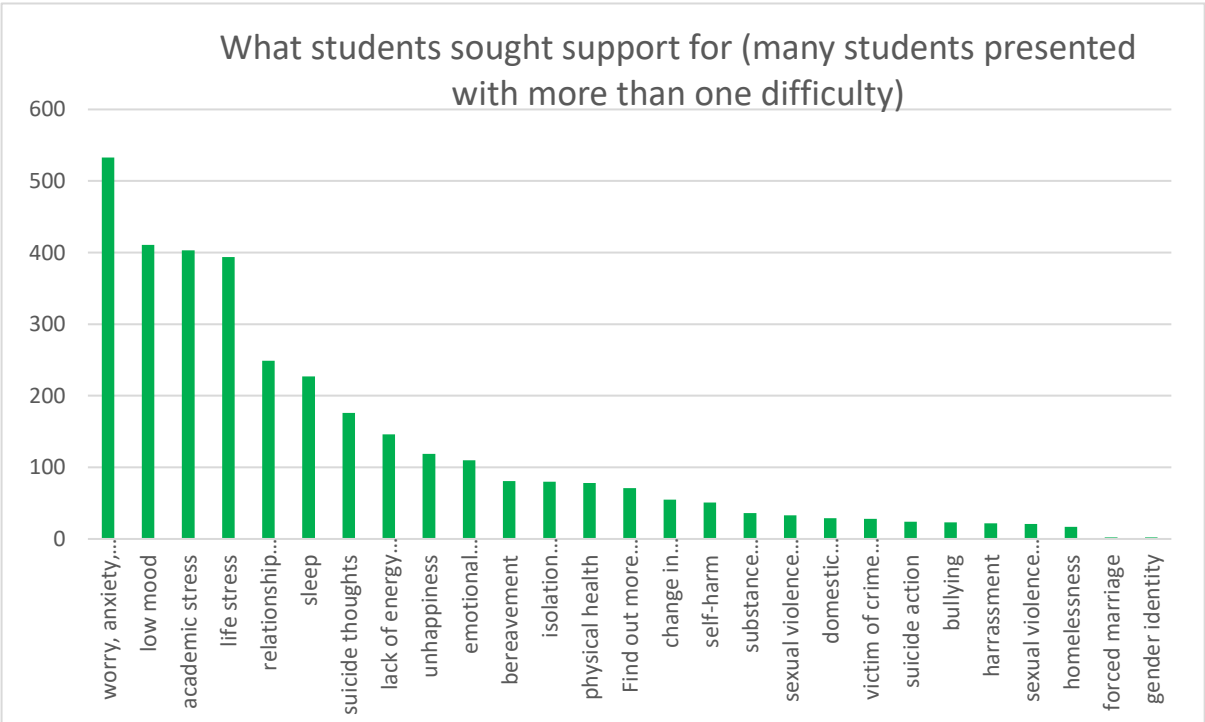
Overall there has been an **85% increase in demand** for appointments between 15/16 and 18/19.



2.6.2 Students continue to present to the team for support with a wide range of complex emotional and mental health difficulties, and distressing circumstances and life events.

The team accepts student self-referrals as well as referrals from staff

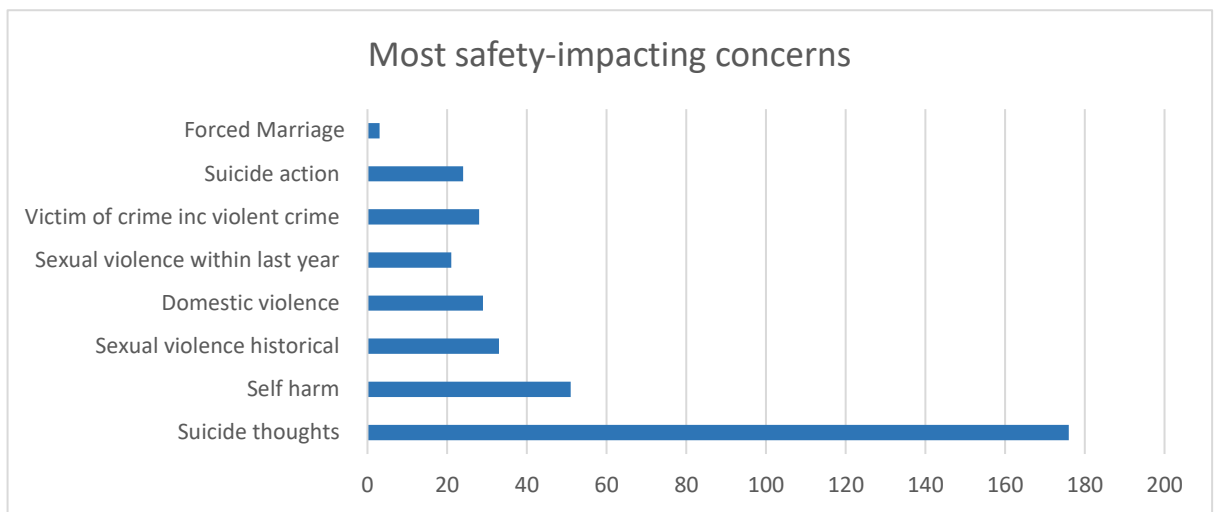
The team transparently and assertively follow up with students where there has been a concern raised about their emotional or mental health or safety – either from an internal source such as a staff member or a fellow student or from an external source such as a friend, family member or frequently NHS service provider.



2.6.3 Many of the issues students are experiencing that directly impact on their safety:

- 176 students who sought support last year were experiencing some thoughts of suicide.

- 24 students took action to end their life but did not die.
- 54 sought support for sexual violence and 29 for domestic violence



2.6.4 The team continue to support students and liaise with and refer to external service providers as appropriate. This includes specialist domestic and sexual violence support services, and primary, secondary and tertiary NHS mental health services.

All team members have completed Sexual Violence Liaison Officer training, with sector leader LimeCulture, ensuring an appropriately supportive, professional, and boundaries response to both contemporary and historical sexual violence reports.

The Head of Wellbeing is working with London Higher on a pan-London project to ensure a robust and consistent response to mental health difficulties for students.

The Head of Wellbeing is working with the South London Mental Health Community Partnership (3 South London Mental Health Trusts South West London and St Georges' NHS Trust, South London and Maudsley NHS Foundation Trust, Oxleas NHS Foundation Trust) and several other HE providers in South London to develop a South-London collaboration between universities and the NHS. The plan is to develop a single point of referral for university services to be able to refer students for NHS assessment and/or intervention.

2.65 Safety Concern Response

This is a fortnightly cross-university action focussed group, chaired by Head of Wellbeing, with representatives from Security, Accommodation, and Health & Safety.

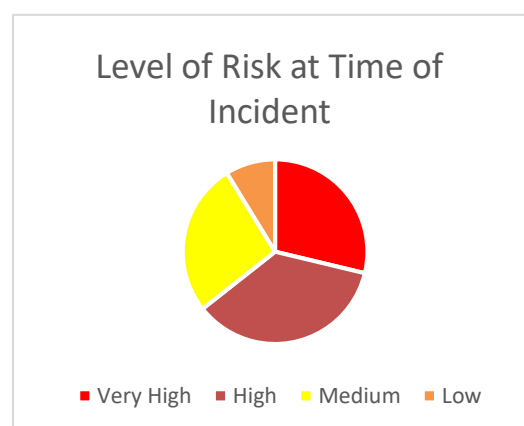
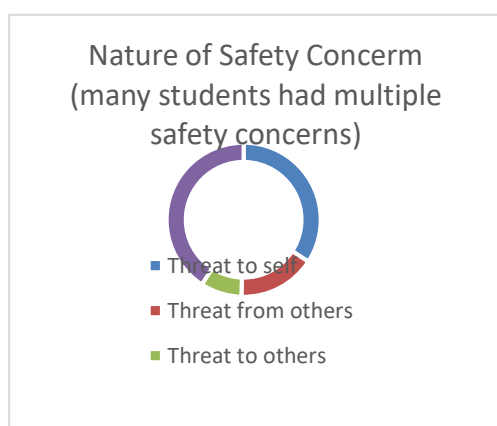
To be used to identify level of risk at time of incident and then to review current level of risk			
Very High	High	Medium	Low
High risk of severe (potentially lethal) harm to self or others. Likely to require emergency services. Extremely concerning behaviour.	Likely to require multi-agency liaison. Has potential to become more risky if actions not taken.	Significant concerns about personal safety/safety of others, may require multi-agency/external involvement, or may be supported in house.	May still be of significant concern but situation unlikely to cause physical harm to student or others. May not need non-LSBU action.

Only student cases requiring a cross-institution response are discussed, with a clear focus on action to mitigate risk and reduce safety concerns.

Moving forward, a student disciplinary colleague will join the group membership.

Cases are discussed, and level of safety concern rated at the time of the incident and to review the current level of risk with further action identified to reduce the level of risk further if possible.

	17/18	18/19	change
Number of cases brought/discussed	116	160	+ 38 %
% cases related to self-harm or suicide thoughts/behaviour	30%	28%	-6.5%
% of students living in halls	53%	62%	+17%
% of students "very high" at time of incident	42%	29%	-31%



3.0 Health, Safety and Resilience

3.1 Legislation

There were no Health and Safety Executive (HSE) visits and one Fire Brigade familiarisation visit during the 2018/19 academic year and to date.

There were no enforcement notices or prosecutions served on the University.

3.2 Incidents/Accidents

The Health, Safety and Resilience Team have continued to provide support and response for incidents and accidents that have occurred, carrying out investigations where necessary and ensuring accurate accident and incident recording on the OSHENS system and RIDDOR reportable accidents are reported directly to the HSE

3.2.1 Below are details of the incidents for 2018/19 and a comparison with previous years' data. There were 3 RIDDOR reportable accidents in 2018/19.

For brief details of the RIDDOR reports, incidents see table 3.2.3.

Table 3.2.2 RIDDOR accidents reported during 2018/19 and previous years

Person / Year	2016/17	2017/18	2018/19
Staff	1	-	2
Student	2	2	1
Contractor	-	-	-
Customer / Member of Public	2	-	-
Total	5	2	3

Table 3.2.3 Details of the reportable incidents for 2018/19

RIDDOR Category	Details
Over 7 days of absence	A staff member's foot had fallen through the floor electrical socket power box during the cleaning up of an event causing an injury that resulted in over 7 days of absence from work.
Non-fatal accident to non-worker	A PhD Student cut his hand while trying to push open a single pane glass window, causing it to break and cause the injury. After receiving first aid from Security, he took a taxi to the hospital.
Bone fracture/break	A staff member tripped up a flight of stairs and broke their wrist as they landed. There was no root cause and the affected person admitted fault.

3.2.4 The below table compares our accident reporting data with data published by the University Safety and Health Association (USHA).

Table 3.2.5 LSBU Accident Reporting comparison with USHA data

Year	2016/17		2017/2018		2018/2019	
	USHA	LSBU	USHA	LSBU	USHA	LSBU
Universities						
Employee RIDDOR rate (per 1000 fte)	1.19	0.78	1.16	0	1.21	1.15
Student RIDDOR rate (per 1000)	0.08	0.12	0.11	0.12	0.06	0.15
Employee accident rate (per 1000 fte)	28.79	33.52	79.22	23.81	48.64	23.50
Student accident rate (per 1000)	4.11	2	5.99	3.3	3.63	3.39

This data shows that overall, LSBU has a below-average staff and student accident rate according to the Universities Safety and Health Association. The LSBU Employee accident rate per 1000 fte has declined year on year as a result of the culmination of ongoing targeted staff campaigns raising safety awareness. Campaign work now needs to take place to target reducing student accident rates.

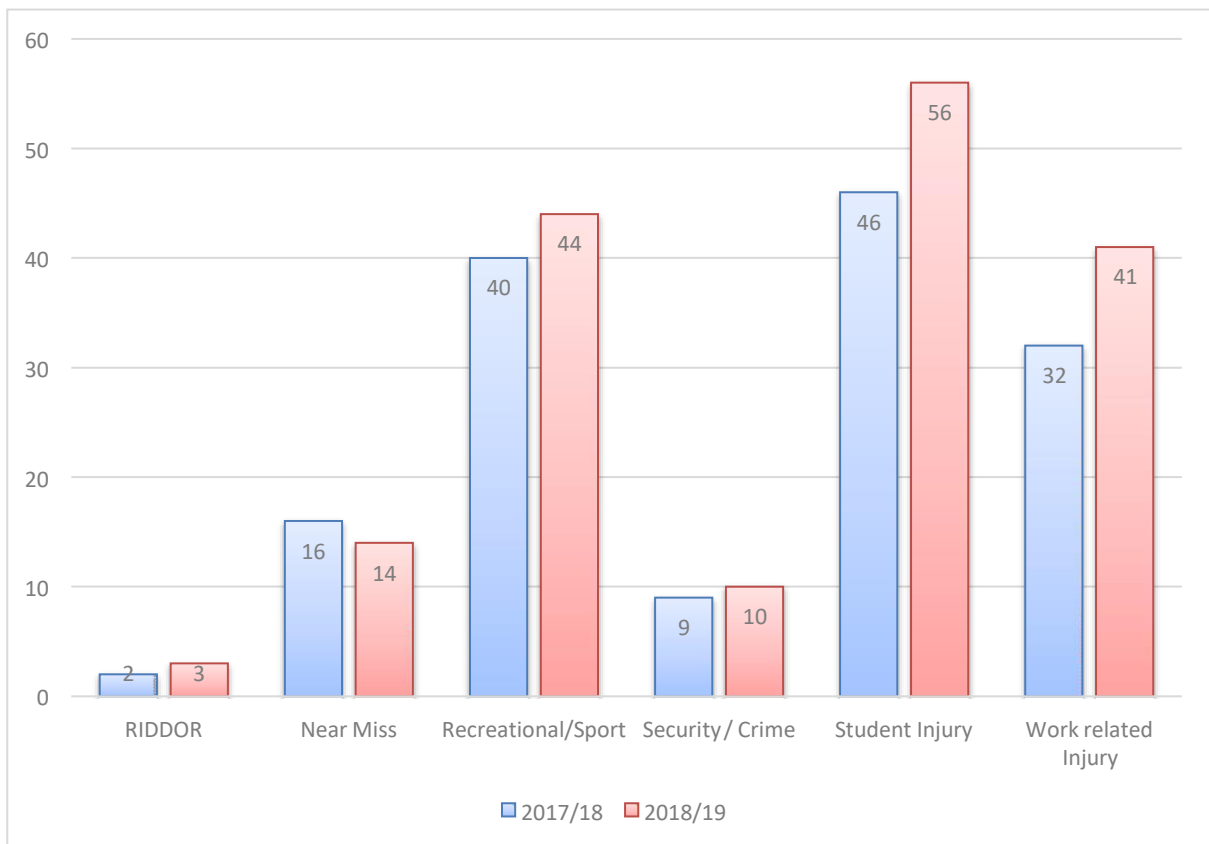
Table 3.2.6 LSBU Accident Reporting comparison with the latest HSE data for the Education Industry 2018/2019

	2018/19	
	HSE	LSBU
Total RIDDOR reported non-fatal injury per 1000 employees	1.46	1.15
Specified Injury	0.55	0.06
Over 7 day Sick Leave	0.91	0.06

LSBU continues to be better than the HSE average for RIDDOR reportable incidences and accidents across the wider Education sector as a whole.

