

Meeting of the Board of Governors
4.00pm on Thursday, 23 May 2013
in 1B27, Technopark, London Road, London SE1

Agenda

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of Interest <i>Governors are required to declare any interest in any item of business at this meeting</i>		Chair
3.	Chairman's Business		
3.1	Minutes of previous meeting (for publication)	BG.18(13)	Chair
3.2	Vice Chancellor recruitment update	Verbal update	Chair
4.	Matters arising		Chair
5.	University Strategy		
5.1	April Board Strategy report (to discuss and note)	BG.19(13)	VC
5.2	Core and Margin (to discuss and note)	BG.20(13)	EDF
5.3	NHS Funding position for 2013-14 (to discuss and note)	BG.21(13)	Exec Dean of HSC
5.4	University Enterprise presentation (to discuss and note)	Presentation	Dir of Ent
5.5	Student recruitment, 2013/14 (to discuss and note)	BG.22(13)	PVC(E)
6.	University Performance		
6.1	Vice Chancellor's Report (to discuss and note)	BG.23(13)	VC
6.2	Management Accounts summary (to discuss and note)	BG.24(13)	EDF
7.	Committee Business		
7.1	Reports from committees (to discuss and note)	BG.25(13)	Committee chairs
7.2	Capital Investment update (to note)	BG.26(13)	EDF

8. **Governance**

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| 8.1 | Chairman Nomination Committee (to approve) | BG.27(13) | Sec |
| 8.2 | Risk Register (to note) | BG.28(13) | EDF |
| 8.3 | HEFCE Assessment of Institutional Risk (to note) | BG.29(13) | EDF |
| 8.4 | SU Election results and report (to note) | BG.30(13) | PVC(A) |
9. Date of next meeting: 4pm on Thursday 18 July 2013.

Members: David Longbottom (Chair), Dame Sarah Mullally (Vice Chair), Martin Earwicker (Vice Chancellor), Anisa Ali, Barbara Ahland, Steve Balmont, Douglas Denham St Pinnock, Ken Dytor, Mee Ling Ng, Hilary McCallion, Anne Montgomery, Andrew Owen, Diana Parker, Shushma Patel, James Smith and Jon Warwick.

With: Pro Vice Chancellor (Academic), Pro Vice Chancellor (External), Executive Director of Finance, University Secretary, Executive Dean of Health and Social Care (for item 5.5), Director of Enterprise (for item 5.2) and Governance Officer.

	PAPER NO: BG.18(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Minutes of the meeting of 21 March 2013	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	David Longbottom, Chairman of the Board	
Recommendation:	That the Board approves the minutes of its last meeting and the redactions for publication	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Published on the university's website	

Executive Summary

The Board are requested to approve the minutes of the meeting of 21 March 2013 and the proposed redactions for publication.

Minutes of a Meeting of the Board of Governors
held at 3pm on Thursday, 21 March 2013
in 1B33, Technopark, London SE1

Present

David Longbottom	Chairman
Dame Sarah Mullally	Vice Chair
Prof Martin Earwicker	Vice Chancellor and Chief Executive
Barbara Ahland	
Steve Balmont	
Douglas Denham St Pinnock	
Ken Dytor	
Prof Hilary McCallion	
Sir David Melville	
Anne Montgomery	
Dr Mee Ling Ng	
Andrew Owen	
Diana Parker	
Prof Shushma Patel	
James Smith	
Prof Jon Warwick	

Apologies

Anisa Ali
Andrew Owen

In attendance

Dr Phil Cardew	Pro Vice Chancellor (Academic)
Richard Flatman	Executive Director of Finance
Beverley Jullien	Pro Vice Chancellor (External)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

Welcome and apologies

1. The Board welcomed Prof Hilary McCallion and Dr Mee Ling Ng as independent governors to their first Board meeting.

Declaration of Interests

2. No governor declared an interest in any item on the agenda.
3. The Board authorised Douglas Denham St Pinnock's declared interest as a member of the Council for the Defence of British Universities (paper **BG.00(13)**).

Minutes of the previous meeting

4. The Board approved the minutes of the meeting of 22 November 2012 and authorised their publication. There were no matters arising.

Appointment of new Vice Chancellor Committee

5. The Chairman updated the Board on the progress of the Vice Chancellor Appointment Committee (paper **BG.02(13)**). The Board noted that a final interview for the position had been held on 19 March 2013 and that the Vice Chancellor Appointment Committee did not recommend an appointment. Accordingly the search would continue with new recruitment consultants.

Student Recruitment, 2013/14

6. The Pro Vice Chancellor (External) updated the Board on student recruitment across the sector for 2012/13 and applications for 2013/14 (paper **BG.03(13)**). It was noted that LSBU performed relatively well in the sector for 2012/13 with accepted applications down 4% compared with 13% across the sector.
7. The Board noted that Home and EU applications for 2013/14 were **up on last year by 5%**. An important step was to encourage applicants to convert to accepting their offer. Initiatives including open days were proving useful. A focus on students from the "tier 1" schools and colleges continued. The Board welcomed the report. The Executive continued to monitor progress.

HEFCE Grant Settlement, 2013/14

8. The Board noted a paper (**BG.04a(13)**) from the Executive Director of Finance on the HEFCE grant letter for 2013/14. The letter set out the adjusted teaching grant for 2012/13 of **£31.1m (an increase of 1.5% on the provisional allocation for 2012/13) and initial grant for 2013/14 of £23.3m (a decrease of 25% compared with the revised allocation for 2012/13).**

9. Further analysis of HEFCE's assumptions on student numbers was being carried out. Some targeted allocations had reduced or ceased. The Board noted the report.

Revised five year financial forecasts

10. The Board discussed in detail revised five year financial forecasts (paper **BG.04(13)**). The Board noted that the target level of surplus should continue to be 5% of income and that the "target case" assumes:
- assumed growth in student numbers to 2,750 in 2013/14 compared with 2,500 in 2012/13 and steady state thereafter;
 - improvements in year 1 progression from 61% to 65% over the five years;
 - a move to fees of £9,000 from 2014/15 with additional bursary spend of £1m pa from 2014/15 and fee inflation post 2015/16;
 - additional income of £16m pa by 2017/18 with a surplus thereon of 20% (£3.2m);
 - capital expenditure of £110m over the 5 year planning cycle although this may need to be reviewed depending on actual financial performance over the period; and
 - cost reduction of £1m in 2013/14 which is assumed to be structural and which will therefore roll forward.

Anne Montgomery joined the meeting.

11. The Executive Director of Finance reported on correspondence received from HEFCE proposing changes to the annual risk letter relating to the "sustainability" of LSBU and its response to student recruitment challenges. In a subsequent telephone conference with the Executive Director of Finance and the Vice Chancellor, HEFCE had confirmed that this would not alter its assessment that LSBU was "not at higher risk" at this stage (the better of two risk ratings).
12. In response to a question about international recruitment, the Pro Vice Chancellor (External) confirmed that organisational problems had been tackled and applications were now increasing.
13. The Board approved the revised five year financial forecasts for submission to HEFCE.

Ken Dytor joined the meeting.

OFFA Access Agreement, 2014/15

14. The Board discussed in detail the proposed Office of Fair Access (OFFA) Access Agreement for 2014/15 (paper **BG.05(13)**). It was noted that the Agreement proposed raising the headline tuition fees for 2014 to £9,000 and that student support would be focused on enhancing progression and would be in the form of bursaries and scholarships rather than fee waivers.
15. The Board approved the OFFA access agreement for 2014/15 and authorised the VC to approve any necessary changes prior to its submission in April 2013.

Educational Character Statement

16. The Board approved the statement of the educational character of the University (paper **BG.06(13)**), which had been considered in detail by the Educational Character Committee and the Academic Board. The Board welcomed the continued mission of “creating professional opportunity for all who can benefit”. The statement would be widely published.

Vice Chancellor’s Report

17. The Board noted the Vice Chancellor’s report (paper **BG.07(13)**), which updated the Board on university business, including the integrated data project, estates matters and enterprise. A detailed update on enterprise would be brought to the next meeting.
18. The Board approved the following amendments to the key performance indicators: target for year 1 progression 70%; deletion of the estate condition KPI, which would instead be monitored by the Property Committee.

Progress on External Reporting

19. The Board noted an update on the progress of the external reporting project (paper **BG.08(13)**). HEFCE’s data quality standards had been met. The Board noted that substantial progress had been made and risks mitigated and requested the Audit Committee to continue to monitor progress.