Graph 3.2.7

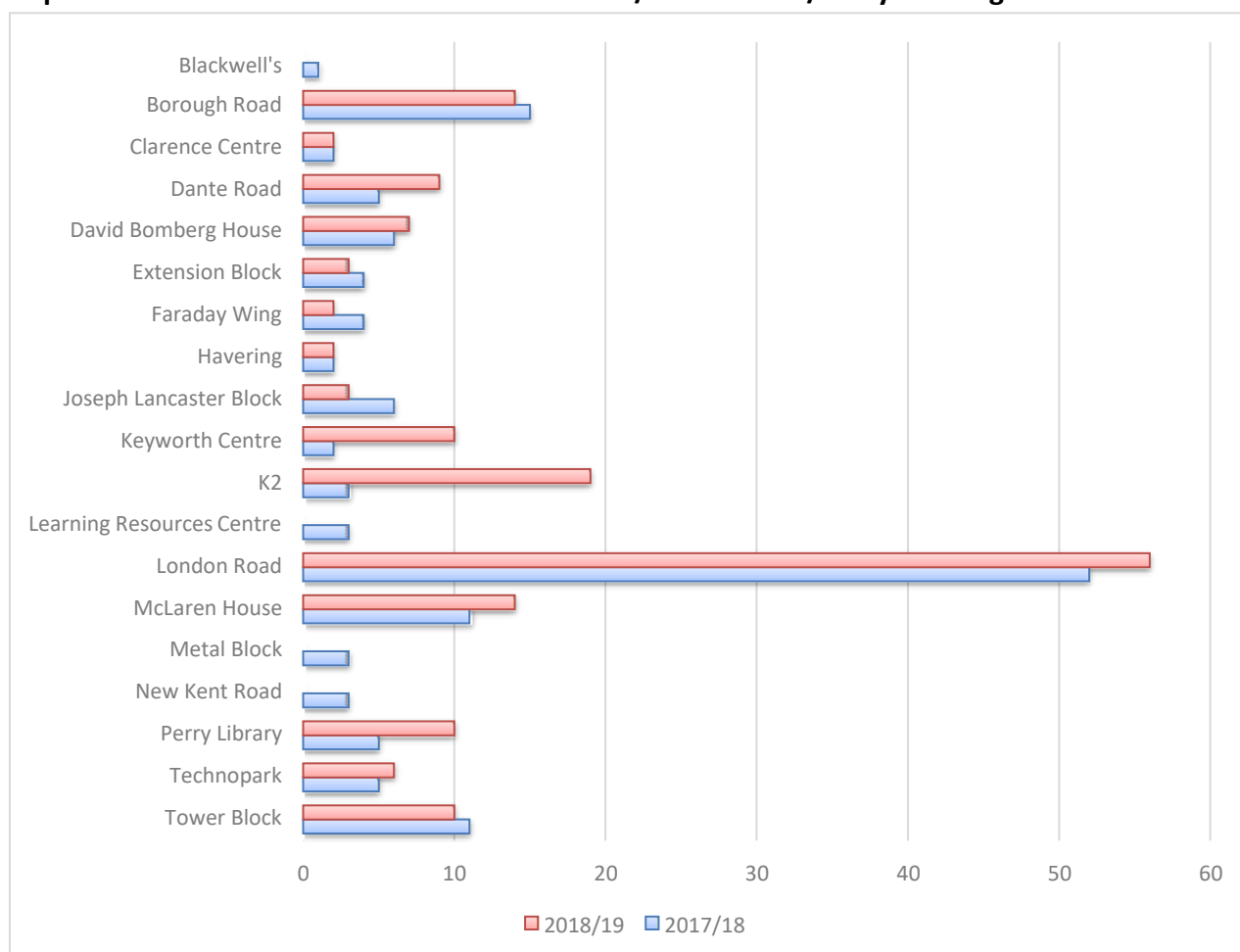
Reported incidents and accidents between 2017/18 and 2018/19 by type



While LSBU statistics compare favourably with USHA data it should be noted there has still been an increase in incidents and accident reporting overall, due to increased awareness of the importance of reporting and the promotion of good health and safety culture. This shows the favourable position re USHA data is not caused by under-reporting or lack of awareness.

Graph 3.2.9

Reported incidents and accidents between 2017/18 and 2018/19 by building



London Road has historically had the highest number of accidents due to Recreational/Sporting accidents that account for 40 of the 52 incidents/accidents in 2017/18 and 44 of the 56 reported incidents/accidents in 2018/19.

A summary of the incidents/accidents versus the footfall is outlined below.

3.2.10 Summary of Recreational/Sporting incidents/accidents per 1000 visitors

Year	Sports hall footfall	Gym footfall	Total	Recreational/Sporting Accidents per 1000 visitors
2017-18	122021	20733	142754	0.3
2018-19	119184	16139	280323	0.16

3.3 Fire Safety

There has been a continual effort to promote good fire safety across the University, including Halls of Residence. This remains a major focus of the Health, Safety and Resilience Team. Significant actions include:

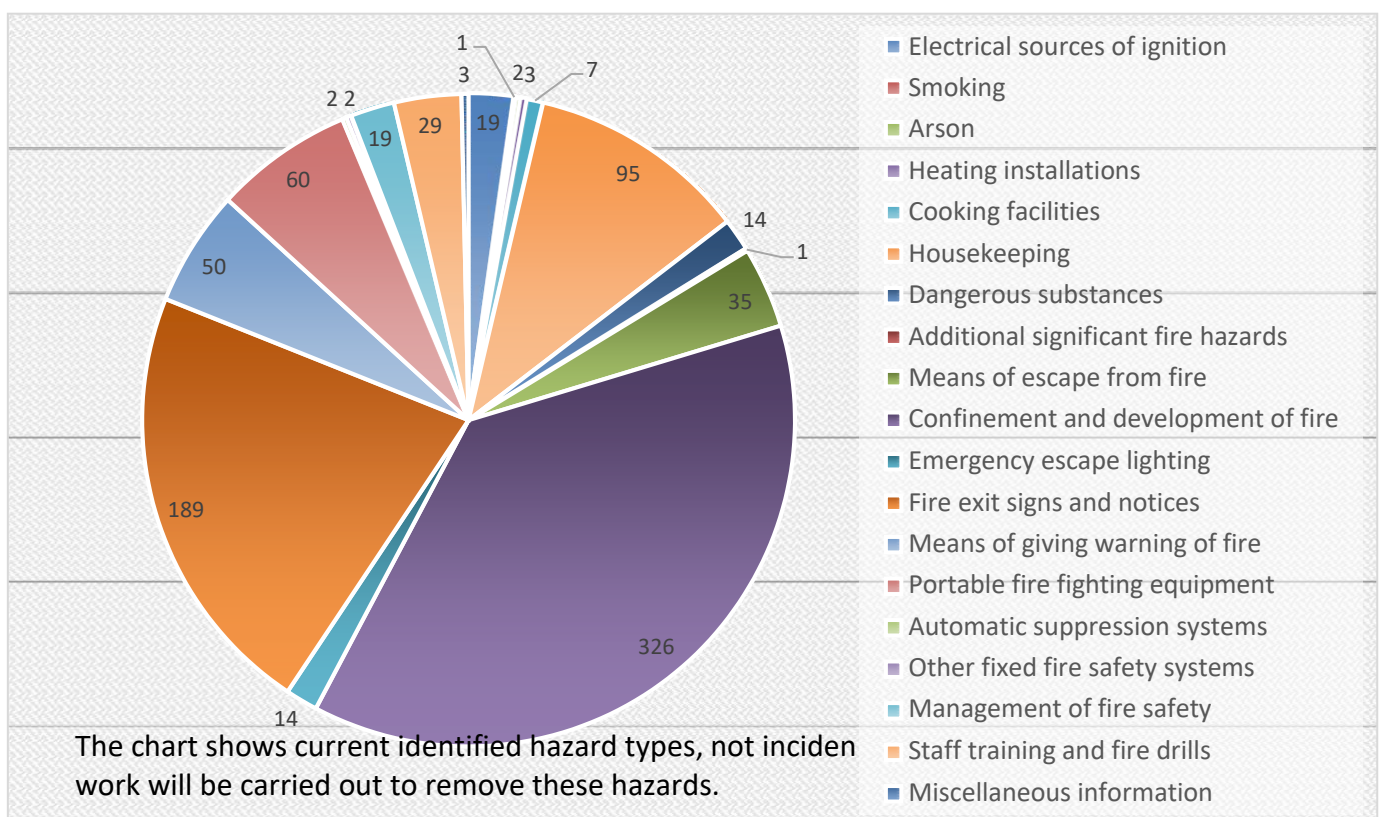
- The arrangement and monitoring of Fire Risk Assessments for all buildings on the Southwark Campus, Havering Campus and Halls of Residence and Lambeth College.
- Collaboration with the Estates and Academic Environment Fire Strategy Group to review and action hazards raised as a result of the fire risk assessments.
- Health and Safety Compulsory training have been updated and implemented, specifically the Fire Safety module, to reflect the most effective safety practice based on the evolving nature of the campus and its buildings.
- A major University-wide project of works is being carried out by The Health Safety and Resilience Team to continue to provide continuous Evacuation Assistant and Building Coordinator training and to engage with staff to communicate the importance of fire safety and the responsibilities shared in preparation of fire drills in all buildings.

3.4 Fire Risk Assessments

Fire Risk Assessments at the University are carried out by an external provider for independent assurance and consistency.

3.4.1 At the time of writing this report, all Fire Risk Assessments for all London South Bank University buildings are in date and less than 1 year old, with a future review plan in place. Figure 3.4.2 is a chart overview of the hazards identified through Fire Risk Assessments.

Figure 3.4.2 Overview of Fire Risk Assessment (FRA) hazards



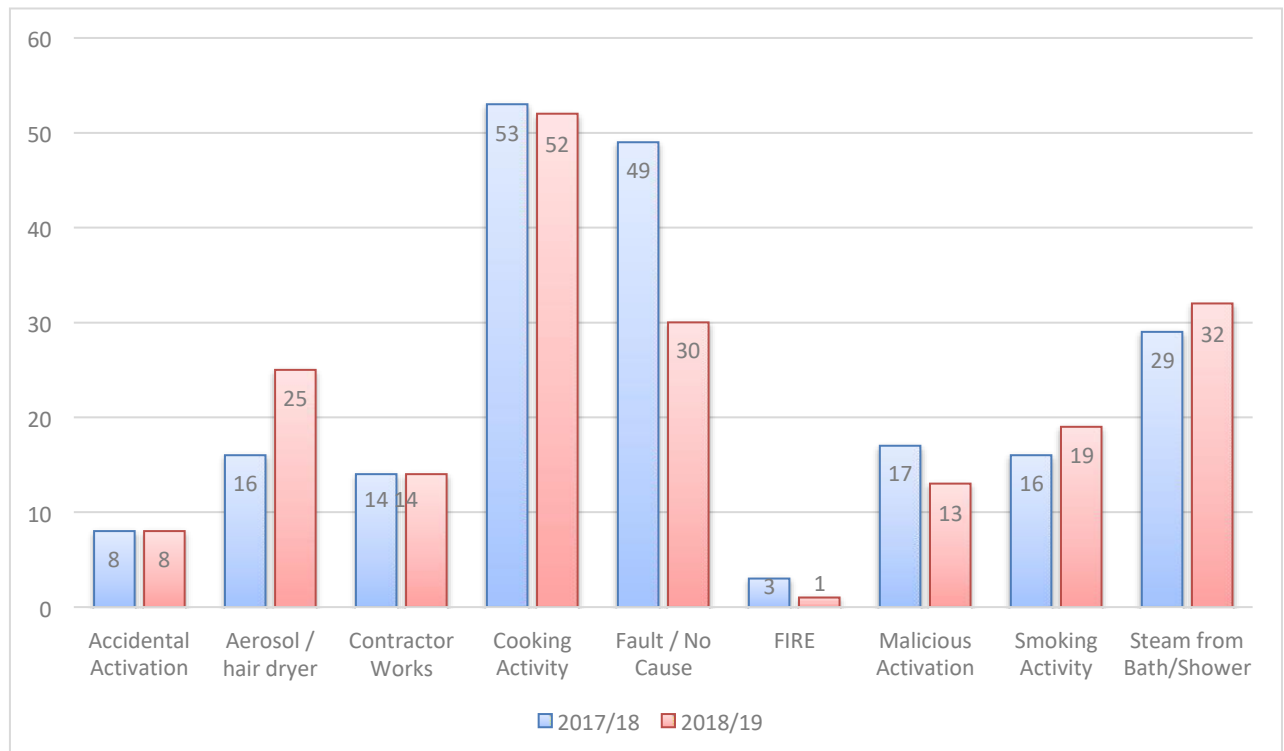
- 3.4.3 Estates and Academic Environment (EAE) are responsible for addressing issues within the assessments.

Data supplied by EAE indicates that 100% of substantial priority actions identified from the Fire Risk Assessments have been fully addressed. This work is also monitored by the EAE Senior Management Team.

3.5 Fire alarm activations

- 3.5.1 During the course of the year, one waste bin fire occurred on the 7th of November 2018 and in the Perry Library external courtyard and was promptly extinguished by a member of staff. There was no injury to staff or damage to the premises.
- 3.5.2 On the 1st of May 2019, a “personal” fridge in an individual unoccupied Lecturers office malfunctioned and caused an ammonia leak. The leak was contained in that room. No staff were injured, the building was safely evacuated, and the Fire Brigade attended to remove the equipment safely. A full report was provided to the Executive, which included a recommendation to cease the use of personal fridges in offices.
- 3.5.3 On the 8th of October 2019 at 7pm, a small amount of smoke triggered the fire alarm in a plant room as a result of friction caused by brakes not appropriately disengaging on one of the lifts. Following the alarm activation, staff and students appropriately evacuated. The Fire Brigade were called and attended as a precautionary measure. Nobody was injured. The issue was promptly resolved by Estates and Academic Environment and other areas checked as a precaution.
- 3.5.4 On the 25th October 2019, an electric hob in one of the McLaren House halls kitchens was left on unattended and caused oil that had seeped into the worktop to smoulder and burn. There was no fire, but the fire brigade attended and made the area safe. Estates and Academic Environment then carried out checks to ensure all worktops in halls were sealed sufficiently by the manufacturer.