Management Accounts to 31 January 2013 summary

20. The Board noted a summary of the management accounts to 31 January 2013 which showed an improved reforecast surplus of £3.4m (paper **BG.09(13)**).

Reports from committee meetings

21. The Board noted reports from committee meetings (paper **BG.10(13)**).
22. The Board approved the addition of Ralph Sanders, Financial Planning Manager as an authorised bank signatory.

Perry Library Entrance Scheme

23. The Board discussed the proposal to improve the Perry Library Entrance (paper **BG.11(13)**), supported by both the Policy and Resources and the Property Committees. The Board considered that the **£1.9m** of capital expenditure was essential as the current entrance is inadequate and could lead to a reduction in student numbers. Longer term decisions about the library would form part of the overall estates strategy.
24. The Board approved the investment of **£1.9m** and requested the Executive to follow up opportunities to enhance the public realm around the Perry Library.

Changes to the Staff Grievance Procedure

25. The Board approved the revised Staff Grievance Procedure (paper **BG.12(13)**), considered in detail by the Human Resources Committee.

National Pay Bargaining

The two staff governors, Prof Shushma Patel and Prof Jon Warwick, did not participate in this matter.

26. The Board approved the proposal for the University to remain in national pay bargaining for 2013/14 (paper **BG.13(13)**), considered in detail by the Human Resources Committee.

Pensions Auto Enrolment Policy

27. The Board approved the proposed pensions auto enrolment policy (paper **BG.14(13)**), which would automatically enrol all eligible staff to the Teachers' Pension Scheme (TPS) or Local Government Pension Scheme (LGPS) defined benefit schemes regardless of age or earnings. In addition, the University will take advantage of transitional delay to auto-enrolment until October 2017 for employees who are not members of the TPS, LGPS or the Universities Superannuation Scheme.

28. The Board discussed the proposal to use the Universities Defined Contribution Pension Scheme provided by Friends Life for a small number of employees not eligible to join TPS or LGPS and employees of South Bank University Enterprises Ltd (SBUEL). The Board approved the use of the defined contribution scheme on the terms set out in the paper and noted that its use for SBUEL would be considered by the SBUEL Board of Directors.
29. In relation to the Defined Contribution scheme, governors raised the level of charges and the security of the funds, which were both acceptable.

Corporate Risk Register

30. The Board noted the corporate risk register (paper **BG.15(13)**). The Board noted the addition of the risk of security of personal data which had been upgraded from the Registry's operational risk register.
31. The Board noted that following review, the Executive had considered the risk around accepting donations remains on the Development and Alumni Relations risk register and is not escalated to the corporate risk register (minute 25 of 22 November 2012 refers).

Charitable Funds Review

32. The Board approved the proposals to amalgamate the University's historic charitable funds and transfer the amalgamated fund to the University, subject to Charity Commission approval (paper **BG.16(13)**). The Board agreed that the Policy and Resources Committee would provide oversight of expenditure of the fund and approved the winding up of the Charitable Funds Committee to the Board. The form of resolution was approved for submission to the Charity Commission and the University Secretary was authorised to make any necessary amendments.

Annual Health and Safety Report

33. The Board noted the annual health and safety report (paper **BG.17(13)**). Questions were raised about the reporting of "near misses" and statistics of staff actually trained and the zero accident statistics for students. The style of the report would be reviewed by the Executive and brought to the Policy and Resources Committee in July 2013.

London South Bank University

Any Other Business

34. The Board noted Sir David Melville's resignation as at 31 March 2013. As this was his final Board meeting the Board warmly thanked him for his valuable contribution to the Board and University over the last four years.
35. The Chairman reminded governors about the 2nd annual meeting of the University Court taking place in the Student Centre following the meeting.

Date of next meeting

36. The next meeting will be held at 4pm on Thursday 23 May 2013.

The Chairman closed the meeting.

Confirmed as a true record:

..... (Chairman)



Committee Action Points

16 May 2013

14:06:13

Committee	Date	Minute	Action	Person Res	Status	
Board	21/03/2013	4	Publication of minutes	Secretary		<input checked="" type="checkbox"/> Completed
Board	21/03/2013	13	Submission of revised 5 year forecasts to HEFCE	EDF		<input checked="" type="checkbox"/> Completed
Board	21/03/2013	15	Submission of OFFA Access Agreement	PVC - A		<input checked="" type="checkbox"/> Completed
Board	21/03/2013	22	Addition of Ralph Sanders as an authorised bank signatory	EDF		<input checked="" type="checkbox"/> Completed
Board	21/03/2013	32	Wind up Charitable Funds Committee	Secretary	Ongoing - dependent on Charity Commission approval for amalgamation of charitable funds	<input type="checkbox"/> Completed
Board	21/03/2013	32	Seek approval from the Charity Commission for charitable funds reform	Secretary	Charity Commission have been written to. Awaiting response	<input type="checkbox"/> Completed
Board	21/03/2013	33	Review of style of annual health and safety report by Exec and P&R in July	VC	On agendas	<input type="checkbox"/> Completed

	PAPER NO: BG.19(13)	
Board/Committee:	Meeting of the Board of Governors	
Date:	23 May 2013	
Paper title:	Board Strategy Day	
Author:	Dr Markos Koumaditis, Executive Assistant to the Vice Chancellor	
Executive sponsor:	Professor Martin Earwicker, Vice Chancellor	
Recommendation by the Executive:	That the Board note the outcomes of the Board Strategy Day, 25 April 2013	
Aspect of the Corporate Plan to which this will help deliver?	All aspects of the Plan.	
Matter previously considered by:	N/A	On:
Further approval required?	N/A	On:
Communications – who should be made aware of the decision?	N/A	

Executive summary

The Board are requested to note and discuss the outcomes of the Board Strategy Day of 25 April 2013.

Board of Governors Strategy Day
25 April 2013
Summary Report

Welcome and introduction

Scene setting by the Chair of the Board and the Vice Chancellor.

Key themes to be discussed:

- University plans to meet the targets of the five year forecast
- University plans to tackle the challenge of the competitive environment in HE

Refresher of the five year forecast

Presentation by the Director of Finance focusing on:

- Key targets
- Target case assumptions
- Scenario analysis
- Surplus scenarios
- Cash forecast

Action

- To send to the Board comparative financial data about the sector showing staff costs and other key metrics. These data are regularly presented to the Audit Committee.

Meeting the targets of the five year forecast

Presentations by the Vice Chancellor, Pro Vice Chancellor (External) and Pro Vice Chancellor (Academic) focusing on:

- Plans to deliver 2750 first year students

- Increasing retention rates to 65%
- Achieving a step change in international students
- Generating enterprise revenue and contribution
- Employability

Plenary discussion

Core business

- Example of how a course will be refocused following the portfolio review: the Creative Arts project – can we collaborate with other institutions? Is this feasible in the current competitive environment? This may be possible but we need to forge a distinctive identity first.
- Course Heroes or Marquee appointments will make a difference as students are attracted to the courses with subject leaders.
- We are not art creators, we are art appliers. We need to tell our story, embedding a unique approach to course delivery in order to attract the art leaders.
- We should exploit our brand 'South Bank' more to develop our relationships with the creative arts industries.
- Can you use the same approach to developing course offerings in engineering and business?
- The Board would like to see the strategy we have in place for managing the relationship with the NHS Trusts. This relationship is key for LSBU.

Progression

- The bottom line is that 10% improvement in progression equates to approximately £1.8m increase in income.
- The relationship between entry qualifications and degree success is tangential at best. However, it is possible to predict student disengagement and analytical tools are being developed.
- LSBU is focusing on progression from Level 4 (first year full-time) to level 5 (second year full-time) of full time undergraduate courses as this is the area which has the lowest progression rates.

International

- Liverpool University have established a campus in London (Finsbury Square), focusing on postgraduate vocational market: accounting, public health,

psychology, architecture. Wouldn't it be a good idea to collaborate with them or form a partnership with an overseas university who are looking for a central London university campus to deliver their provision?

- What is the impact of increasing international students on infrastructure and educational character of the university?
- The political environment in this country seems to be against international students. Higher education leaders can and should do more to get the overseas students out of migration figures.

Enterprise

- London's Enterprising University – focusing on revenue generation and developing the Enterprise Centre at the “heart” of SE1.
- Is there room for cultural change here? There is a very small number of academic staff who have been successful in Knowledge Transfer Partnerships projects.
- We do enterprise to advance the mission of the Institution but the example of Coventry University clearly shows the ‘art of the possible’: revenue generation, significant research and enterprise income, increased number of international students, with our new Enterprise Centre becoming the hub of the local business community.
- Most universities do not make money from intellectual property as it is a risky business.
- “16/20” – over the 5 year forecast development of the pipeline to increase topline by £16m with a 20% contribution.

Employability

- Our Student Services ‘Offer’ includes a career gym, job shop and volunteering, skills for learning – skills for employment, talks and visits from employer groups, mock interviews, general advice and guidance.
- You are hired for attitude and trained for skills.
- Focus is professional education to help students on to “graduate level” employment.

Meeting the challenge of the competitive environment in HE

Presentations by the Vice Chancellor, Pro Vice Chancellor (External) and Pro Vice Chancellor (Academic) focusing on:

- Government HE Policy and impact on student funding and recruitment

- The potential competition from private providers and FE
- The entry tariff challenge
- Setting fee levels and bursaries
- Campus development
- The role of new technologies, e.g. social media in LSBU and MOOCs – massive open online course

Plenary discussion

Research

- Undertaking research cost us money and the current model looks increasingly vulnerable as a result of concentrating funding in large research universities.
- We should distinguish between research and scholarship as we expect our staff to continue developing their skills throughout their career.
- Is research viable in the long term? Does it contribute significantly to teaching?
- Research means different things to different disciplines. Within the sectors of humanities, business and arts, undertaking research is less expensive. What we have to do at LSBU is to encourage academics to focus on scholarship and publish more.
- Research should continue but on a selective and applied basis in the real world and potentially as part of enterprise.

Part-time

- The decline in part-time students is unlikely to be reversed. Shall we design an online course to entice them, taking advantage of the advent of MOOCs – massive open online courses?
- If you are working and you are a part-time student, you will have to start paying back your loan sooner. Some students may not know that they can apply for tuition fees loans.
- Employers may be reluctant to sponsor their staff as they lose a significant resource in a difficult economic environment'; this development is unrelated to the rise of tuition fees.
- The MOOCs are not accredited. The Open University model includes many hours of face to face tuition. Public provides can award degrees in UK and abroad, while private providers can use their degree awarding powers for 60 years and can't use them abroad. But will this system operate forever?

- The key question is how quickly MOOCs will offer not just a breakthrough mode of learning but bona fide credentials that students seek because employers value them.

Private Providers

- Private providers may want to use our campus in the future as it is developing into a very attractive proposition.
- Developing e-learning is hard work and it requires investment.
- LSBU should develop close relationships with the big local employers in the area.
- Overseas and UK students are attracted to LSBU because of its central London location; South London students though consider LSBU as their local university, a “community university”.

Estate - next phase

- We will continue investing on the development of our campus but we will embed checks in the process to ensure that external developments do not overtake us; for instance MOOCs taking over the world!
- Our estate development plans are very exciting and allow us to keep our options open, giving us opportunities to punch above our weight.

Conclusions

- This was a coherent session, constructively discussing the Executive’ plans for meeting the internal and external challenges in the short and medium term.
- There was a consensus that the external environment is unpredictable but the University is in a good shape to deliver its mission as a community university, focused on professional and vocational education.
- The Executive will continue to work on differentiating LSBU from other offer.

	PAPER NO: BG.20(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	HEFCE letter on core and margin places	
Author:	Richard Flatman, Executive Director of Finance	
Executive sponsor:	Martin Earwicker, Vice Chancellor	
Recommendation by the Executive:	The Executive recommends that the Board note the HEFCE letter and the response from LSBU.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability.	
Matter previously considered by:	n/a	
Further approval required?	n/a	
Communications – who should be made aware of the decision?	n/a	

Executive summary

Board members will recall that having set the headline fee at £8,450, we subsequently agreed to move to a position where fees, net of fee waivers, were less than £7,500. As a result, we were awarded an additional 300 student number places (core and margin places).

In advance of our meeting with HEFCE on 9 May 2013, we received a letter from them dated 7 May (Appendix 1) explaining their expectations regarding those core and margin places for 2012/13.

The key issue is summarised in table 1, paragraph 8, which suggests that in accepting core and margin places in 2012-13 we have agreed to hold average fees net of fee waivers at less than £7,500 at an institutional level for all cohorts for 3 years from 2012-

13 to 2014-15. In our view this represents a significant change in policy and will have a material impact on our current financial forecasts. Had this policy been proposed at the outset we would have come to a different decision on fees and fee waivers. We have shared our concerns with Universities UK and a response from their Chair also indicates that “it does indeed appear that HEFCE are shifting the goal posts in a way that you could not have predicted when determining fee levels for 2012/13”.

Our forecasts assume that we honour what we thought at the time was our commitment to hold net fees at less than £7,500 for the cohort starting in 2012-13 for the full 3 years of their study. However, our forecasts also assume that we unwind discretionary fee waivers in 2013-14 and that we move to a fee of £9,000 in 2014/15. The forecasts assume therefore that the average institutional fee will be higher than £7,500 in both 2013/14 and 2014/15. Furthermore, HEFCE are perfectly well aware of the assumptions underpinning our forecasts because we have discussed our forecasts in detail with them in response to earlier discussions around risk assessment. The assumptions around removal of discretionary fee waivers and the move to a fee of £9,000 are clearly stated and HEFCE has not raised this issue previously.

Our institutional response to HEFCE’s shift in policy is enclosed as Appendix 2. We await their response.

Attachments:

Appendix 1 - Letter from HEFCE dated 7 May 2013

Appendix 2 - Response from Professor Earwicker dated 16 May 2013

7 May 2013

Professor Martin Earwicker
Vice Chancellor and Chief Executive
London South Bank University
103 Borough Road
LONDON
SE1 0AA

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RECEIVED VC/EXECUTIVE OFFICE
REFERENCE: 05 07
- 9 MAY 2013
ACTION: Richard/Phil/Markos

Dear Professor Earwicker

Core and margin places awarded for 2012-13

1. I am writing regarding the allocation of margin places to your institution through the core and margin exercise for 2012-13. This letter explains our expectations of institutions to maintain average fee levels at or below £7,500 for the 2012-13 and subsequent entry cohorts and asks for confirmation that your institution will comply with this requirement. The letter also outlines our intentions regarding the future monitoring of average fees and any action we may take if institutions do exceed the average fee. We require a response to this letter, submitted to recurrentgrant@hefce.ac.uk, **by 31 May 2013**.

Background

2. Institutions awarded places under the 2012-13 core and margin exercise were required to have an average tuition fee level at or below £7,500 (after any fee waivers are taken into account) for that entry cohort of students throughout the duration of their study. In our letter of January 2012 confirming the award of places to your institution, we noted that average fee levels will be monitored, and institutions would gain no advantage if they were later found to have average fees higher than £7,500.

3. We provided guidance regarding how institutions should calculate the average fee level in Annex B of our document that invited bids for 2012-13 margin places ('Student number controls for 2012-13: Invitation to bid for student places', HEFCE 2011/30)¹. In that document, we state that the calculation '*should represent the average fee, after any tuition fee waivers, per full-time equivalent (FTE) student for the whole institution for each year of active study for students subject to the new full-time undergraduate regulated fee regime, who start in the 2012-13 academic year*'.

¹ www.hefce.ac.uk/pubs/year/2011/201130/

4. In 'Student number controls for 2013-14: proposals for high grades and a core and margin exercise' (circular letter 12/2012)², we outlined our expectations regarding the fee levels that could be charged for students in entry cohorts subsequent to those that started in the 2012-13 academic year. Our 2012-13 funding agreements with institutions³ provided further details, and stated that *'if we find that institutions awarded places from the 2012-13 student number control margin significantly increase their average net fee levels (after fee waivers) over the next two or three years, this may result in a reduction to their student number control limit from 2014-15 onwards'*. This letter sets out our expectations about the average fee level that should apply for cohorts commencing study in subsequent years.