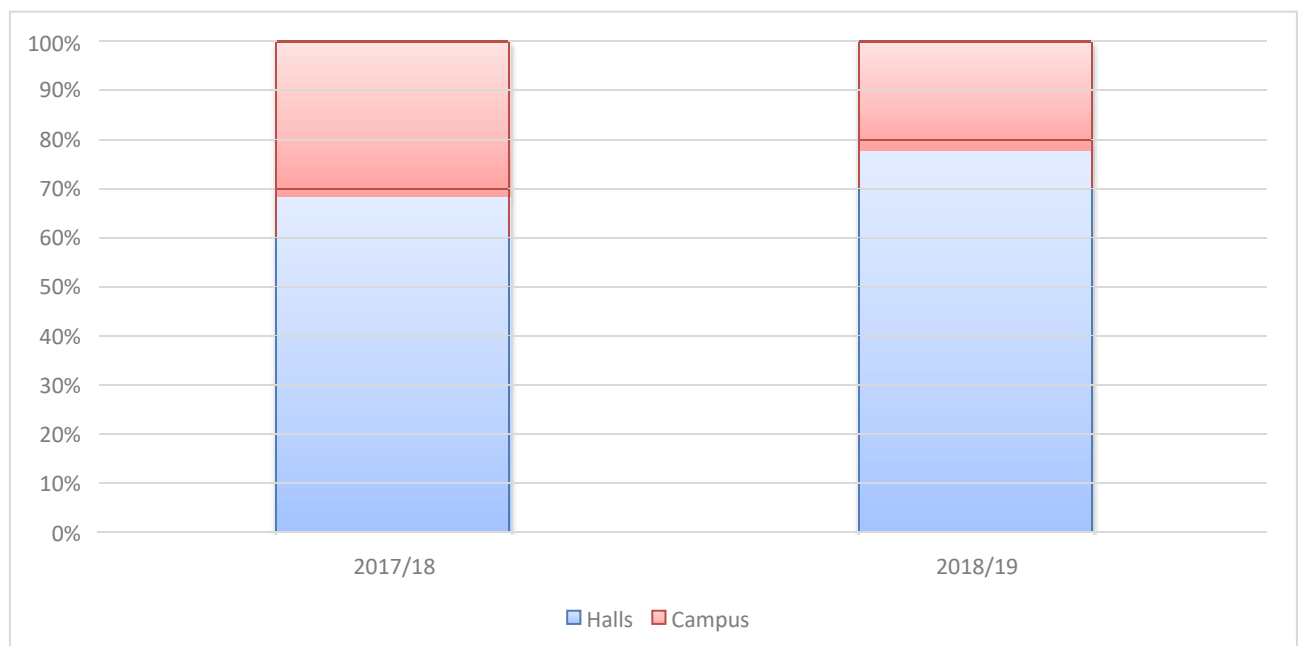
Graph 3.5.6 Fire Alarm Activation causes in Halls and on Campus



Having identified a trend in activations in halls caused by cooking activity, aerosol/hairdryer and shower/bath use, the Health and Safety Team will continue to support the Halls Managers by providing further student guidance and engagement. This will be ongoing due to the arrival of new students.

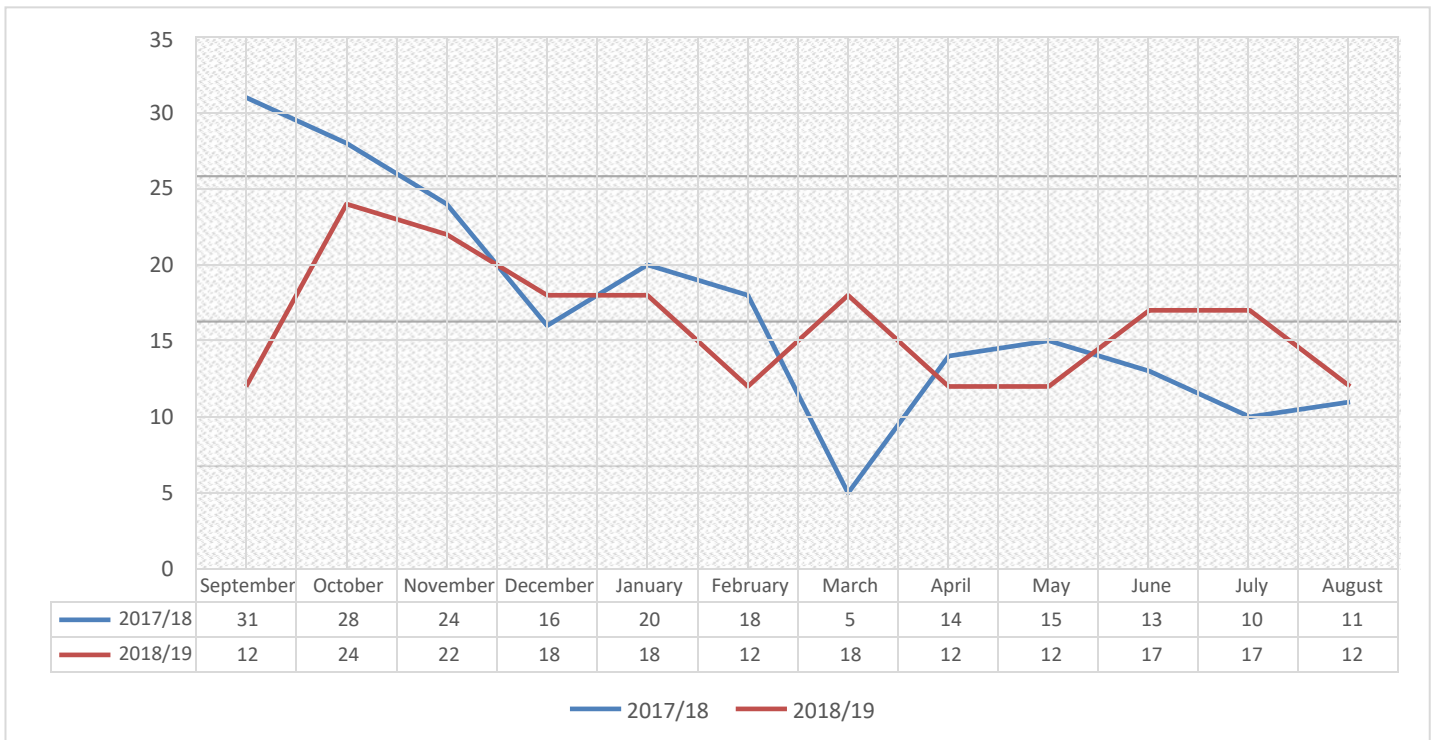
A comparison for the amount of fire alarm activations between the halls and campus can be seen in Graph 3.5.7

Graph 3.5.7 Percentage of Fire Alarm Activations Halls vs Campus



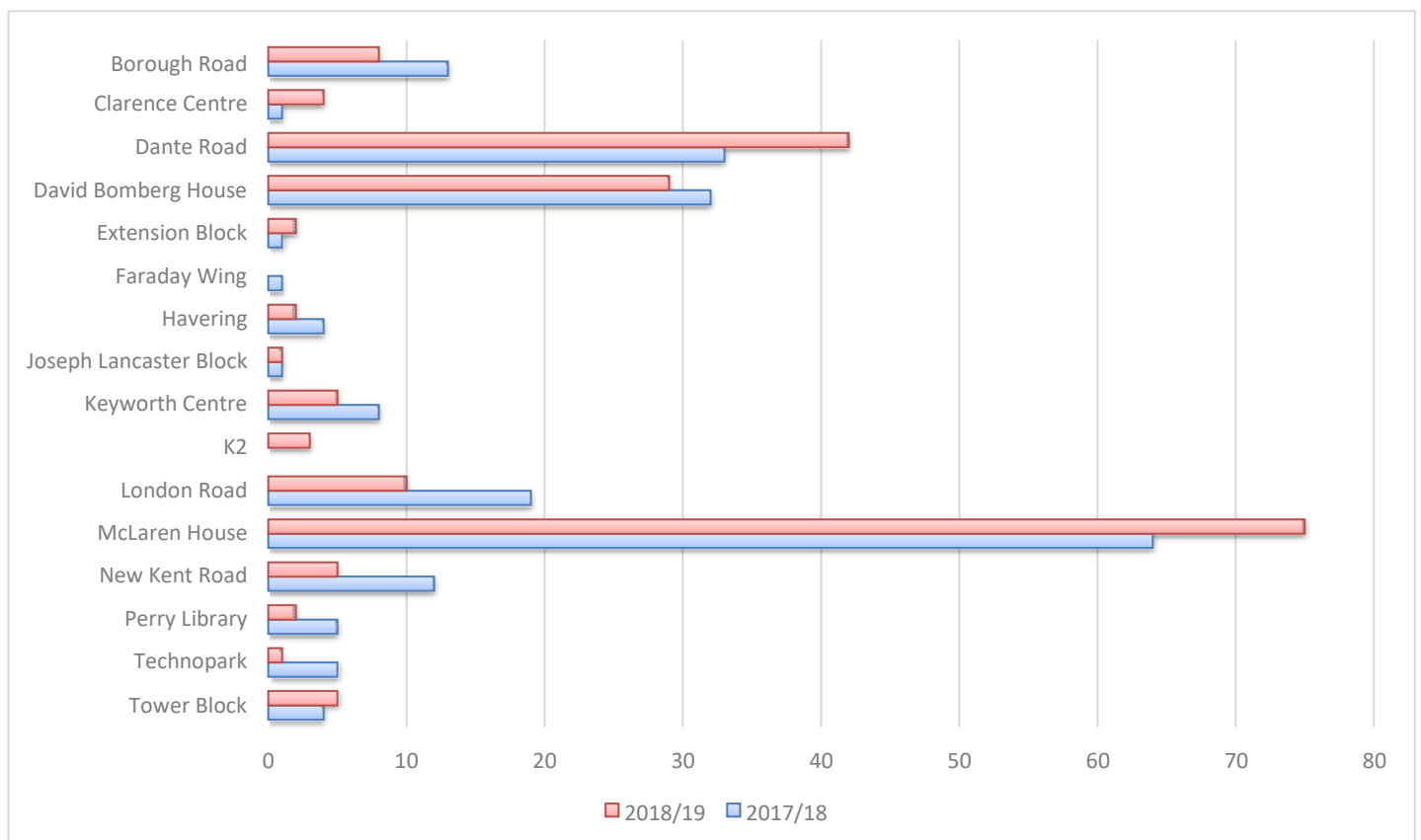
Halls fire alarm activations remain to be the cause of the majority of alarm activations in the organisation, which is as expected given the use of the buildings

Graph 3.5.8 Fire Alarm Activations by month



The start of the Academic year with the new student intake is historically the highest risk for alarm activations, and the number fluctuates in decline throughout the year

Graph 3.5.9 Fire Alarm Activations in university by building



Due to the most common alarm activation causes, Halls of Residence buildings McLaren House, Dante Road and David Bomberg have the most alarm activations per year.

3.5.5. The Health, Safety and Resilience Team will continue to promote good fire safety and encourage a good attitude towards fire prevention and helping eliminate false alarms. They played a key role in a university campaign to reduce malicious alarm activations by students during examinations.

3.6 Display Screen Equipment Workstation Assessment Compliance

3.6.1 During this period, an operational project took place to transform the approach to Display Screen Equipment Assessment and embed good practice. After wide consultation, this resulted in an updated and improved process to allow staff to complete their DSE assessment through compulsory training. The module 'Working Safely With Computers' acts as their 'Self-Assessment' and any issues can be raised directly with their Line Manager, who will have access to the HSE approved DSE workstation checklist, which is made available to them.

3.6.2 Staff, therefore, have a more direct resolution route when issues arise, and a more proactive system as the compulsory training is part of new staff inductions, potentially preventing issues from occurring instead of being a reactionary process.

3.6.3 The Organisational Development Team are responsible for monitoring compulsory training data and will produce a monthly compliance report, enabling the Health, Safety and Resilience Team to provide encouragement and enforcement where necessary.

3.7 Training and Promotion of Health and Safety Culture

3.7.1 The HSR team are focussed on maintaining staff competence and knowledge within the University by providing access to an online refresher course for the nationally recognised IOSH Managing Safely Certificate as well as offering Fire Safety Training throughout the year. Access to a face to face IOSH course is also provided to relevant staff, depending on need.

3.7.2 Health and Safety Training has also been made available to staff on request when demands arise, including training sessions for new staff who require specific or work-related training requirements.

3.7.3 As online training is a significant route to provide accessible health and safety training, the HSR team have worked with the Organisational Development team to modify content to the needs of the University, as well as ensuring legislative updates are included.

3.7.4 The Health and Safety Intranet homepage has been redesigned with improved content during this period. This has included the introduction of "Safetyhub". This comprises over 80 health and safety training videos and sources of support.

Safetyhub is recommended by the Universities Safety and Health Association as part of its Strategic Plan for 2020.

3.7.5 We have a legal responsibility to provide key safety information, and the following training modules are compulsory for all staff. The modules enable them to develop an understanding of Health and Safety basics in the workplace, and to help build on positive health and safety culture:

- General Health and Safety Awareness
- DSE Assessment
- Fire Awareness Training

The Health, Safety and Resilience team monitor monthly compliance reports from the Organisational Development team, and forward this data to all School and PSGs on a regular basis. The completion rate is improving across all Schools and PSGs as a result.

As part of continual improvement of the training, the Health, Safety and Resilience team will be reviewing the compulsory training over the next coming months to evaluate its effectiveness and looking at ways to make it more accessible for all staff to complete.

Currently, staff must complete all compulsory modules during their first 20 weeks of employment in order to progress satisfactorily through their probation process.

Table 3.7.5 Summary of training for 2018/19

529 Members of Staff attended face to face Health and Safety training sessions for the 2018/19 academic year.

Training sessions included the following subjects:

- Fire Evacuation Assistant training
- Building Coordinator Training
- First Aid at Work
- IOSH Managing Safely
- Risk Assessment
- Travel Safety
- Use of Evacuation Chairs
- Manual Handling
- COSHH Essentials
- Reduce Stress and Improve Resilience
- Stress Awareness for Managers

Table 3.7.6 Summary of information updated on the staff intranet 2018/19

RESOURCE	INFORMATION
Fire Evacuation Plan	Updated and simplified plan to reflect current procedures
Safetyhub	Access to a library of 80+ health and safety training videos that provide useful information on how to stay healthy and safe while at work.
DSE process	To inform Staff of the simplified and straight forward DSE assessment process and relation to Occupational Health and eligibility for Specsavers Eyecare vouchers.
Compulsory Training	Health and Safety Compulsory training links
Risk assessment tools	Additional Risk Assessment resources and guidance.
First Aid	Courses, First aider list, location of Automatic External Defibrillators and how to report an accident or incident
Wellbeing	Links to courses, current events and useful information

3.8 Safeguarding and Prevent

3.8.1 The 2018/19 Annual Statutory Prevent Report was supplied to the Board of Governors on 21 November 2019 and then submitted to the Office for Students (OFS) on 26 November 2019. The outcome from the OFS is still awaited at the time of writing this document.