5. We expect institutions to monitor average fees themselves, and to contact us if they believe they are at risk of exceeding the average fee limit of £7,500. We intend to monitor institutional average fee levels using data from the Higher Education Statistics Agency (HESA) for higher education institutions, the Data Service's Individualised Learner Record (ILR) for further education colleges and the Student Loans Company. However, the earliest that such data will be available to us for the 2012-13 academic year will be in January 2014, which is likely to be too late to inform, for example, early decisions on the setting of provisional student number control allocations for 2014-15. We are therefore writing now to ask institutions to inform us of the results of their own early monitoring of average fees (and projections of future fee levels), so that we have a preliminary assessment of whether institutions expect to comply with the condition attached to the award of core and margin places for 2012-13.

Average fee levels for entry cohorts in 2012-13 and later years

6. For institutions awarded margin places, the maximum permitted average fee level across all years of study for the 2012-13 entry cohort is £7,500. We do not expect institutions to apply increases (for example for inflation) that take the average fee level above this point. For institutions whose average fee for 2012-13 was below £7,500, it would be permissible for fees to be increased by the institution, subject to the terms of any access agreement with the Office for Fair Access, provided that the average fee remains below or at £7,500.

7. We also expect that institutions should maintain an average fee level of no more than £7,500 for all HEFCE-fundable full-time and sandwich undergraduate new-regime students for **three years** inclusive from the 2012-13 academic year. This means that we expect the average fee (across all new-regime cohorts) for the period 2012-13 to 2014-15 inclusive to be no more than £7,500, and to remain at or below this level until no earlier than the 2015-16 academic year.

² www.hefce.ac.uk/pubs/year/2012/cl122012/

³ Available at www.hefce.ac.uk/whatwedo/invest/institns/annalocns/201213/ by selecting 'For institutions', then 'July 2012 announcement': see paragraph 15 in the funding agreement for higher education institutions and paragraph 27 in the agreement for further education colleges

8. Table 1 illustrates our expectations of how averages should be calculated.

Table 1

Entry cohort starting in:	Study in the academic year:				Average annual fee in this row should be no more than £7,500
	2012-13	2013-14	2014-15	2015-16 and beyond	
2012-13	Year 1 fee	Year 2 fee	Year 3 fee	Year 4 fee (and beyond, as applicable)	
2013-14	N/A	Year 1 fee	Year 2 fee		
2014-15	N/A	N/A	Year 1 fee		
	Average annual fee over these three columns combined should be no more than £7,500				

9. In response to this letter, we are asking institutions to confirm that they expect average annual fees, after fee waivers, to be no greater than £7,500 for both:

- a. The 2012-13 entry cohort of HEFCE-fundable full-time and sandwich undergraduates subject to the new regulated fee regime for the duration of their study.
- b. All HEFCE-fundable full-time and sandwich undergraduates subject to the new regulated fee regime in the period 2012-13 to 2014-15.

10. These averages should be assessed following the guidance on calculating average fees provided in paragraph 6 of Annex B of HEFCE 2011/30. In replying, institutions should alert us if they expect either of the averages to be exceeded and set out the reasons why.

11. If, in the light of responses, we are concerned that average fee levels may exceed an annual average of £7,500, we will wish to discuss the situation further. Where we believe the institution will not comply with this average fee limit we may take the following action:

- a. We may reduce the student number control allocation for the coming year to remove the places awarded through the 2012-13 core and margin exercise. In calculating the reduction we will take account, as we think appropriate, of such adjustments as have been made to student number control allocations in

subsequent years, for example to reflect changes to the exemptions list or arising from the institution's recruitment following the arrangements for flexibility that apply from 2013-14.

b. In addition, we may make a further, time-limited reduction to student number control allocations for coming years to require institutions to offset for any over-allocation that was made and used in 2012-13 (if the annual average for the 2012-13 entry cohort is exceeded) and in any subsequent year (if either average is exceeded) up to the current year. This further reduction is intended to ensure that institutions have no long-term benefit from receiving an allocation from the 2012-13 core and margin exercise, while avoiding the alternative measure of making retrospective reductions to student number control allocations combined with retrospective grant reductions if recruitment exceeded those revised allocations.

Ongoing monitoring

12. Institutions should continue to monitor and maintain the average annual fee levels for all HEFCE-fundable new-regime full-time and sandwich undergraduates until the end of the 2014-15 academic year, and for the 2012-13 entry cohort of such students until they have fully completed their studies (irrespective of the academic year in which that takes place). We intend to write to institutions again next year to seek assurances that average fees remain below the £7,500 threshold. Should you feel that you may be at risk of exceeding the permitted average fee level, we recommend that you contact your higher education policy adviser (Jessica Hamilton, 0117 9317379, j.hamilton@hefce.ac.uk) to discuss the implications in detail.

13. For institutions that were also awarded places through the 2013-14 core and margin exercise we will confirm separately the details regarding monitoring of average fees, to ensure that the conditions attached to the award of these places are met. This is likely to follow a similar approach and be confirmed when we issue 2013-14 funding agreements in July 2013.

Responding to this letter and further information

14. We require a response to this letter. Please submit this by email to recurrentgrant@hefce.ac.uk no later than 1700 on 31 May 2013. For further information, please contact your higher education policy adviser.

Yours sincerely



Caroline Charlton
Funding Round Manager

Sir Alan Langlands FRSE
Chief Executive
HEFCE
Northavon House
Coldharbour Lane
BRISTOL
BS16 1QD

16th May 2013

Dear Alan,

Ref A: HEFCE letter “Core and Margin Places” dated 7 May 2013

Ref B: HEFCE letter 12/2012 dated 14 May 2012 “Student number controls for 2013-14: proposals for high grades and a core and margin exercise”

I am concerned that the letter at reference A does not seem to be consistent with the earlier instructions from HEFCE, reference B. It would appear from reference A that we will be penalised for something we could not have known when taking up the offer of the 2012-13 core and margin exercise; as a consequence decisions we made on the basis of reference B would no longer be valid. Let me explain.

Reference B refers to the core and margin exercise for a cohort of students that first enrolled for the 2012/13 academic year. Our understanding from HEFCE was that we were obliged to keep our net fee below £7500 for every year of that cohort. We have no difficulty with that understanding. However, reference A refers to keeping net fees below £7500 for “2012-13 and subsequent entry cohorts” which is different to the previous letter at reference B as it is not possible to interpret “subsequent cohorts” as consistent with the original instruction unless the institution took advantage of the second round of core and margin for a 2013-14 cohort, which we did not.

In particular, reference A paragraph 8 and 9b appears to conflate the 2012-13 and 2013-14 cohorts regardless of whether the institution took part in the second round of core and margin, which we did not, and indeed the 2014-15 cohort. However, reference B makes quite clear at paragraph 17 that:

“Our [HEFCE] guidance on the award of margin places for 2012-13 was clear that we would monitor net fees for undergraduate students *commencing their studies in 2012-13* in institutions awarded student places through the core and margin exercise.”

We have no difficulty with this.

The subsequent sentence:

“The monitoring exercise will be *extended* to students commencing their studies in 2013-14 in institutions *that benefit from margin places from the new exercise*”

also gives us no difficulty as we have not taken part in that exercise. Nor do we have any difficulty with para 18 for the same reason.

However, reference A, paragraphs 8 and 9b, seems to impose the requirement to keep net fees below £7500 not only for the 2012-13 cohort but subsequent ones, whereas reference B paragraph 12a only requires the institution receiving the additional numbers to have a net fee “*of less than £7500 for students commencing in 2013-14*” and makes no requirement to keep fees below £7500 for subsequent cohorts as a condition for retaining the additional numbers for subsequent years.

Indeed, paragraph 12b of reference A makes clear that HEFCE is happy to allocate additional numbers from the second round of core and margin to institutions with net fees of up to £8250 for students commencing in 2013-14. For an institution that took part in both core and margin rounds this means that their average fee for the 2012-13 second year and 2013-14 first year cannot be less than £7500, but that is what table 1 at paragraph 8, and paragraph 9b, of reference A seems to state.

I would be grateful if you could confirm at the earliest opportunity that we are only required to keep our net fees below £7500 for the cohort of students that enrolled in 2012-13, for each year of their study, and that for subsequent enrolments the additional numbers arising from the core and margin competition can be filled at fees above £7500 without penalty. You will understand that we will be unable to respond to reference A concerning our future fees until this matter is resolved.

Yours sincerely



Professor Martin J Earwicker FEng
Vice Chancellor & Chief Executive

C.C.: Caroline Charlton, Funding Round Manager – HEFCE

	PAPER NO: BG.21(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	NHS Funding position for 2013-14	
Author:	Professor Judith Ellis MBE, Executive Dean, Faculty of Health and Social Care	
Executive sponsor:	Professor Judith Ellis MBE, Executive Dean, Faculty of Health and Social Care	
Recommendation by the Executive:	To note the report	
Aspect of the Corporate Plan to which this will help deliver?	Financial stability	
Matter previously considered by:	Policy and Resources Committee	On: 7 th May 2013
Further approval required?	None	On:
Communications – who should be made aware of the decision?	No decisions to be made	

Executive Summary

1. NHS funding from 2nd April 2013 is being allocated by Health Education England (HEE) via the Local Education and Training Boards (LETB) (3 in London), rather than by the Strategic Health Authority (SHA).
2. Rumour has it that the overall budget given by HEE to the 3 London LETB's has reduced by approx. 40%.
3. Pre-registration commissions have been agreed prior to HEE by the SHA and for Faculty of Health and Social Care (FHSC) are mainly constant with 2012-13 figures.

4. The Continuing Professional and Personal Development (CPPD) budget for FHSC is currently around £3.8 million. CPPD budgets have only been released in North East North Central (NENC) LETB and are still awaited in South and West LETBs.
5. The indication from the NENC released figures is that:-
 - Indirect budgets for CPPD - given to Trusts to request CPPD modules via the HEI portal have reduced by 10-50 %
 - Direct budget (in the hands of the Trusts to use whenever and wherever) for 1- 4 bands (vocational) has been overall maintained
 - Direct budget (in the hands of the Trusts to use whenever and wherever) for 5-9 bands e.g. post registration has been reduced by 10-50%
 - New money has been given directly to Trusts to 'pay for' nursing and Allied Health Professions placements – this could be used to purchase CPPD modules that support practice placements e.g. mentorship modules.
 - Some money will be available later in the year for improvement projects which may include the purchase of bespoke work by HEI's or modules to support change.
6. **Impact on FHSC, LSBU is unknown but may be:-**
 - Insufficient numbers of CPPD modules purchased to make them viable (less risk for LSBU than competitors as very large provision and this may help LSBU as if other HEI provision not viable the purchasers may revert to LSBU)
 - Need to diversify provision – e.g. tap in to medical CPPD funding which is not affected this year, private sector CPPD provision, etc.
 - Develop overseas activity – Saudi consortium for Allied Health Professions, top up degree, 3+0 and Grad cert being developed in country in Malaysia.
 - Further develop our strong 1-4 activity where there is additional Government investment but no instructions yet on how to access this funding.
 - Further develop our responsive project activity (concern unknown until late in the financial year so staffing will need to be maintained to respond to this activity).
7. All staff being required to diversify and increase responsiveness to demand. A clearer picture will emerge as further 2 LETB's release funding and intent of other HEI's known. Staffing will remain under constant review with immediate freezing of none essential posts.

	PAPER NO: BG.22(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Student Recruitment update	
Author:	Bev Jullien, Pro Vice Chancellor (External)	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
Recommendation by the Executive:	To note the report	
Aspect of the Corporate Plan to which this will help deliver?	Student choice	
Matter previously considered by:	Board of Governors Policy and Resources Committee	On: 25 April 2013 7 May 2013
Further approval required?	None	On:
Communications – who should be made aware of the decision?	No decisions to be made	

Executive Summary

The attached slides from the Board strategy day of 25 April 2013 on student recruitment and plans to meet the targets in the five year forecasts are provided for information.

An update on progress for student recruitment for 2013/14 will be provided at the meeting.

Core business

increase undergraduate full time enrolled
SNC numbers
from 2500 to 2750 - 2890 (+10% - +16%) in
2013/14 and sustain

Bev Jullien

Early signs are encouraging, with a significant increase in firm acceptances to date in all categories

Level	Firms (UF and CF) - CYTD	Firms (UF and CF) - LYTD	% Change	Offers (UO and CO) - CYTD	Offers (UO and CO) - LYTD	% Change	Total Applications (CYTD)	Total Applications (LYTD)	% Change
UNDERGRADUATE (FULL-TIME)	459	300	53.00%	355	346	2.60%	9,049	8,000	13.11%
UNDERGRADUATE (FULL-TIME - SNC Only)	844	610	38.36%	4,047	3,908	3.56%	9,906	9,418	5.18%
UNDERGRADUATE (PART-TIME)	76	66	15.15%	57	68	-16.18%	307	321	-4.36%
POSTGRADUATE (FULL-TIME)	306	270	13.33%	205	184	11.41%	2,643	2,139	23.56%
POSTGRADUATE (PART-TIME)	93	83	12.05%	31	30	3.33%	217	236	-8.05%
OTHER (FULL-TIME)	3	0		0	0		4	0	
OTHER (PART-TIME)	4	1		0	1		5	4	25.00%

...and LSBU is outperforming the market and competitor group in applications, with particular strength in EU

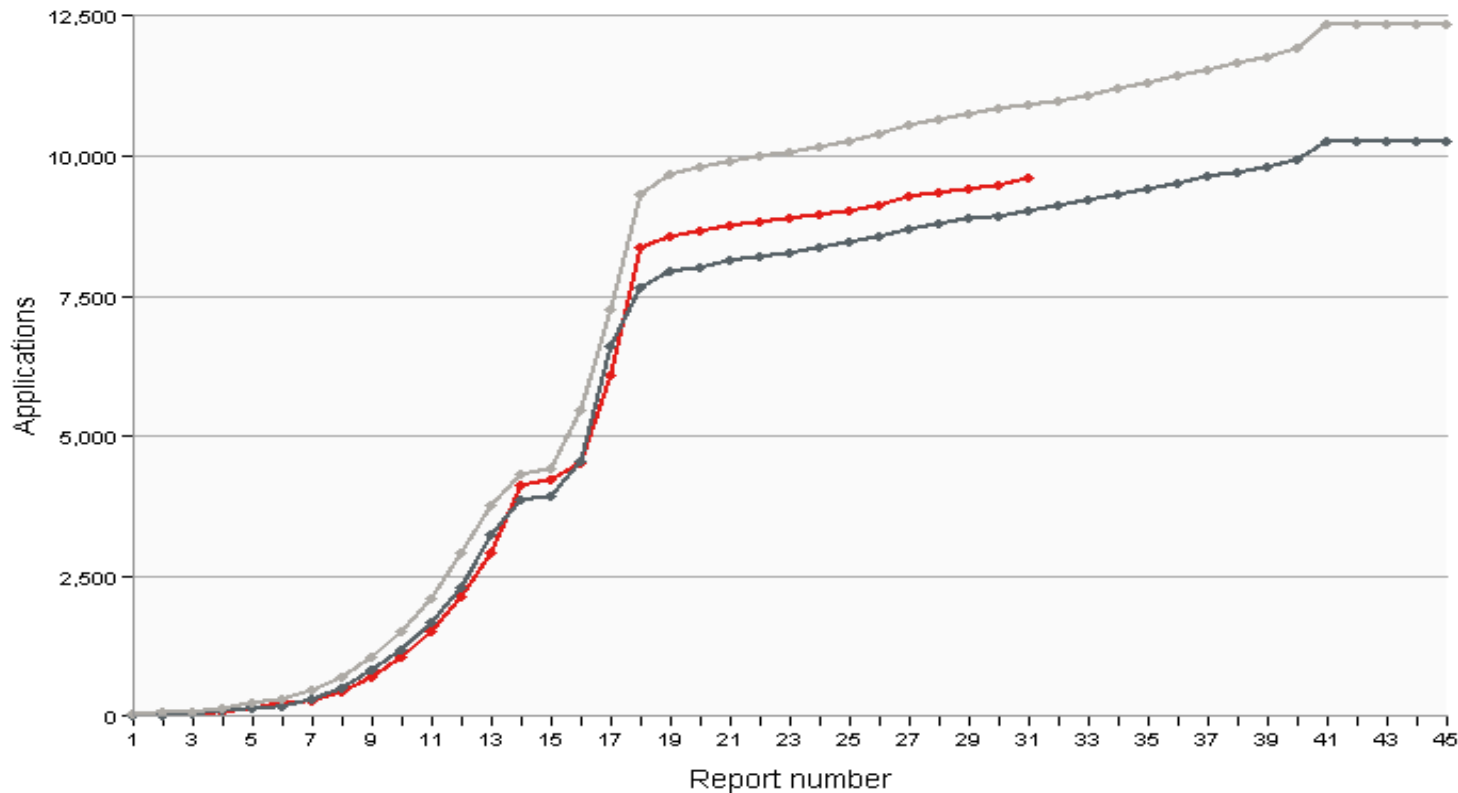
	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
LSBU Applications	21,857	19,897	20,751	-5.06%	4.29%
UCAS Applications (Nationally)	2,740,082	2,539,817	2,604,618	-4.94%	2.55%
Competitor Applications	161,776	144,674	138,244	-14.55%	-4.44%