3.8.2 On 29/11/18 the University formally notified the OFS of a planned change in the Executive Prevent Lead, from the former Chief Operating Officer to the Pro Vice-Chancellor (Compulsory and Further Education), effective from 20/12/18.

3.8.3 There were no prevent referrals which required further investigation by an external Channel Panel (the highest level of escalation) during 2018/19 or to date.

3.8.4 Other highlights included:

- The previous Annual Prevent Report submitted to OFS December 2018 was graded by the regulator as demonstrating full compliance with the Duty (highest category possible);
- The Head of People and Organisational Development Compliance continues to be an active member of the London Regional Higher Education Prevent Network, and is a member of the Department for Education Counter Extremism Committee, advising on HE Sector Prevent issues;
- In August 2019, the Head of People and Organisational Development Compliance met with a representative of the DFE Counter Extremism Unit, to provide sector advice on dealing with Prevent and post Terrorism incident issues. He agreed to work with and support requests from NaCTSO (National Counter Terrorism Security Office) for sector-related guidance;
- The Safeguarding Committee has continued to develop new procedures on Prevent and External Speakers. At the time of writing this report, a new subcommittee is being formed to review our approach to Prevent Training.

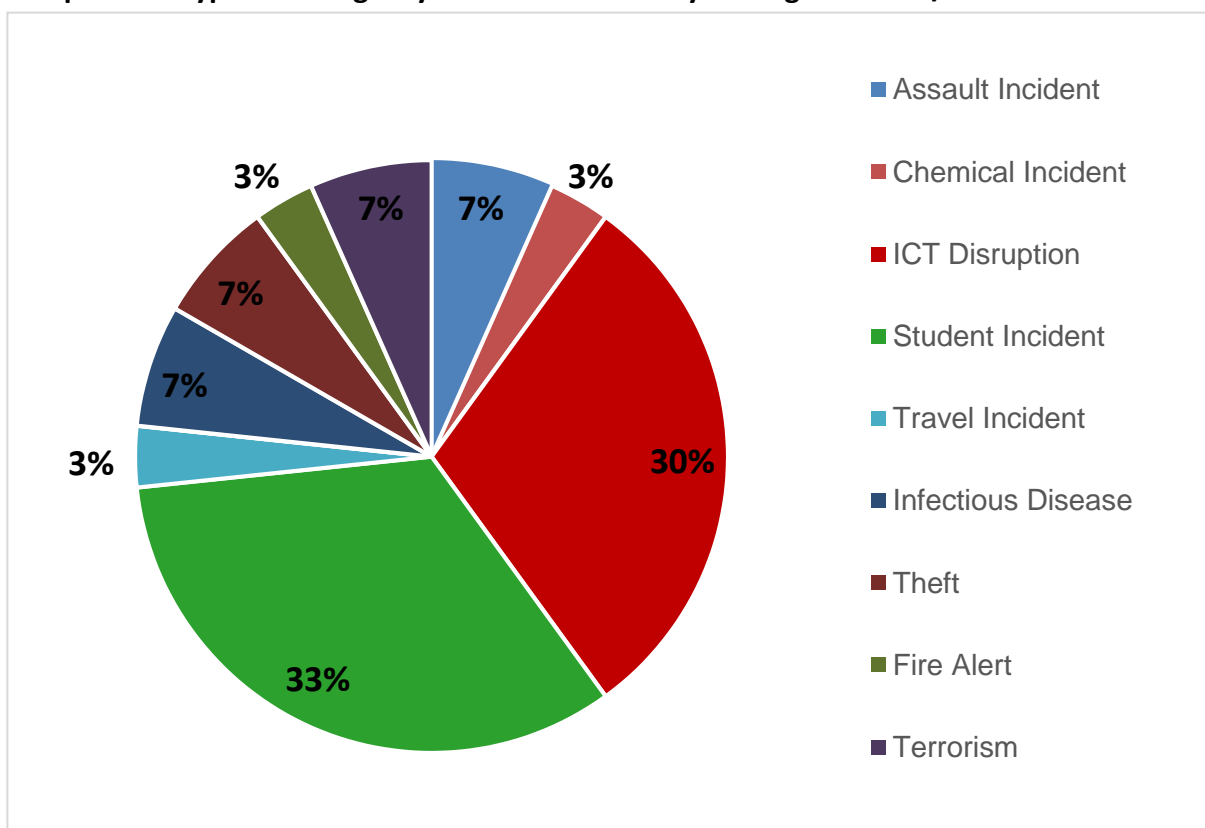
3.9 Resilience and Business Continuity

3.9.1 A number of significant improvements have been made in the field of emergency planning and business continuity over the past year, with a predominant focus towards the development of the University's business continuity arrangements.

3.9.2 The Incident Response Plan, outlining the University's approach to managing major incidents and emergencies, was successfully tested during a Gold Commander training session on 16th January 2019 and a tabletop exercise on 7th March 2019. The exercise was based around a meningitis outbreak scenario and was attended by a range of university decision-makers, including members of the Executive and relevant heads of department.

- 3.93 A new 'Safety and Resilience Adviser' was appointed in April 2019, with his immediate focus being the review of the University's business continuity planning arrangements, and identifying actions with the purpose of developing organisational resilience.
- 3.94 As a result of the review, a new standardised business continuity plan template was developed and rolled out to all schools and departments. The Safety and Resilience Adviser worked in close collaboration with each plan holder to ensure these are of high quality and to bolster resilience at a departmental level. There has been a noticeable improvement in engagement and confidence around the subject. These arrangements have successfully tested the activation of the Clearing business continuity plan (one of the first developed due to its criticality) during the telephony Major Incident taking place on 15th August 2019.
- 3.95 LSBU continues to regularly attend the Southwark multi-agency Borough Resilience Forum (BRF), to discuss matters of emergency planning and to share learning, knowledge and best practice. In the Forum on 19th June, the BRF additionally participated in a tabletop exercise centred around Business Continuity. LSBU is the only educational institution with a seat on this group.
- 3.96 The HSR team continue to provide a 24-hour Duty Manager service to coordinate the response to serious and major incidents affecting the University. A total of 30 incidents have been escalated to the Duty Manager out of hours, with ICT disruption and student-related incidents being the most common as in **3.9.8**
- 3.97 The Duty Manager also provided advice during terrorist incidences in London, such as the London Bridge and Streatham Incidents.

Graph 3.9.8 Type of Emergency Call Out to the Duty Manager in 2018/19



	CONFIDENTIAL
Paper title:	Croydon Campus Outline Business Case
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Janet Jones, Dean, Arts and Creative Industries Richard Fenn, School Director of Operations, Arts and Creative Industries Mike Simmons, Director of Corporate Affairs
Sponsor(s):	Pat Bailey, Provost
Purpose:	For Approval
Recommendation:	The Board is requested to note that MPIC has reviewed the project and strongly supports negotiations to continue. The Board is requested to authorise a sub-committee to approve the final business case and authorise execution of the necessary legal documentation.

Executive summary

This outline business case summarises the key drivers for establishing a Croydon Campus. It lists the courses that market research indicates might be run successfully, the proposed usage and fit-out, lease conditions for Electric House, and the timeline for the project.

It is proposed that educational delivery commences in September 2021, with the School of Health & Social Care as the primary provider, and Business as the secondary provider alongside additional Enterprise and CPD activity. The long-term vision (dependent on the success of the first phase) would be to build a bespoke campus hosting a wider range of subjects, with the view to progressing with the establishment of a Medical School (subject to approval of the General Medical Council).

Three five-year financial models are presented in Appendix A, based on an initial intake of approximately 300, 400, and 500 students in September 2021. Croydon has verbally confirmed the £3.3M investment, and our legal team are content that we should be eligible for this grant (having checked key state-aid issues). The highlighted figures are now the most likely scenario, and the bracketed figures are without the £3.3M. The first scenario below is the actual prediction of student numbers in Sept 2021 based on conversations with the Dean of Business and the Dean of Health & Social Care. Conversations with NHS Trusts are underway.

Scenario A: 527 year 1 intake - £300k loss (£3.6M loss) after 5 years

Scenario B: 406 year 1 intake - £1.3M loss (£4.6M loss) after 5 years
Scenario C: 316 year 1 intake - £2.6M loss (£6.0M loss) after 5 years

The anticipated break even year is 2026, and LBC has confirmed that Business Rates will be waived for 5 years. A key point in negotiations is to explore the introduction of a break clause in the 15-year lease, but this would of course come with either greater capital investment or or higher rental charges. Taken across the piece, the 'Croydon Campus' team (and MPIC) recommend this as an excellent opportunity for LSBU to extend its reach, protect us against expansion plans from other universities, and deliver courses that support the community in Croydon and the South London area.

Recommendation

The Board is requested to note that MPIC has reviewed the project and strongly supports negotiations to continue with Croydon Council.

Accordingly, the Board is requested to authorise a sub-committee of the Chair of MPIC, an independent governor member of MPIC, the Vice Chancellor and Chief Financial Officer, if thought fit, to approve the final business case and authorise execution of the necessary legal documentation to give effect to the project.

1.0 Croydon

The Croydon city-region is the 11th largest city in the UK and a leading European centre for aerospace, built environment and high value manufacturing. It is home to nationally-significant high-growth clusters of digital and creative industries, and a major focus for next-generation, tech-enabled financial, legal and business services, health and education. There is unmet need for an exceptional civic university powering the future workforce, building sustainable and engaged communities and boosting the region's standing on a national and global stage. The long-term regeneration of Croydon town centre is being supported by multiple grants of over £50m. The investment focuses on improvements to Croydon's streets, squares and open spaces, and on supporting new and existing businesses. The work builds on Croydon's Opportunity Area Planning Framework which sets out a 20-year vision for Croydon's future and complements the Croydon.

2.0 LSBU Croydon

The 2030 vision for LSBU Croydon is for a thriving world class HEI with circa 8,000 students including a Medical School. LSBU Croydon will seek to differentiate itself from the start with a unique pedagogy and courses developed in conjunction with employers. The site will be designed around how users want to learn (differentiated learning, flexible and agile learning environment). Learning technology, accelerated routes, block or evening provision will be integral.

Phase one will be located in Electric House.

The Davis House option offered by London Borough of Croydon was deemed too expensive to convert, and didn't give us the right location and campus look. Electric House has a smaller footprint, but gives us potential scope for expansion in phase two, potentially linked to the new Westfield development. Electric House is also the right size for the two selected curriculum areas – Health and Social Care and Business - and we feel will provide the best phase one foundation for the LSBU Croydon project. (Secondary offer will include CPD and there is also potential for further apprenticeships.)

Core offer Courses (2021-2023)

Integrated Masters in Chiropractic MSc	70	85	100	1
Accounting and Finance BA FT Accel	15	28	60	1.4
Business Management BA FT Accel	15	28	60	1.4
FDS Nursing Associates (2 year) App PT	50	90	132	0.9
Adult Nursing BSc FT	160	310	450	1
Mental Health Nursing BSc FT	50	95	140	1
Sports Rehabilitation (Integrated Masters)	120	135	170	1
Accounting and Finance BA FT	20	38	60	1
Business Management BA FT	20	38	60	1
	520	847	1,232	Total UG FTE
	0	0	0	Total PG FTE
	520	847	1,232	Total FTE

Rationale for HSC numbers Phase One

Opportunities

- The Government has committed to increasing the nursing workforce by an additional 50,000 nurses by the next general election. For London this will represent an increase of 20-30,000 additional nurses.
- Currently the NHS is incentivising hospitals to add new placements through a £25, 000 funding uplift.
- Government is providing additional student financial support for nursing, midwifery and allied health students of between £5,000 and £7,000 per year. This is increasing the numbers of application for these courses.
- HSC applications to nursing are up this year and LSBU has grown while our competitors haven't over the last few years, taking market share through its strong reputation.
- We will use the Croydon campus as an overflow for SE1 nursing students where some of their clinical skills will be developed.
- Last year LSBU had 3000 applications for 300 places in adult nursing Havering had 800 apps for 100 places. Applications for 2020 intakes are high and have increased following the announcement of additional student finance support.

Given the population growth in Croydon, especially amongst young adults, it will be strategically important for LSBU to establish a strong base in south London, securing the region ahead of any competition. If we don't open a campus building, another institution will take our place with a similar suite of courses leading on Health as the principal driver.

The reach is significant from a Croydon base stretching down from the South Coast to the East of England. Negotiating new placements contain an element of risk. Student nurses must spend 50% of their time in clinical placements (2,300 hours over a typical three-year course). There is potential in: Kings/Croydon/Kingston/East Grinstead and Brighton to increase placement provision for LSBU to grow student numbers at Croydon. This growth would help the NHS to meet the ambitious targets for this workforce.

Our certainty of securing the NHS Trusts identified below is based on ongoing positive conversations with the Chief Nurses identifying the level of placements that can be achieved. There can be no written guarantee but a reasonable confidence given the points above.