	2011	2012	2013	% Change 2011/2013	% Change 2012/2013
UK Applicants	20,179	18,496	19,031	-5.69%	2.89%
EU Applicants	965	747	1,019	5.60%	36.41%

A recent survey of new joiners also indicates that perceptions of the university are starting to improve

- 63% selected LSBU as their first choice vs. 50% last year
- overall satisfaction has increased from 79% to 86% (with the major increase in very satisfied)
- “would comment negatively” has gone down from 8% to 4%, and spontaneous recommendations improved from 28% to 34%

..but to meet target, we must improve conversion in addition to the increase in applications (+6.4% excluding health)



..so a significantly stronger conversion programme is in progress

- Extended **EU programme**, particularly with agents & extended **schools and colleges** programme (40 institutions now actively engaged, continuing advice and guidance through cycle)
- **30 Applicant day** programmes in place for all students who have received an offer (**1300** students already attended)
- **6 “Head start”** days planned for June/July for those who have accepted an offer & Health **Summer Schools** for offer holders
- Peer support with **student ambassadors** contacting applicants by phone & extended **keep in touch programme** by emails, with information at department level
- **Bespoke PG approach**, with extra resource in business to support conversion
- Extended engagement into the **community**, with 40+events, including speakers on topics of interest (e.g. how to use social media)
- Launch of **Saturday only Business programme** (based on successful model in UWL) & launch of first wave of **Semester 2 Undergraduate starts** – potential for 50 extra home/EU students in 13/14)
- “Co-creation” test of new **website** from May, full roll-out before Clearing

..and work has started to sustain & increase applications for 2014/15+

- Open Days. Total attendees + 47% this year compared to last
- New website
- Engaging alumni to support recruitment
- Strengthened EU and Employer engagement
- Strengthened engagement with parents

	PAPER NO: BG.23(13)	
Board/Committee:	Meeting of the Board of Governors	
Date:	23 May 2013	
Paper title:	Vice Chancellor's report	
Author:	Dr Markos Koumaditis, Executive Assistant to the Vice Chancellor	
Executive sponsor:	Professor Martin Earwicker, Vice Chancellor	
Recommendation by the Executive:	The Board is requested to note the report which provides a progress update on University business.	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

Executive summary

The Board is requested to note this report which provides a progress update on University business not covered in the agenda. The Vice Chancellor would welcome knowing whether there are specific topics that the Governors would like him to address in future updates.

New University Website update

1. We have made considerable progress in redeveloping and redesigning our external facing website. In particular, we have
 - agreed page layouts for different page types
 - designed new information architecture for site
 - signed-off overarching design concepts
 - agreed the functional specification for the website and
 - launched a BETA homepage for testing and gathering stakeholder feedback

2. We are currently focusing on the following three main areas of work:
 - a) The BETA homepage will allow us to involve people in designing and improving the final website. You can view the test site at <http://beta.lsbu.ac.uk/> where you can use the online feedback form to provide your views on the design and new features we are introducing.

 - b) Content – we plan to revamp all the current content, delete old materials and add new/updated content (e.g. case studies, key staff profiles etc.). We have 3,500 pages to migrate. The team are working with relevant content owners to agree any changes. For example, working with the university's research directors to agree research themes, finalise list of our research centres and compiling research success case studies. This is being done for each area, like Enterprise, International, Faculty pages etc. In addition, new videos and images are being sourced.

 - c) Building the main website – developers are building the infrastructure for the site. We are working closely with ICT to ensure we map across all relevant links and redirects, close redundant web accounts, and integrate with any systems and databases we need to.

2014 Complete University Guide

3. This League Table covers a wide range of parameters with different weightings, including inputs, such as entry tariff and academic spend, as well as outputs. At first glance, you will notice that LSBU has dropped 10 places in the rankings: 119 out of 124. This is disappointing, but is primarily due to the inclusion of 10 new institutions for the first time. Broadly, we have maintained our position relative to

our key competitors. There are a number of areas that demonstrate how we are maintaining and improving our position:

- Our scores have been improved in three measures used in this guide - entry standards, facilities spend and student satisfaction.
- We are ranked 71st for graduate prospects and joint 92nd for student satisfaction. We are also joint 61st for research.
- Amongst the nine London modern (post '92s) universities, the competitor group that we benchmark ourselves against, we are ranked 1st for graduate prospects, joint 1st for research and joint 4th for student satisfaction.

At a subject level, there have been also some significant improvements too:

- Civil engineering has risen significantly from bottom place to 38/53 and mechanical engineering has risen 14 places to 47/64.
 - Social work has risen 17 places and is now in the top 25.
 - Communications and media subjects are now at 66/90.
 - Computer science has risen 4 places to 83/105.
4. The work which all staff are putting into improving student satisfaction for the National Student Survey, employability and progression rates, particularly for the first year, is absolutely critical, and will help to ensure that the position of LSBU is strengthened in future years.

Employee Engagement Survey

5. In partnership with ORC International, we launched our 2013 employee engagement survey (7-24 May). Our previous survey took place in 2011 and achieved a 62% response rate. It led to the establishment of the Way Forward Group which sponsored important initiatives across the organisation to improve employee engagement.
6. Following the closure of the 2013 survey, the following plan for sharing the results and beginning action planning has been agreed:
- Individual reports shared with managers via email
 - A summary power point presentation of the results forwarded to managers via email

- The overall results up loaded on the intranet for all staff to access
- ORC International to deliver a staff presentation – 10 July 2013
- ORC International to present the results at the Senior Managers Meeting in October 2013
- A facilitated event with the Executive to identify areas of priority, align any of these priorities with already planned actions and identify further actions

LSBU has been shortlisted for Times Higher Education Awards

7. I am delighted to announce that we have been shortlisted in two categories of the prestigious Times Higher Education Leadership and Management Awards. Our Weeks Centre for Social and Policy Research has been nominated for 'Outstanding Leadership and Management Team' while the University's procurement department has been shortlisted for 'Outstanding Procurement Team'.
8. The awards celebrate universities' leadership, management, financial and business skills. The Weeks Centre has an international reputation for its excellence in sociological and policy research, publications and consultancy. The Centre has three dynamic research groupings: the Families and Social Capital group; the International Development, Emergencies and Refugees group; and the Crime and Criminal Justice Research Group. Our procurement department has also been shortlisted for an award, having streamlined a key service to the University, contributing in the process a £4m in cashable savings.

Supreme Court Judge visits LSBU for the first time

9. Our Student Law Society welcomed Lady Brenda Hale for a high-profile guest lecture. She is a leading legal academic, barrister, judge and a Justice of the Supreme Court of the United Kingdom. She was also recently listed as the fourth most powerful woman in the UK by BBC Radio 4's Woman's Hour.
10. The evening kicked off with a reception in the Legal Advice Clinic, where Lady Hale was welcomed by the University's Law academics and LSBU Chancellor Richard Farleigh and met with volunteers from the Clinic. Speaking to a room packed with Law students and industry professionals, Lady Hale discussed the interaction between UK courts, EU law and the Court of Human Rights, engaging

the audience with a range of high-profile cases before ending the evening with a Q&A session.

Student Success

A LSBU student wins Student Nursing Times award

11. Third-year student Amy Wilkinson has won a prestigious Student Nursing Times Award in the Children's Nursing category. The Student Nursing Times Awards celebrate best practice in nurse education by recognising brilliant students and educational establishments and honouring those who are committed to developing new nursing talent as mentors, lecturers and providers of placements. Amy thanked all of her lecturers and mentors from her time at LSBU and Great Ormond Street Hospital, including Kirsten Gunn, "for all her time spent with me and for nominating me".
12. LSBU made this year the shortlist in five categories: 'Nurse Education Provider of the Year (post-registration)', 'Student Nurse of the Year: Children', 'Student Nurse of the Year: Learning Disabilities', and 'Student Nurse of the Year: Midwifery'. This is testimony to the outstanding health provision offered by the University and to its high calibre of students.

Top performing student wins sought-after Salters' Graduate Prize

13. Swathi Venkatesan, a third-year Chemical and Process Engineering student, has been awarded the esteemed 2013 Salters' Graduate Prize. Every year, the Salters Institute awards up to ten £1,000 prizes to final-year undergraduates studying Chemistry or Chemical Engineering at UK universities. Candidates are nominated by their Chemical Engineering or Chemistry Department and then enter a selection process to be in line to win one of the prestigious awards.
14. Swathi impressed the panel with her views on current issues facing the UK Chemical industry and also spoke of her extra-curricular activities and her course at LSBU. During her time at the University, she has undertaken a placement with Shell, participated in LSBU mentoring programme 'Mentoring for Success', helped establish the University's 'Bright Futures' society, and has also been successful in gaining a place on the coveted Goldman Sachs Future Horizons BME Graduate Development Programme.

Key Performance Indicators Report

15. The KPIs are attached.

LSBU Corporate Key Performance Indicators (2009/10 - 2012/13)

Report date: 30/04/2013

Financial Sustainability (Check all targets w/Rf)						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
Student Numbers & Contracts						
1	Recruitment against HEFCE contract	Within tolerance band	Within tolerance band	Within tolerance band	Predicted within tolerance	↔
2	Recruitment against NHS contract commissions	Within 5%	Within 5%	+/-5%	On target	↔
3	International student income	£11.2m	£10.2m	£10.4m	£9.6m (May 2012 forecast)	↓
Income						
4	Total Income (£)	£143.3m	£144.0m	£135.7m	£137.5m (May 2012 forecast)	↑
5	Research (non-HEFCE) income (£)	£4.3m	£3.4m	£2.2m	£2.2m (May 2012 forecast)	↓
6	Enterprise income (£)	£8.1m	£8.5m	£6.8m	£7.8m (May 2012 forecast)	↑
Surplus						
7	Total Surplus (% of income)	4.4%	7.0%	1.0%	1.6% (May 2012 forecast)	↑
Other Financial Indicators						
8	Cash Balance (£)	£43.8m	£62.6m	£55.4m	£72m (May 2012 forecast)	↑
9	Gearing Ratio	0.47	0.34	0.27	0.3 (June 2012 forecast)	↓
10	Days liquidity	123	179	173	203 (June 2012 forecast)	↑

The Student Experience						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
Student Satisfaction						
11	Overall Student Satisfaction - UG (NSS) *	80%	77%	90%	80% (2011/12)	↑
12	Overall Student Satisfaction - PG	74%	75%	90%	78% (2011/12)	↑
Student Retention & Progression						
13	FTUG Year 1 Progression (%)	56%	60%	70%	63% (2011/12)	↑
14	Graduating in intended period (FTUG 3/4yrs) (%)	NEW	53%	65%	52% (2011/12)	↓
Value Added						
15	Employment of graduates (DLHE return) * (Employed, or studying, or both)	73%	82.4%	90%	78.1% (2011/12)	↓
16	No. of first degree students obtaining 1st or Upper 2nd class degrees *	45%	52%	60%	56% (2011/12)	↑
17	No. of first degree students obtaining 1st or 2nd class degrees	81%	89%	80%	90% (2011/12)	↑
Resource Measures						
18	Spend per student (£) * (Academic Services)	NEW	£841	£1,000	£900 (CUG 2014)	↓
19	Spend per student (£) * (Services & Facilities)	NEW	£1,021	£1,000	£1062 (GUG 2012/13)	↑
20	Staff:student ratio *	23.4:1	23.3:1	21:1	22.4:1(2011 HESA)	↑

Brand Profile						
KPI	2009/10 (Actual)	2010/11 (Actual)	2011/12 (Target)	Current Performance (RAG)		
League Table Ranking						
21	The Sunday Times	115 (of 122)	118 (of 122)	Out of bottom 5	114 (of 122) (2012/13 Tables)	↑
22	The Guardian	117 (of 117)	100 (of 119)	Out of bottom 5	104 (of 120) (2012/13 Tables)	↓
23	The Complete University Guide (formerly The Independent)	113 (of 113)	116 (of 116)	Out of bottom 5	119 (of 124) (2012/13 Tables)	↓
24	The Times	NEW	113 (of 116)	Out of bottom 5	111 (of 116) (2012/13 Tables)	↑
Subject League Tables (The Guardian)						
25	No. of subjects in top 75% nationally	NEW	5 (of 18)	5 (of 15)	5 (of 17) (2012/13 Tables)	↑
26	No. of subjects in top 50% of post-1992	NEW	4 (of 18)	5 (of 15)	3 (of 17) (2012/13 Tables)	↔
27	No. of subjects in top 50% of post-1992, London	NEW	6 (of 18)	5 (of 15)	3 (of 17) (2012/13 Tables)	↓
Student Perceptions						
28	Early : late applications (% of FTUG enrolments arising from early/late applications)	75:25	75:25	80:20	74:26 (2011/12)	↓
28	Financial support from donors (cash received, £)	£1.4m	£2.5m	£1.6m	£1.5m (2011/12)	↓
Staff Perceptions						
30	Staff Satisfaction	NEW	NEW	70%	62%	NEW

* Key league table measure

KPI	Notes:	
Student Satisfaction		
11	Overall Student Satisfaction - UG (NSS) *	Data updated once per year in Oct/Nov
12	Overall Student Satisfaction - PG	Data updated once per year in Oct/Nov
13	FTUG Year 1 Progression (%)	Data updated once per year in Oct/Nov
14	Graduating in intended period (FTUG 3/4yrs) (%)	Data updated once per year in Oct/Nov
Value Added		
15	Employment of graduates (DLHE return) * (Employed, or studying, or both)	As reported in the HESA/Hefce (Performance Indicators 10/11). Data updated once per year in June/July
16	No. of first degree students obtaining 1st or Upper 2nd class degrees *	Data updated once per year in Oct/Nov
17	No. of first degree students obtaining 1st or 2nd class degrees	Data updated once per year in Oct/Nov
Resource Measures		
18	Spend per student (£) * (Academic Services)	As reported in the 2014 'Complete University Guide' League Table (<i>published April 29th 2013</i>)
19	Spend per student (£) * (Services & Facilities)	As reported in The Times 'Good University Guide' League Table (2012/13)
20	Staff:student ratio *	As reported in HESA data
League Table Ranking		
21	The Sunday Times	League Table notes: League table due to be released in September 2012
22	The Guardian	League Table notes: London South Bank University has moved down to 104 in the 2012/13 table but the total number of universities is now at 120 from 119 the year before. Results released May 2012
23	The Complete University Guide (formerly <i>The Independent</i>)	Notes: LSBU is still outside the bottom 5, but # of institutions included has increased to 124 in the 2014 guide, released in April 13 (http://www.thecompleteuniversityguide.co.uk/london-south-bank)
24	The Times	League Table notes: London South Bank University has moved up 2 places to 111 out of 116 institutions in the 2012/13 table Results released June 2012
Subject League Tables (The Guardian)		
25	No. of subjects in top 75% nationally	Top 75% in Computer Science and IT, Engineering (Chemical), Engineering (Electronic and Electrical), Nursing & Paramedical Studies, and Sports Science (2012/13 Guardian League Tables)
26	No. of subjects in top 50% of post-1992	Top 50% of post-1992 in Computer Science and IT, Engineering (Electronic and Electrical) and Nursing & Paramedical Studies (2012/13 Guardian League Tables)
27	No. of subjects in top 50% of post-1992, London	Top 50% of post-1992, London in Computer Science and IT, Engineering (Electronic and Electrical) and Nursing & Paramedical Studies (2012/13 Guardian League Tables)
Student Perceptions		
28	Early : late applications (% of FTUG enrolments arising from early/late applications)	Data updated once per year in Oct/Nov
29	Financial support from donors (cash received, £)	Data updated once per year in Oct/Nov
Staff Perceptions		
30	Staff Satisfaction	Result indicates the percentage of staff that took part in the survey. Survey conducted between October and December 2011

	PAPER NO: BG.24(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Management Accounts	
Author:	Ralph Sanders, Financial Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance,	
Recommendation by the Executive:	The Board is requested to note the current financial position and full year outlook	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance	
Matter previously considered by:	Board of Governors	On: 21 March 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

Executive summary

This paper provides an update on both the Management Accounts for March 2013 and the forecast financial outlook for 2012/13.