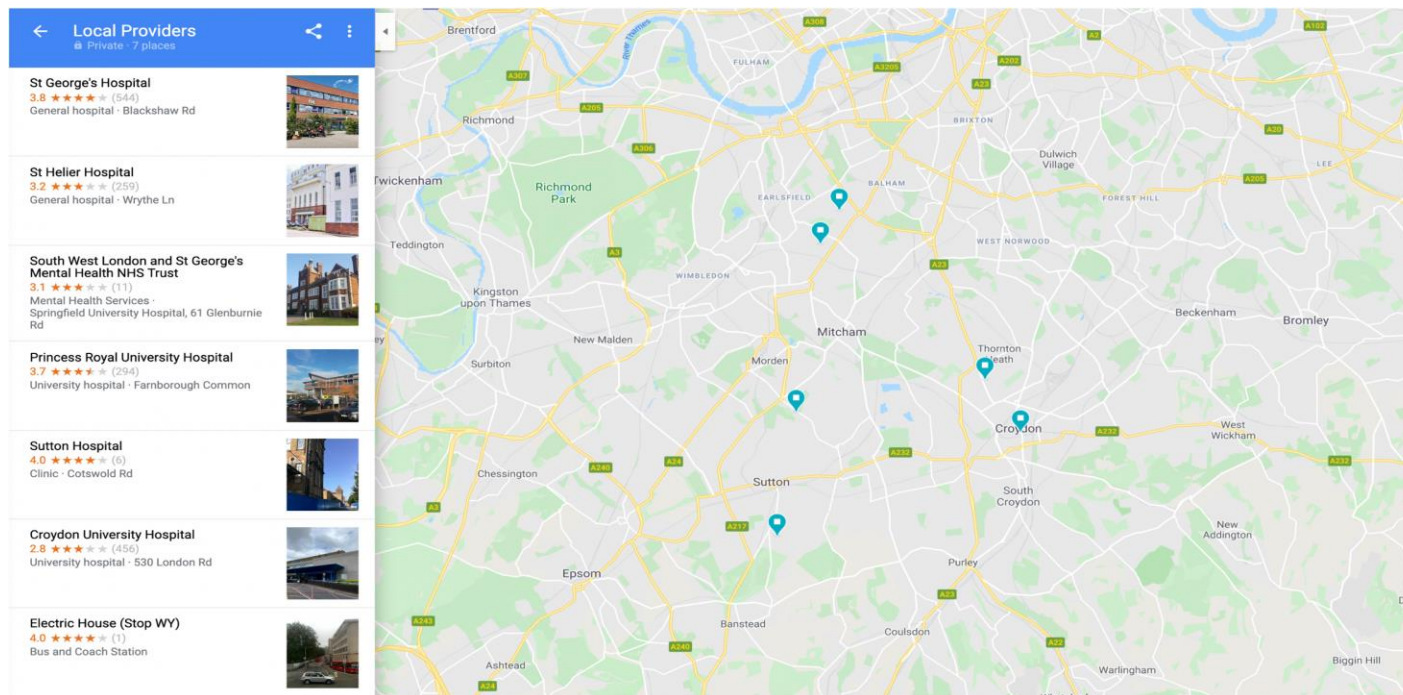
It should be noted that the University of Greenwich and Kings College are also actively looking to increase placements opportunities in the area.

Current placements

Croydon University Hospital
Princes Royal university Hospital
South West London and ST Georges MH Trust

New Opportunities within travelling distance

Epsom and St Helier NHS Trust
St Georges Hospital NHS Trust
St Helier Hospital
Sutton Hospital



Additional opportunities

- a) Historically we under recruit from Croydon and area; this new campus will raise awareness of our broader offer and increase applications to SE1.
- b) A base in Croydon will open up possibilities for structural bids through Coast to Capital and forming new strategic partnerships with HEIs and industry in the area.
- c) A second phase will bring through new courses as we extend our footprint. We will be well placed to house a dedicated outreach team in Croydon adding capacity where we need it and strengthening relationships with Colleges in the region. This will be for Southwark recruitment to begin with.
- d) There will also be opportunities for wider stakeholder engagement and funding, FE, Schools, major industry e.g. formative discussions with Gatwick and Network Rail.

Rationale for Business School numbers

- The market research indicated that Business Courses offered the best possibility for both school leavers and mature students.
- Both BA Accounting and Finance and BA Business Management are relatively easy and inexpensive to run with a preponderance of HPL staff and have potential as accelerated degrees.
- We are capping these subjects in SE1 this year due to market demand and restrictions on space.
- Accelerated degrees can be taught in the evening preventing space clashes with HSC.

Pedagogy

- Courses which meet the needs of employers and local learners
- Predominantly adult learners
- Educational Framework which has focuses on the application of knowledge

Maximising Space Usage

There will undoubtedly be upsides to the cash flow across the Group through the establishment of this new campus that are not factored in here. There is currently no capacity to build new HSC skills labs in SE1 to increase our numbers. We also require dedicated space-intensive facilities for the new 3+1 Chiropractic and Sports Rehabilitation which can only be housed in Croydon. There is also the potential to use the new clinical facilities in Croydon to support the delivery of practice-based training to nurses in SE1, facilitating increased recruitment in Southwark.

It is difficult to capture additional revenue for increased recruitment in Southwark with any certainty. This business case deliberately excludes the secondary benefits that might accrue from a) an opportunity to extend HSC numbers in SE1 through the extra capacity we have in Croydon for skills labs. b) a better marketing presence, increasing recognition of the LSBU brand in Croydon which is currently weak compared to our competitors c) CPD, Summer School and non-standard teaching.

NB1: Engineering is considering setting up an Enterprise Office to support its new Fabrication Innovation Centre which may be established nearby in Croydon

NB2: We anticipate that Electric House will be full by year three. (2024)

3.0 Project Timelines

MPIC February 27 th 2020	Investment case considered
March 12th	Board of Governors to authorise sub-committee
tbc	Electric House lease signed
tbc	Appointment of Business Development Manager for Croydon
June '20	Final sign off on build plans – construction starts
July '21	Electric House Cat A and Cat B fit out complete and handover to LSBU
July'21	Rent commences
Sept '21	Teaching delivery commences

4.0 Market Research

The market research was conducted primarily with the school leaver applicant base.

The three principal barriers LSBU Croydon will face for the School leaver applicants are:

Negative perceptions of Croydon as a place – perceptions of Croydon as dangerous, run-down, offering little in the way of things to do / places to go

Low awareness of LSBU – lack of familiarity with the LSBU brand potentially exacerbating concerns about the reputability of a new campus in Croydon

Perceived limitations of a small, local university – primarily with the school-leaver audience, the fear that attending LSBU Croydon would feel like a School or College and won't expose them to new experiences or deliver a campus 'uni experience'.

Given that the school leaver audience is unreliable we will initially focus on HSC and Business (see appendix HSC market analysis). Business is inflecting its offer to accommodate blended learning, accelerated degrees, part-time and evening options etc; this will be especially key to attracting the mature market.

5.0 Estate requirements

Predominantly skills labs for HSC with standard lecture and seminar space, staff and enterprise offices. An urgent decision is required to fit in with timescales of opening September 2021. (See below).

- Estates running costs estimated at £750k
- Landlord prepared to carry out both CAT A and CAT B fit out and consolidate into a rental agreement and in lieu of a rent-free period
- LSBU will need to apply for a Personal D1 consent from the Local Authority, otherwise the deal would be off
- 15-year lease term (break clause could be negotiated if we were in a position to add capital to fund the Cat A & B fit out)
- Full specification would need to be negotiated with the Landlords team (maximum 4 months) otherwise timescales would not permit opening by September 2021
- Total rent at £2m per year
- LSBU to fund FF&E and ICT/AV equipment and installation, phone lines etc.
- Early funding would needed to put in place legal support for preparation of a lease and appointing a Technical Advisor to help agree and prepare specifications with the landlord.

6.0 Finance Case (see appendix)

Financial Models

We will seek to secure an earlier break clause which might require some capital investment in the final negotiations. We will break even in year 2026 assuming reduced business rate and £3.3 million of funding through Croydon Council.

The financial case would not meet a standard NPV calculation but will by 2026 create a steady state surplus of £1m+pa. Any up-front cashflow requirements are not currently factored into our cashflow model and further work if forthcoming. We should be clear that we will be proceeding for other important strategic reasons including defensive and new opportunities.

In terms of Financial Outcomes, we have modelled scenarios with set up costs of £4.8m for IT, FF&E, and initial staffing. The Cat A and B fit out for the building is covered by the developer for Electric House up to a maximum cost of £10m and is paid back through the annual rental charge of £2m, with a minimum lease of 15 years. The current estimate for the total Cat A and B fit out is £7m, so falls comfortably within the amount set aside by the developer.

We have estimated that the mix of students and delivery cost is similar to the current delivery in HSC. Income per student is broadly assumed to be £8,590 per FTE which represents the mix of Apprentice, Undergraduate and Postgraduate students and includes a prudent level of in year drop out.

The cost of LSBU Croydon is broadly similar to a School within LSBU, however we have also included the cost of Student Services, incremental marketing costs and the costs of a local library and learning facilities. At a local level and at full capacity of 1200 FTE, LSBU Croydon would deliver a return of 38% before direct Estates costs and 12% after. This return would be used to fund the upfront capital investment and central LSBU overheads.

Model A:

527 Student FTE in year 1.
860 Student FTE in year 2
reaching steady state student numbers of 1,267 by year 3.

In cash terms LSBU Croydon would not quite pay back the £4.8M set up costs by September 2025, showing a cash impact of -£300k

Model B:

406 Student FTE in year 1
766 Student FTE in year 2
and reaching steady state student numbers of 1,267 by year 4.

In cash terms LSBU Croydon would not pay back the £4.8M set up costs by September 2025, showing a cash impact of -£1.3m.

Model C:

316 Student FTE in year 1
602 Student FTE in year 2
and reaching steady state student numbers of 1,267 by year 4.

In cash terms LSBU Croydon would not pay back the £4.8M set up costs by September 2025, showing a cash impact of -£2.6m

Outline Business case for LSBU Croydon: Model A

Cat A and B costs covered by developer up to £10m, £2.3m FFE, zero Rates and 500 FTE recruitment in Year 1

Year Beginning	Set Up Costs	Student Numbers				
		Aug 21 - Jul 22 Sept 2021	Aug 22 - Jul 23 Sept 2022	Aug 23 - Jul 24 Sept 2023	Aug 24 - Jul 25 Sept 2024	Aug 25 - Jul 26 Sept 2025
Cohort start						
Total UG FTE		527	860	1,267	1,267	1,267
Total PG FTE		0	0	0	0	0
Total FTE		527	860	1,267	1,267	1,267
Income £		£4,527,000	£7,391,000	£10,882,000	£10,882,000	£10,882,000
Direct Teaching Staff Cost		£1,846,608	£3,014,842	£4,438,867	£4,438,867	£4,438,867
Direct School Opex		£121,210	£197,892	£291,364	£291,364	£291,364
School Admin Support		£184,450	£301,140	£443,380	£443,380	£443,380
Student Services / MAC	£403,652	£397,000	£529,000	£634,000	£634,000	£634,000
LLR Staff & Resources	£51,325	£346,329	£368,297	£404,025	£404,025	£404,025
Estates Support	£30,863	£200,000	£200,000	£200,000	£200,000	£200,000
Fees and Legal	£400,000					
IT Support Staff	£0	£157,717	£157,717	£157,717	£157,717	£157,717
Total LSBU Direct Costs	£885,840	£3,253,314	£4,768,888	£6,569,353	£6,569,353	£6,569,353
IT/AV Non Staff Costs	£2,000,000	£219,686	£219,686	£219,686	£219,686	£219,686
Fixtures, Fittings & Equipment	£2,300,000					
Cat B Fit Out						
Direct Surplus / (Loss)	-£5,185,840	£1,054,000	£2,402,427	£4,092,961	£4,092,961	£4,092,961
Direct Contribution		23%	33%	38%	38%	38%
Rent		£2,048,065	£2,048,065	£2,048,065	£2,048,065	£2,048,065
Estate Running costs		£780,000	£780,000	£780,000	£780,000	£780,000
Rates		£0	£0	£0	£0	£0
Total Rent + Service Charge	£0	£2,828,065	£2,828,065	£2,828,065	£2,828,065	£2,828,065
LSBU Croydon Surplus/(Loss)	-£5,185,840	-£1,774,065	-£425,638	£1,264,896	£1,264,896	£1,264,896
LSBU Croydon Direct return %		0%	-39%	-6%	12%	12%
Cash Impact	-£5,185,840	-£6,959,905	-£7,385,544	-£6,120,648	-£4,855,752	-£3,590,856
Cash impact with £3.3m council funding	-£1,885,840	-£3,659,905	-£4,085,544	-£2,820,648	-£1,555,752	-£290,856
NPV @ 6%	-£5,185,840	-£1,673,646	-£378,817	£1,062,031	£1,001,916	£945,204
NPV Total	-£4,229,152					

Outline Business case for LSBU Croydon: Model B

Cat A and B costs covered by developer up to £10m, £2.3m FFE, zero Rates and 400 FTE recruitment in Year 1

Year Beginning	Set Up Costs	Student Numbers				
		Aug 21 - Jul 22	Aug 22 - Jul 23	Aug 23 - Jul 24	Aug 24 - Jul 25	Aug 25 - Jul 26
Cohort start		Sept 2021	Sept 2022	Sept 2023	Sept 2024	Sept 2025
Total UG FTE		406	766	1,165	1,267	1,267
Total PG FTE		0	0	0	0	0
Total FTE		406	766	1,165	1,267	1,267
Income £		£3,485,790	£6,577,990	£10,011,440	£10,882,000	£10,882,000
Direct Teaching Staff Cost		£1,421,888	£2,683,209	£4,083,758	£4,438,867	£4,438,867
Direct School Opex		£93,332	£176,124	£268,055	£291,364	£291,364
School Admin Support		£142,027	£268,015	£407,910	£443,380	£443,380
Student Services / MAC	£403,652	£305,690	£470,810	£583,280	£634,000	£634,000
LLR Staff & Resources	£51,325	£266,673	£327,784	£371,703	£404,025	£404,025
Estates Support	£30,863	£200,000	£200,000	£200,000	£200,000	£200,000
Fees and Legal	£400,000					
IT Support Staff	£0	£121,442	£140,368	£145,100	£157,717	£157,717
Total LSBU Direct Costs	£885,840	£2,551,052	£4,266,310	£6,059,805	£6,569,353	£6,569,353
IT/AV Non Staff Costs	£2,000,000	£219,686	£219,686	£219,686	£219,686	£219,686
Fixtures, Fittings & Equipment	£2,300,000					
Cat B Fit Out						
Direct Surplus / (Loss)	-£5,185,840	£715,053	£2,091,994	£3,731,949	£4,092,961	£4,092,961
Direct Contribution		21%	32%	37%	38%	38%
Rent		£2,048,065	£2,048,065	£2,048,065	£2,048,065	£2,048,065
Estate Running costs		£780,000	£780,000	£780,000	£780,000	£780,000
Rates		£0	£0	£0	£0	£0
Total Rent + Service Charge	£0	£2,828,065	£2,828,065	£2,828,065	£2,828,065	£2,828,065
LSBU Croydon Surplus/(Loss)	-£5,185,840	-£2,113,013	-£736,071	£903,884	£1,264,896	£1,264,896
LSBU Croydon Direct return %		0%	-61%	-11%	9%	12%
Cash Impact	-£5,185,840	-£7,298,853	-£8,034,924	-£7,131,040	-£5,866,144	-£4,601,248
Cash impact with £3.3m council funding	-£1,885,840	-£3,998,853	-£4,734,924	-£3,831,040	-£2,566,144	-£1,301,248
NPV @ 6%	-£5,185,840	-£1,993,408	-£655,100	£758,919	£1,001,916	£945,204
NPV Total	-£5,128,310					

Outline Business case for LSBU Croydon: Model C

Cat A and B costs covered by developer up to £10m, £2.3m FFE, zero Rates and 300 FTE recruitment in Year 1

Year Beginning	Set Up Costs	Student Numbers				
		Aug 21 - Jul 22	Aug 22 - Jul 23	Aug 23 - Jul 24	Aug 24 - Jul 25	Aug 25 - Jul 26
Cohort start		Sept 2021	Sept 2022	Sept 2023	Sept 2024	Sept 2025
Total UG FTE		316	602	1,013	1,267	1,267
Total PG FTE		0	0	0	0	0
Total FTE		316	602	1,013	1,267	1,267
Income £		£2,716,200	£5,173,700	£8,705,600	£10,882,000	£10,882,000
Direct Teaching Staff Cost		£1,107,965	£2,110,389	£3,551,094	£4,438,867	£4,438,867
Direct School Opex		£72,726	£138,524	£233,091	£291,364	£291,364
School Admin Support		£110,670	£210,798	£354,704	£443,380	£443,380
Student Services / MAC	£403,652	£238,200	£370,300	£507,200	£634,000	£634,000
LLR Staff & Resources	£51,325	£207,797	£257,808	£323,220	£404,025	£404,025
Estates Support	£30,863	£200,000	£200,000	£200,000	£200,000	£200,000
Fees and Legal	£400,000					
IT Support Staff	£0	£94,630	£110,402	£126,174	£157,717	£157,717
Total LSBU Direct Costs	£885,840	£2,031,988	£3,398,221	£5,295,483	£6,569,353	£6,569,353
IT/AV Non Staff Costs	£2,000,000	£219,686	£219,686	£219,686	£219,686	£219,686
Fixtures, Fittings & Equipment	£2,300,000					
Cat B Fit Out						
Direct Surplus / (Loss)	-£5,185,840	£464,526	£1,555,793	£3,190,432	£4,092,961	£4,092,961
Direct Contribution		17%	30%	37%	38%	38%
Rent		£2,048,065	£2,048,065	£2,048,065	£2,048,065	£2,048,065
Estate Running costs		£780,000	£780,000	£780,000	£780,000	£780,000
Rates		£0	£0	£0	£0	£0
Total Rent + Service Charge	£0	£2,828,065	£2,828,065	£2,828,065	£2,828,065	£2,828,065
LSBU Croydon Surplus/(Loss)	-£5,185,840	-£2,363,539	-£1,272,272	£362,367	£1,264,896	£1,264,896
LSBU Croydon Direct return %		0%	-87%	-25%	4%	12%
Cash Impact	-£5,185,840	-£7,549,380	-£8,821,652	-£8,459,285	-£7,194,389	-£5,929,493
Cash impact with £3.3m council funding	-£1,885,840	-£4,249,380	-£5,521,652	-£5,159,285	-£3,894,389	-£2,629,493
NPV @ 6%	-£5,185,840	-£2,229,754	-£1,132,318	£304,250	£1,001,916	£945,204
NPV Total	-£6,296,542					

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	CONFIDENTIAL
Paper title:	LSBU Cairo
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Stuart Bannerman, Executive Director for International
Sponsor(s):	Professor Paul Ivey, DVC & Chief Business Officer
Purpose:	For Information
Recommendation:	The Board is requested to note that MPIC has reviewed the project and supports negotiations to continue with BUE.

Executive Summary - This paper reviews the development of LSBU Cairo. This project seeks to:

- deepen the relationship with the BUE owning dynasty
- buttress our BUE partnership with progression to M.Sc. study partly in the UK
- exploit the growth opportunity adjacent to the BUE campus
- explore a 'hub and spoke' opportunity for MENA transnational education (TNE)
- establish the LSBU vision for 'place and impact' in an international context
- Long term objective to 'internationalise' the LSBU group for both students and staff

However LSBU Cairo is a complex project because of

- The parallel establishment of a partner Egyptian educational 'platform' (AHEA)
- Partnership with the British University in Egypt (BUE) must not be compromised.
- Income will be Egyptian 'home' fees so expenditure must be proportionate.
- No LSBU institutional experience and limited capacity for this type of endeavour.
- Egyptian Presidential application and approval required to establish.

A strategic outline business case is presented which was used to justify continuing with the project and a timeline of decisions required by various committees is set out below, culminating in seeking final Board approval in July 2020 with first students in the following September.

Committee	Presented	Outcome
MPIC - 27 th February	SOBC	Support
Board -12 th March	SOBC	Support
Q&S committee - 3 rd June	Validation report	LSBU Cairo validation
Academic Board - 17 th June	Recommendation	LSBU Cairo ratification
MPIC - 25 th June	Full Business Case	Support for launch
Board - 16 th July	Recommendation	Approval to launch

Recommendation

The Board is requested to note that MPIC has reviewed the project and supports negotiations to continue with BUE.

Introduction

This paper reviews the development of a branch campus at Cairo. Whilst an application has been made to the Egyptian Ministry of Education, this has not been adjudicated. Such an application requires a University to partner with an Egyptian 'entity'; the entity in question for our application has not yet been established, and the work to date has been through the British University in Egypt (BUE) acting as a proxy.

More positively; the application was a substantial joint team undertaking given different jurisdictions and emerging rules and guidelines, BUE supports this work with leadership, staff and money, the initial educational offer is deliberately limited to minimise risk, the financials are cautious but none the less suggest a positive margin after year 1, and the potential both strategic and commercial is considerable.

LSBU has committed very few additional resources to arrive at this position. This paper presents a timeline for future development and decisions required to welcome first students in September 2020. A strategic outline business case (SOBC) was presented at Executive to continue the development of a LSBU branch campus in Cairo (LSBU Cairo). The recommendation sought from Executive by this SOBC was to commit funds to continue the project. The project will seek academic board approval, together with Executive and MPIC recommendations in June to facilitate Board approval in July.

A project board with executive oversight meets monthly in Cairo and a key task is the formation of, and contracting with this Egyptian 'entity'. Whilst the project financials have been tested several times with BUE, a key element is the student service provision and the modelling for this will need replacing with a contracted position. Finally staff and student recruitment, infrastructure development and academic validation are not instantaneous and consequently will need to run in parallel.

Strategic Outline Business Case

This SOBC was used to justify funding to underpin this project to launch LSBU-Cairo, and presents a timetable for operational and educational oversight approval via academic board, executive and governors running up to July 2020 noting that first student enrolment is anticipated in the following September.

LSBU Cairo – is it needed?

It is important to secure LSBU-Cairo, not least for the following reasons: to

- deepen relationship with the BUE owning dynasty
- buttress our BUE partnership with progression to M.Sc. study partly in the UK
- exploit this growth opportunity adjacent to the BUE campus
- explore a 'hub and spoke' opportunity for MENA transnational education (TNE)
- establish the LSBU vision for 'place and impact' in an international context
- Long term objective to 'internationalise' the LSBU group for both students and staff

LSBU Cairo – is it value for money?

During 2018/2019 £100K was invested to make an application to the Egyptian Ministry of Education for an International Branch Campus (IBC). Two organisations by necessity made this joint application, the Arab Higher Education Association (AHEA) and LSBU. The majority of costs were to ensure due diligence in understanding and complying with an emerging set of rules and guidelines from first the Egyptian Parliament, and subsequently from a 'Council of Ministers'. The majority of costs from this submission to date have been from current staff and OPEX budgets. From this point onwards additional funds were sought as an operating contingency as staff and student recruitment, legal, and some infrastructure investment may become necessary.

AHEA is essentially a university type structure without degree awarding powers and is developing the campus infrastructure to specifications developed by LSBU. This includes AHEA responsibility for delivering the physical and digital estate and BUE, through their current networks, acting as a proxy and facilitating / advising on student recruitment, entry tariffs and fee levels. The campus comprises 4 large buildings and the first to be occupied will satisfy easily the initial educational delivery. LSBU Cairo has 'first refusal' on the remainder of the campus.

So, LSBU is not committing capital, is using existing BUE process for key operational matters including the recruitment and management of a regional employee base. In return AHEA is a 50% profit (and loss) partner, LSBU Cairo pays an attractively low ground rent and a student service charge. This charge is per head for the first 4 years as capacity develops and capped thereafter.

LSBU Cairo – Is it viable?

BUE is the most successful and highest rated private University in Egypt. The significant benefit for this project is having BUE as an existing partner with whom we have a well-developed relationship at scale, good managerial oversight and strong quality assurance joint working. In addition the owners of BUE have turned down recent offers from at least two UK competitors, plus several from the US in favour of LSBU on the strength of this relationship. The initiative for Egypt to establish IBCs has presidential, parliamentary and ministerial approval and in 2019 two UK Universities started operating IBCs.

Two distinct but separate undergraduate opportunities present which deliver quick start up, minimal operational support, and either strong graduate employment opportunity and/or progression to UK based post graduate study experience. The first is a 4-year Hospitality, Leisure and Tourism degree for which we have evidenced strong employer demand from international hotel operators in Cairo (see appendix 1), the second is two 1-year 'top up' engineering post graduate level 6 awards (M.Sc.) potentially drawing on a large graduate cohort from BUE. Both these offers are for the present not replicated by the UK competition.

The Egyptian constitution for AHEA is in place, service contracts with AHEA are yet to be negotiated although the legal framework for this is almost agreed, staff employment terms and conditions are to be finalised although we have advice on the tax position. The governance structure between LSBU Cairo and AHEA is agreed but not yet populated, and a LSBU governance/oversight structure is proposed in this paper.

LSBU Cairo – Is it affordable?

The table attached (appendix 2) shows work to date for a 5 year run up to full capacity. Student numbers are considered by our Egyptian colleagues as extremely conservative. UK Universities already operating have reported exceeding their start up projections, if true this suggests more appetite for this IBC model than was anticipated. Fee levels are set slightly higher than charged by BUE to reflect a differentiated offer, staffing levels are modelled at 25:1 SSR with the majority on 'local' AHEA contracts and the initial educational 'products' are specific to established market

demand. Even with these perhaps (?) unrealistically low student numbers LSBU Cairo makes a loss 50% shared with AHEA in year 1, and profit from year 2 onwards.

LSBU Cairo – Is it achievable?

The project to establish a branch campus in Cairo (LSBU-Cairo) is complex for a variety of reasons. Most significant are the following:

- The parallel establishment of a partner Egyptian educational ‘platform’ (AHEA)
- Partnership with the British University in Egypt (BUE) must not be compromised.
- Income will be Egyptian ‘home’ fees so expenditure must be proportionate.
- No LSBU institutional experience and limited capacity for this type of endeavour.
- Egyptian Presidential application and approval required to establish.

The LSBU Cairo organigram shown (appendix 3) identifies a local senior management team (SMT) with operational accountability, a responsible executive sponsor and oversight via executive to the relevant committee the LSBU board to the board itself. In terms of education it is different with a direct line to the quality and standards committee of the academic board and thereafter the board itself. This separation of reporting and oversight is necessary to secure quality assurance independent of operations. The development of LSBU Cairo does not draw on LSBU resources other than one off infrastructure specification and leadership from the International directorate. This directorate is being re-focussed in turn to provide additional leadership capacity for LSBU Cairo and accompanying expansion of TNE. There is a need to secure a President for LSBU Cairo: The post is one balancing local politics, partnership, education leadership and team management, and consequently will be a critical appointment. The sequence of committee approval is as follows:

Committee	Presented	Outcome
MPIC - 27 th February	SOBC	Support
Board -12 th March	SOBC	Support
Q&S committee - 3 rd June	Validation report	LSBU Cairo validation
Academic Board - 17 th June	Recommendation	LSBU Cairo ratification
MPIC - 25 th June	Full Business Case	Support for launch
Board - 16 th July	Recommendation	Approval to launch

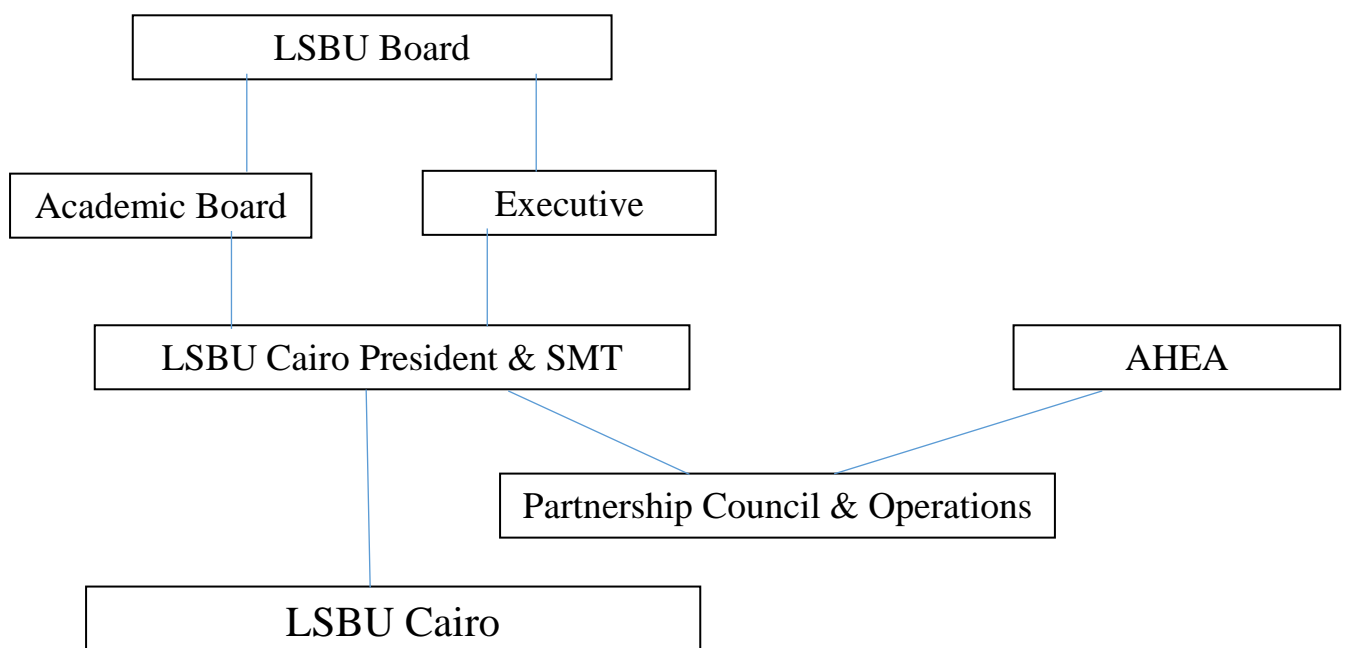
Appendix 1 – Tourism and Hospitality Management (T&HM)

In 2018 a report was commissioned from William Lawton an experienced TNE consultant and presented to Executive. This report indicated that hotel managers and the Ministry of Tourism were enthusiastic about new programmes in T&HM. Hotel managers were clear that they were dissatisfied with the quality of graduates and they supported any initiative to raise quality. This was consistent with extensive surveying conducted by BUE in 2014. Other areas where there was demand were school education, public health, linking engineering with business, and game design.

Appendix 2 - Financials

£K	Year 0	Year 1	Year 2	Year 3	Year 4	Year5
Students		200	550	1,050	1,350	2,200
Fees		1,375	3,943	7,855	10,766	19,023
Staff		525	941	1,840	2,325	4,010
Opex		583	1,476	2,733	3,636	4,250
Consumables	400	891	1,372	2,097	2,548	3,661
Nett	(400)	(624)	153	1,185	2,257	7,103
Tax	0	0	35	266	508	1,598
50% Residual	(400)	(312)	59	459	874	2,752

Appendix 3 – Governance and Oversight



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	CONFIDENTIAL
Paper title:	Report and decisions of committees
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Kerry Johnson, Governance Officer
Sponsor(s):	Relevant committee chairs
Purpose:	To update the Board on committee decisions
Recommendation:	The Board is requested to note the report on decisions of committees and approve the Group authorised signatories and contract authorisation process.

Executive summary

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

The Board is requested to approve:

- Group pensions sub-committee terms of reference.

Other relevant papers are included separately as agenda items.

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LSBU Group Pensions Sub-Committee Terms of Reference – revised January 2020

Membership

Steve Balmont	SBC Trustee	Chair of the committee
Duncan Brown	LSBU Independent Governor	
John Cole	LSBU Independent Governor	
Jerry Cope	Chair of LSBU Board and Independent Governor	
Ruth Farwell	Chair of the Board of SBC	
Richard Flatman	Group CFO, SBA Trustee, SW4 Director, SBUEL Director	
Mee Ling Ng	LSBU Independent Governor, SBC Trustee	
Jeremy Parr	LSBU Governor and Chair of Remuneration Committee	
Dave Phoenix	Group CEO, LSBU Governor, SBA Trustee, SBC Trustee	

]

Terms of reference

1. Constitution

- 1.1 The Board of Governors has established the Group Pensions Sub-Committee.
- 1.2 The committee has been established to review pension provision in the light of staff reward across the LSBU Group and will advise the relevant Boards in the LSBU group. The LSBU Board of Governors will make the final decision on Group pension provision.

2. Membership

- 2.1 The Group Pensions Sub-Committee and its chair shall be appointed by the chair of the Board.
- 2.2 The membership of the committee shall include LSBU governors and directors in the Group.
- 2.3 The Group Pensions Sub-Committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

3. Attendance at meetings

- 3.1 The Group CEO, Group Chief Financial Officer and the head of reward (or equivalent) shall normally attend meetings.

4. Frequency of meetings

- 4.1 Meetings shall be held as required with the aim to launch changes from 1 August 2020.

5. Authority

- 5.1 The Group Pensions Sub-Committee is authorised by the LSBU Board to review any aspect of group pensions provision and staff reward.
- 5.2 The Group Pensions Sub-Committee is authorised by the LSBU Board to obtain outside legal or other independent professional advice, if it considers this necessary. The CFO or Clerk to the Board are to procure, if required.

6. Secretary

- 6.1 The secretary to the Group Pensions Sub-Committee will be an appropriate person nominated by the Clerk.

7. Duties

- 7.1 The duties of the Group Pensions Sub-Committee shall be to:
 - 7.1.1 advise the LSBU Group Boards on the options available to the Group in relation to the ongoing pensions liability;

7.1.2 review recommendations from the Group Executive prior to the LSBU Board, regarding future staff pension provision, covering all Group entities; and

7.1.3 provide governance oversight to the implementation of agreed changes to pension provision in the university group.

8. Reporting

8.1 The Group Pensions Sub-Committee will report to the LSBU Board of Governors and other Group Boards as required.

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South Bank Academies Board – [5 December 2019](#)

The Board approved:

- Annual register of interests;
- SBA Audit Committee revised terms of reference;
- External audit letter of representation – confirmed that all material matters had been disclosed to the auditors and that the representation was accurate and reasonable;
- Annual report and accounts for year ending 31 August 2019 – reviewed by Audit Committee, accurate, and in line with reporting requirements;

The Board discussed:

- CEO report – key focus for management for 19/20 is improving outcomes and quality of education. SBA scheme of delegation noted;
- Education update – assessment models and joint CPD to staff being developed across both schools, external visit to UTC by Baker Dearing Trust in Oct 2019 where a number of concerns were raised;
- Oct 2019 management accounts;
- 5 year staff investment plan – verbal update noted; workforce plan to come to Board meeting on 26 March 2020;
- External audit findings – all but one of the high risk areas identified in the previous audit findings were resolved. The one high risk finding relates to financial controls and an action plan is being developed;
- Appointment of auditors – proposal to tender through Crescent Purchasing Consortium. Tender process to be overseen by panel of Audit Committee members. Strategy supported;
- SBA Audit Committee and School Advisory Board reports noted;
- Corporate risk report – no significant risks from Sept 2019 to Dec 2019.

Group Audit and Risk Committee – [13 February 2020](#)

The committee reviewed and recommended to the Board:

- Revised group speak up policy – included in the DMU supplement;
- Revised Group authorised signatories and contract authorisation process;

The committee approved by email:

- TRAC and TRAC (T) Report submissions – approved and submitted to OfS by the deadlines (process to be reviewed).

The committee reviewed:

- Internal audit progress report;

- Internal Audit follow-up report – 63% of recommendations had been completed and all high-risk recommendations had either been completed or were in progress;
- Internal Audit report on UKVI Tiers 2 and 5 which provided limited assurance over the design of controls and moderate assurance over the effectiveness of the controls;
- Internal Audit report on student data, which provided moderate assurance for control design and moderate assurance over the effectiveness of the controls;
- The draft framework for reportable events to the OfS.

The committee noted:

- Speak up report – no new speak up matters had been reported since the previous meeting;
- Anti-fraud, bribery and corruption report – one instance of theft had been identified and reported to the Metropolitan Police;
- Data protection report – two breaches were reported since the last committee meeting.

Group pensions sub-committee – 21 January 2020 and 19 February 2020

The committee discussed proposed changes to pension provision and reward in the LSBU group. The committee supported the proposed changes to pension provision and reward, and delegated authority to the Executive to finalise the proposed reward strategy and to commence formal consultation with staff and unions.

The committee reviewed its terms of reference and recommended minor changes to recognise the roles of the LSBU Board and subsidiary company Boards in decision-making. The Board of Governors is requested to approve the attached terms of reference.

Finance, Planning and Resources – [25 February 2020](#)

The committee discussed:

- Students' Union accounts and code of practice return were in progress and would come to the April meeting of FPR;
- FPR remit – the proposed revision of the FPR remit was discussed, with further amendments agreed. An updated ToR will go to the April meeting and then to the Board;
- Management accounts to 31 December 2019;
- Student recruitment and retention – semester 1 recruitment was at 128% of target. Withdrawal and interruption favourable compared with 2018/19;
- Progression update – current and strategic initiatives to improve progression discussed, including benchmarking of hardship fund;

- REI update - £2.3m of research income secured to end of Period 5, further £2.6m contracted.

The committee noted:

- KPIs 2018/19 and 2019/20 targets and performance;
- Treasury management report;
- Strategic HR report, including update on Coronavirus contingency planning.

Academic Board – [26 February 2020](#)

The Board discussed:

- The Education Strategy, which included the in-year and longer term progression, the structure of the academic year and how to improve the student experience and the National Student Survey; and
- Student Union issues.

The Board noted:

- The recommendation of Professor Nicola Martin to the Board of Governors as a staff governor; and
- Reports from sub-committees.

South Bank Colleges Board – [26 February 2020](#)

The Board approved:

- Facility agreements with LSBU for turnaround funding and estates cash-flow.

The Board discussed:

- Student achievement data which is expected to decline. College management are looking at how to address this.
- Staff survey results from July 2019. An update survey is due to be carried out in summer 2020.
- Update on the Vauxhall site which is behind schedule and now likely to open in December 2021/January 2022. The DfE is expected to make a decision on the revised estates strategy by 18 March 2020.
- CFO report – the management accounts are forecasting to meet budget surplus.
- The annual health and safety report

Facility agreement sub-committee – 27 February 2020

As part of the Project Larch/Lambeth College transaction, LSBU had agreed to provide financial support to its wholly-owned subsidiary, SBC. In order to document this position, LSBU proposed to make available two facilities to SBC, to enable:

- (i) SBC to continue to fund the turnaround of Lambeth College; and
- (ii) SBC to manage cash-flow for its estates redevelopment plans.

At its meeting of 18 July 2019, the Board authorised a sub-committee of Rashda Rana, the Vice Chancellor and the Chief Financial Officer to authorise the execution of the facility agreements subject to LSBU having an explicit power to lend in its articles. Following amendments of the articles to give LSBU an explicit power to lend, the sub-committee approved the two facility agreements and authorised execution of the first facility agreement (to fund turnaround). The second facility agreement will be executed following approval by the DfE of the SBC estates strategy.

Major Projects and Investment Committee – [27 February 2020](#)

The committee reviewed and recommended to the Board:

- Croydon OBC – strongly supported in principle, with a focus on nursing undergraduate and gaining placements in the South East.

The committee discussed:

- Project LEAP update – recommended combination of technologies summarised. Business case to come to April 2020 MPIC meeting;
- SBC estates update – final decision from DfE on estates strategy expected on 18 March 2020;
- LSBU Cairo – continued to supported in principle;
- Southwark Campus redevelopment update.

	CONFIDENTIAL
Paper title:	Corporate Risk Report
Board/Committee	Group Board of Governors
Date of meeting:	14 th March 2020
Author:	Richard Duke – Director of Strategy & Planning
Sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For noting
Recommendation:	That the Board of Governors notes the Corporate Risk Report.

Executive Summary

The corporate risk register currently has:

- Zero critical risks;
- Eight high risks;
- Fifteen medium risks;
- Two low risks

Since the last risk register, presented in November 2019:

- Six new risks have been added;
- Two risks have been downgraded from critical to high;
- Two risks have been removed;
- One risk has been edited.

These changes have been made as a result of the review of the Senior Leadership Team (SLT) of the Group Risk Register on February 26th 2020. The SLT reviews the Group Risk Register at each of its monthly meetings. The changes are detailed in Appendix A

This format is under review, with plans for future Corporate Risk reports to integrate a Group Approach, which will incorporate the 2025 Group Strategy. A proposed Risk Policy will be re-presented to the Audit Committee in June 2020.

LSBU Corporate Risk: Board Summary Report – Feb 2020

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

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (open)	(517) EU Referendum Impact on regulation & market (DP)	(402) Income growth from Research & Enterprise unrealised (PI) (457) Anticipated international & EU student revenue unrealised (PI) (624) LSBU Family integrated service benefits (DP) (630) HE Policy - Limits to recruitment based upon quality of provision (NL) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)	(2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF)	
Legal / Compliance (Cautious)		(305) Data security and data protection (NL) (519) Negative Curriculum Assessment (PVC) (584) External incident compromises campus operations or access (NL)		
Academic Activity (Seek)		(398) Academic programmes not engaged with technological and pedagogic developments (PVC) (494) Inconsistent delivery of Placement activity (NL) (495) Higher Apprenticeship degrees (FM) (518) Core student system inflexibility / failure (PVC) (628) Availability of NHS placements (PB) (627) Impact of new strategy upon organisational culture (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (PVC) (629) OfS Thresholds not met in relation to Condition of Registration B3 (PVC)	
Reputation (Open)	(1) Capability to respond to change in policy or competitive landscape (DP)	(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (NL)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI)	

Date: Feb 2020

Author: Richard Duke – Director of Strategy & Planni **Executive Lead:** Richard Flatman – Chief Financial Officer

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>			
	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>	(495) Higher Apprenticeship degrees (FM) (457) Anticipated international & EU student revenue unrealised (PI) (624) LSBU Family integrated service benefits (DP) (305) Data security and data protection (NL) (519) Negative Curriculum Assessment (PVC) (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (NL)	(37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (PVC) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (PVC) (3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF)
	2 Medium <i>failure to meet operational objectives of the University</i>	(517) EU Referendum Impact on regulation & market (DP) (1) Capability to respond to change in policy or competitive landscape (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (PVC) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (PVC) (627) Impact of new strategy upon organisational culture (NL) (402) Income growth from Research & Enterprise unrealised (PI) (630) HE Policy - Limits to recruitment based upon quality of provision (NL) (584) External incident compromises campus operations or access (NL)	(628) Availability of NHS placements (PB) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF)
	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			

Appendix A - Risk Register and changes since last review

Risk Details				February 2020 Rating			
Risk	Risk Number	Executive Sponsor	Risk Type	Likelihood	Impact	Risk Severity	Notes
OfS Thresholds not met in relation to Condition of Registration B3	629	PVC	Academic Activity	High	High	High	Added in Feb 2020
Sustainability of current pension schemes	3	Richard Flatman	Financial	High	High	High	Impact reduced
Impact of Govt. Education Review on HE funding	625	Richard Flatman	Financial	High	High	High	
Affordability of Capital Expenditure investment plans	37	Richard Flatman	Academic Activity	Medium	High	High	Change to just affordability
Progression rates don't increase	467	PVC	Academic Activity	Medium	High	High	
Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets	2	Nicole Louis	Financial	Medium	High	High	Impact reduced
Impact of assurance activity & new initiatives fails to address issues around student experience	626	Pat Bailey	Reputation	Medium	High	High	
Alignment of estate with sector requirements across the Group	632	Paul Ivey	Reputation	Medium	High	High	Added in Feb 2020
Availability of NHS placements	628	Pat Bailey	Academic Activity	High	Medium	Medium	Added in Feb 2020

Full financial benefits including Income and expenditure levels fail to leverage potential of Group	631	Richard Flatman	Financial	High	Medium	Medium	Added in Feb 2020
Higher Apprenticeship degrees	495	Fiona Morey	Academic Activity	Low	High	Medium	
Anticipated international & EU student revenue unrealised	457	Paul Ivey	Financial	Low	High	Medium	
Data security and data protection	305	Nicole Louis	Legal/Compliance	Low	High	Medium	
Negative Curriculum Assessment	519	PVC	Legal/Compliance	Low	High	Medium	
Management Information perceived as unreliable, doesn't triangulate or absent	6	Richard Flatman	Reputation	Low	High	Medium	
Low staff engagement impacts performance negatively	362	Nicole Louis	Reputation	Low	High	Medium	
Academic programmes not engaged with technological and pedagogic developments	398	PVC	Academic Activity	Medium	Medium	Medium	
Inconsistent delivery of Placement activity	494	Nicole Louis	Academic Activity	Medium	Medium	Medium	
Core student system inflexibility / failure	518	PVC	Academic Activity	Medium	Medium	Medium	
Impact of new strategy upon organisational culture	627	Nicole Louis	Academic Activity	Medium	Medium	Medium	Added in Feb 2020
Income growth from Research & Enterprise unrealised	402	Paul Ivey	Financial	Medium	Medium	Medium	

HE Policy - Limits to recruitment based upon quality of provision	630	Nicole Louis	Financial	Medium	Medium	Medium	Added in Feb 2020
External incident compromises campus operations or access	584	Nicole Louis	Legal/Compliance	Medium	Medium	Medium	
EU Referendum Impact on regulation & market	517	Dave Phoenix	Financial	Low	Medium	Low	
Capability to respond to change in policy or competitive landscape	1	Dave Phoenix	Reputation	Low	Medium	Low	
LSBU Family integrated service benefits	624	Dave Phoenix	Financial				Merged with 631 and therefore removed
Loss of NHS contract income	14	Pat Bailey	Financial				Removed and replaced with risk relating to the availability of NHS placements (628)

	CONFIDENTIAL
Paper title:	Prevent policy
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Irina Bernstein, University Solicitor and Head of Legal Services
Sponsor(s):	Pat Bailey, Provost
Purpose:	For Information
Recommendation:	To note the Prevent policy.

Executive summary

The University is required to commit to principles of free speech and freedom of expression. It is also required by the Counter Terrorism and Security Act 2015 to have in place policies and procedures to mitigate the risks of people being radicalised or drawn into terrorism. The new Prevent policy and the revised External Speaker policy address those requirements.

The current Prevent policy deals with the University. The recommendation is to publish as is and deal with the Group aspect in due course, as the Group policy review has not yet been undertaken. This policy deals with requirements imposed on universities.

The Organisational Development team are currently working on the enforcement of mandatory training and how to link Prevent to the relevant HR policies. The policy will be shared with the Students' Union.

Recommendation

The Board is requested to note the new Prevent policy.

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**London
South Bank
University**

Prevent Policy

Policy last reviewed	December 2019
Approved by	Executive
Published on	LSBU website under About Us, Policies and procedures https://www.lsbu.ac.uk/about-us/policies-regulations-procedures

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Prevent Policy Procedure

1. Introduction

- 1.1. LSBU recognises the need to protect people from being drawn into terrorism. LSBU is required under the Counter-Terrorism and Security Act 2015 to have “*due regard to the need to prevent people from being drawn into terrorism*”. In carrying out this duty, LSBU must have regard to guidance issued by the Secretary of State. This policy sets out how LSBU is complying with this duty.
- 1.2. LSBU operates a Freedom of Speech Code of Practice. LSBU’s academic staff have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions. However, any purported exercise of freedom of speech or academic freedom that is not within the law, for example that incites religious or racial hatred or incites anyone to violence, does not benefit from protection

2. Scope – who is covered by this procedure?

This policy applies to all LSBU staff, students, contractors, volunteers and visitors. The activities of such individuals taking place away from LSBU sites will also fall within the policy’s scope if they are undertaking activities that are, or are perceived to be, associated with LSBU.

3. Who is responsible for this procedure?

Pro-Vice Chancellor Compulsory and Further Education has direct overall responsibility for ensuring compliance with the duty to prevent people from being drawn into terrorism, chairs an established overarching Safeguarding Committee, and receives reports from the “Prevent” Sub-Committee. These groups comprise a multi-disciplinary team of senior officers from across LSBU and officials of the Students’ Union. They monitor and oversee LSBU’s approach. An annual report of the work of the groups will be made to the Board of Governors via the Executive. The Board of Governors submits an annual return to the Office for Students.

4. How to report concerns

- 4.1. If you are concerned that an individual is being radicalised and/or is in danger of being drawn towards terrorism, you should make a referral by following the process set out in Appendix A if you are a student; and Appendix B if you are a member of staff.
- 4.2. **If someone is in immediate danger or is at risk of harm, a report should be made to the police immediately. If a crime is in progress or life is at risk, dial emergency services on 999.**

5. Staff Training

- 5.1. Training on how to protect people from being drawn into terrorism and to challenge extremist ideas which risk drawing people into terrorism will be provided. This training will be mandatory for all staff and any relevant contractors and be required annually. Completion rates by area will be reported to the Safeguarding Committee. The University has a policy in place for dealing with the enforcement of all mandatory training completion.
- 5.2. The content of training will be reviewed at least yearly, or sooner if areas of improvement are identified by the Safeguarding Committee.

6. Risk Assessment and Action Plan

LSBU will maintain and regularly review a detailed risk assessment and action plan. The risk assessment assesses where and how people at LSBU might be at risk of being drawn into terrorism. This includes not just violent extremism but also non-violent extremism, which can create an atmosphere conducive to terrorism and can popularise views which terrorists exploit. The action plan sets out the actions that LSBU will take to mitigate any risks. The risk assessment and action plan are standing items on the Safeguarding Committee's agenda.

7. Sharing Information

The Pro-Vice Chancellor Compulsory and Further Education or a designated representative should be advised of any information requests relating to Prevent, extremism, terrorism or counter-terrorism information. Similarly, any information which the University intends to release to any other agency on this topic should be discussed in advance with the Pro-Vice Chancellor Compulsory and Further Education or a designated representative. The University handles all information in accordance with the General Data Protection Regulation and the Data Protection Act 2018 (as amended or superseded) and statutory requirements. The Data Protection and Information Compliance Officer should be consulted for advice as necessary.

8. External Speakers and Events

LSBU has an External Speaker policy (that can be found on LSBU website under About Us, Policies and Procedures tab) outlining a process and procedure for dealing with external speakers, both for events on and off campus.

9. Engagement with Students' Union

The University and the Students' Union recognise the need to challenge extremist ideas which risk drawing people into terrorism, and work in close co-operation to ensure that all students are protected and remain safe. The Students' Union is represented on the strategic Safeguarding Committee and

works closely with relevant University staff. The Students' Union is specifically subject to this Prevent Policy and its associated policies and procedures.

10. Gender Segregation

LSBU follows Universities UK guidelines on gender segregation. All student led events are permitted on the understanding that gender segregation is not allowed. The only exception is in the use of single sex prayer rooms (see part 14). There is no gender segregation permitted in other non-student led University events.

11. Equality

People of any age, sex, faith and class may be vulnerable to being drawn into extremism and terrorism. Terrorism can be based on right wing extremism just as much as any other interpretation of ideology or faith. Assumptions should not be made about people's intentions or views based on outward appearances, denomination, allegiances or faith group alone.

12. Multi agency approach

LSBU is an active member of the Higher Education London Regional Prevent Group, and the Head of People and Organisational Development Compliance is a member of the DfE Counter Extremism Committee for Higher Education. LSBU has regular contact with multi agency partners including the Local Authority and police and will co-operate with all relevant processes required by law.

13. ICT and Research

13.1. LSBU balances the need to protect and keep people safe with the requirement for lawful academic freedom. It should be noted that all web searches on LSBU computer equipment are traceable, and the University has a structured policy on the appropriate use of ICT and standard blocked sites.

13.2. Where you are legitimately required to research terrorism-related information online, you need to make an application in advance of starting the research. You can do this through LSBU Ethics Panel for Post Graduate research. Information is available on Moodle PGR site. Documents can be downloaded and emailed to ethics@lsbu.ac.uk. In cases of taught programmes, you need to complete the form contained in Appendix C and seek approval by the relevant Module Leader and then the Head of Security and Estates Customer Services by emailing security-office@lsbu.ac.uk. You can contact the Head of Security and Estates Customer Services for advice in advance of submitting the form.

14. Prayer Rooms and other Faith-Related Facilities

- 14.1. The University recognises the importance of having prayer rooms and other faith-related facilities, and for faith leaders to be made aware of this Prevent Policy.
- 14.2. LSBU works in close partnership with the Students' Union and its societies in all matters relating to the operation and use of prayer rooms and other faith-related facilities. The University also has an established faith committee to consider day-to-day operational issues relating to multi-faith worship across campus, comprising senior staff, Students' Union officers and student representatives.
- 14.3. The Head of People and Organisational Development Compliance regularly meets with the Chief Executive of the Students' Union and with the Head of Security and Estates Customer Services. Any emerging issue or concern relating to the use of prayer rooms or other faith-related facilities would be discussed at these regular scheduled meetings (or an extraordinary one called if it was an urgent issue). Further dialogue may take place with any Students' Union affiliated society as necessary. All actions are reported back to and monitored by the Safeguarding Committee.
- 14.4. Procedures on the use of prayer rooms and other faith-related facilities redeveloped as part of the University Multi Faith Forum, are overseen by the Director of Student Support and Employment.

15. Security

Security procedures are in place to help safeguard staff, students and all users of the campus in the event of any terrorist incident and are continually reviewed in consultation with the police.

16. Audit

- 16.1 This Prevent Policy will be subject to regular inspection by Internal Audit and reporting to the Board of Governors.
- 16.2 In addition to the above, the Head of Security and Estates Customer Services will conduct quarterly audit inspections of a random sample of external speaker requests. Reports will be produced for the Safeguarding Committee.

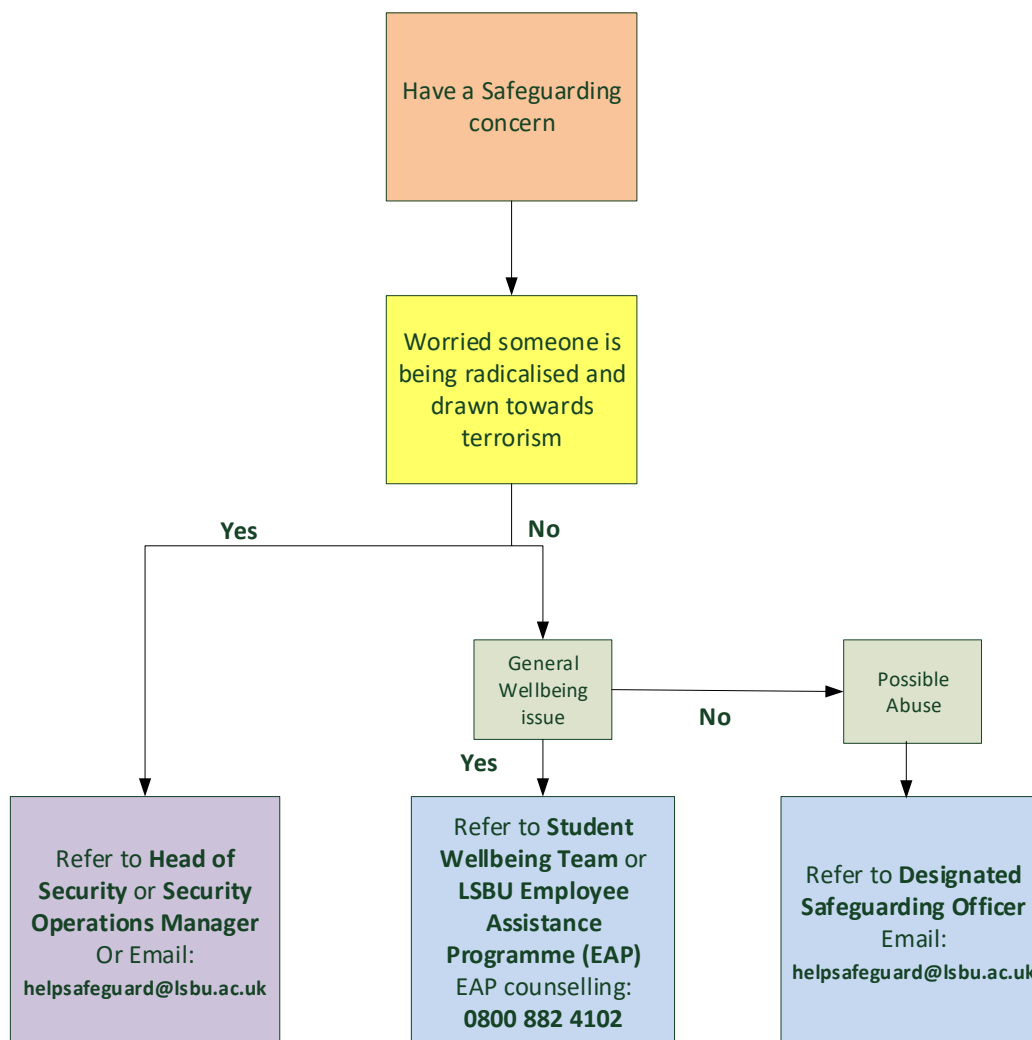
Appendix A
**LSBU Safeguarding referral procedures for use by Students and Students’
Union Officers**

This process has been designed to ensure that where there is any doubt between whether an individual is suffering from emotional difficulties, mental health issues, or is subject to possible abuse or is being drawn into terrorism, the Student or Students’ Union Officer just has to use a single point of contact.



Appendix B

LSBU Safeguarding referral procedures for use by Staff



The Student Wellbeing team will examine any general wellbeing issues using a range of established processes.

Consider the wider welfare support for those referred, involved or affected by any issues in the flowchart.

How do I know if someone really is being drawn towards Terrorism?

1. **Seek advice** if you are not sure: call the Head of Security or Security Operations Manager.
2. There is **no unique** identifier or symptom of terrorism.
3. Radical views are any views which sanction the use of violence. It does **not only confine to religions and includes right wing issues**.
4. The referral is to allow **appropriate checks** to take place. If there are no issues, it will be quickly identified and resolved.



Approval Form – Research Terrorism Related Subject

Students are required to fill out the below form if they are to research terrorism related subjects as part of their module work.

Name:	
Student number:	
School:	
Module:	
Module leader:	
Assignment title:	
Brief description of subject area:	
Duration of research:	

Date (form submitted):	
Signature (student):	

Approved by Module leader (Print Name)	
Date:	
Signature:	

Approved by Head of Security:

Date:	
Signature:	

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	CONFIDENTIAL
Paper title:	New governor declaration of interests
Board/Committee:	Board of Governors
Date of meeting:	12 March 2020
Author(s):	Anita Ikpa, Governance Assistant
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For approval
Recommendation:	The Board is requested to authorise the declared interests of Jerry Cope and Deepa Shah.

Executive Summary

1. Under the Companies Act 2006, governors have a duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of LSBU, unless this has previously been authorised by the Board.
2. The Board is requested to authorise the interests and note any changes to the governor's interests.
3. When authorising their interests, the Board will need to consider whether to attach any conditions to the authorisation.

Jerry Cope's declared interests:

- From December 2019, no longer a director of t-three who was acquired by Gateleys plc
- From December 2019, shareholder of Gateleys plc

Deepa Shah's declared interests:

- From 27 January 2020, Sole director and shareholder of Lab Eight Ltd
- From April 2020, no longer a director of Publicis Sapient

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