As expected, due to changes in both the Undergraduate funding regime and the introduction of a new visa regime for overseas students, this year has been challenging in terms of recruitment for both this University and the wider sector.

This was not unexpected and as previously reported, in addition to the baseline budget, the University reported 2 scenarios to the Board, 'Possible' and 'Pessimistic'. In terms of surplus the University is currently trending ahead of Scenario A with a forecast surplus of £4.3m, an improvement of £0.9M since the last report.

The Board is requested to note the revised full year outlook.

2012 / 13 Budget

1. The original 2012/13 budget as presented to the Board of Governors assumed as a baseline that the University would achieve its student recruitment targets. It was however recognised that there was a high level of recruitment risk this year due to the introduction of a new funding regime for Home & EU Undergraduate students and the introduction of a new Tier 4 visa regime by the UK Border Agency during 2011/12.
2. The University recognised the risk in this year's recruitment cycle by outlining 2 potential alternative recruitment scenarios as follows:

	Description	Income (£'M)	Surplus (£ 'M)
Baseline Budget	Optimistic	£142.4	£7.2
Scenario A	Possible	£137.6	£3.4
Scenario B	Pessimistic	£135.8	£1.6

3. At the time of review in July 2012, approval was on the basis that there would be a mid- year review in late Autumn when there was more clarity on student numbers and likely income flows.

Revised Income Forecast

4. After the mid-year review, our forecast income from academic fees, after adjusting for fee waivers, had reduced by a net £6.7M compared with baseline budget. As previously indicated there was still an element of risk in our forecast due to assumptions about the number of students starting in the second semester. Due to disappointing second semester starts we are currently forecasting that our income from academic fees will be £7.3M lower than budget.
5. Our total income forecast for the year at £136.6M, is £5.9M below budget and £2.1M lower than 2011/12. The shortfall in academic fees has been offset by an additional £0.9m in HEFCE grants primarily as a result of increased progression from old regime undergraduate students and an additional £1.2M of operating income. Our KTP income has been disappointing and is £0.8M below budget.

Revised Surplus Forecast

6. The income reduction as described above has had a direct impact on the surplus that the University is now forecasting. The University has however looked for actions to improve our financial outturn but without impacting our long term gains in student retention and NSS scores.

7. These have included:

- reducing the in year Investment fund from £3M to £2M (in previous years the investment fund was set at £1m for the year although it was increased this year to £3m. The level of funds committed YTD in 2012/13 is approximately £1m).
- managing our cost base so that our YTD staff cost increase year on year has been held at 0.1%
- identifying immediate actions to generate £2M savings that will not impact the student experience.

Forecast Changes		£ 'M
Original Budgeted Surplus		£7.2
Reduction In Fee income	(£7.3)	
Increase in other income	£1.2	
Reduced investment fund	£1.0	
Other savings to date	£2.0	
Reforecast Surplus		£4.3

8. In terms of short term viability we are in a surplus position overall but recognise that this year's forecast level of surplus at 2.5% of income will not be enough to finance future capital investment and maintain our long term sustainability. As a result, our focus will be to continue to identify actions that can be taken to generate savings or revenues that will not impact the student experience.

9. In the longer term, our focus will continue to be on other areas of income generation and on ensuring that our portfolio of programmes and courses is suitable for the emerging marketplace.

March 2013 Executive Summary

This Executive Summary reports on the Financial position of London South Bank University as at March 2013 and summarises the changes since the February Forecast

- 1 The Full Year Forecast as of March 2013 is trending towards a contribution of £4.3M. This is an improvement of £0.5M as compared to the February Forecast and moves us to a position ahead of the December 2012 Full Year Forecast which had a forecast surplus of £4M. The key drivers for the change in surplus are increased income from the 2012 / 13 HEFCE Block Grant settlement and additional income generated by the faculty of HSC.
- 2 In terms of income, the University is £5.9M short of budget and this shortfall is driven by under recruitment particularly with regard to undergraduates. As per Appx 3B the shortfall against budget is £3.9M for Home / EU and £470K for Overseas undergraduates. There is also a significant shortfall against postgraduate income of £2.3M against budget which masks some dramatic improvements in part of our Postgraduate portfolio particularly in the faculty of AHS as compared to the 2011 / 12 out turn.
- 3 The forecast reflects the commitment to the Board that we would look for opportunities across the organisation for increased revenue and potential savings, without reducing capability or NSS scores. The University is still trending towards savings against budget of £3.0M primarily driven by staff savings against budget and a reduction of £1M in our investment pot. The Staffing forecast in March represents an increase of just 1.1% against our 2011 /12 out turn. The monthly movement of £0.1M from exceptional represents investments from the investment pot that now appear in other budget lines

The HEFCE Block Grant settlement was an increase of £480k compared to Budget. The allocation to Faculties was based on the HESES12 return and was slightly different to the budgeted allocation which was based on the HESE11 Forecast. The University did better than expected particularly with regard to retention of old regime students. In addition Old Regime band B and C students are being funded at a slightly higher rate than was budgeted. This particularly impacted HSC and benefited AHS and ESBE.

4 Table 1: Full Year Forecast vs. Budget

Financial Summary in £'m	11 / 12 Actual	12/13 Budget	Feb 12 / 13 FYF	variance to Budget	Monthly Move	Mar 12 / 13 FYF	variance to Budget	11 / 12 Actual YTD	12/13 Budget YTD	12 / 13 Actual YTD	variance to YTD Budget
Funding Council Grant	45.4	33.2	33.6	0.5	0.5	34.1	0.9	29.4	22.1	22.7	0.6
Academic Fees & Support Grants	74.7	92.3	84.8	-7.5	0.1	85.0	-7.3	65.9	82.4	76.7	-5.8
Research Grants & Contracts	4.1	3.9	3.1	-0.8	0.0	3.1	-0.8	2.7	2.5	2.1	-0.5
Other Operating	13.9	12.7	13.8	1.0	0.2	13.9	1.2	8.7	8.8	9.6	0.8
Endowments & Interest	0.7	0.3	0.4	0.1	0.0	0.4	0.1	0.3	0.2	0.3	0.1
Income	138.7	142.5	135.8	-6.7	0.8	136.6	-5.9	107.1	116.1	111.4	-4.7
in £'m											
Staff Costs	74.9	77.4	75.7	1.8	0.1	75.8	1.6	49.5	51.8	49.6	2.2
Depreciation	8.0	8.7	8.2	0.6	-0.1	8.0	0.7	5.5	5.8	5.2	0.6
Operating Expenses	42.3	40.7	40.7	-0.0	0.3	41.0	-0.3	22.7	24.5	23.6	0.9
Interest Payable	4.0	4.9	5.0	-0.0	0.0	5.0	-0.0	2.8	3.3	2.4	0.9
Exceptional Items	2.9	3.5	2.6	0.9	-0.1	2.5	1.0	0.0	2.3	0.0	2.3
Expenditure	132.2	135.3	132.0	3.2	0.2	132.2	3.0	80.5	87.6	80.8	6.9
Surplus for the year	6.5	7.2	3.8		0.6	4.3	-2.9				
Surplus as % of income	4.7%	5.1%	2.8%			3.2%		66.1%	66.9%	65.5%	YTD % Staff Costs
Staff cost as % of income	54.0%	54.3%	55.7%			55.5%		53.7%	60.1%	57.5%	YTD % Opex

5 Risks and Contingencies

The Full Year Forecast contains a number of risks particularly with regard to Undergraduate refunds under the new regime. New regime students are still entitled to a refund of a 50% of their fee until the beginning of the 3rd Semester. In terms of contingencies the University is still holding a £0.5M Opex contingency, a restructuring provision of £1.5M and an FRS 17 contingency of £1M. In terms of the investment pot we have currently made revenue awards totalling £1.6M.

In terms of staff costs, these are currently running at 65.5% of forecast which is in better than the position at the end of March 2012. In terms of operating expenses however, we have spent 57.5% of our full year forecast, this is significantly ahead of the same position last year where we had spent just 52.9% of our final year out turn at this point. Operating expenses are slightly ahead of budget but are primarily driven by an increase in the provision for Scholarships and Bursaries.

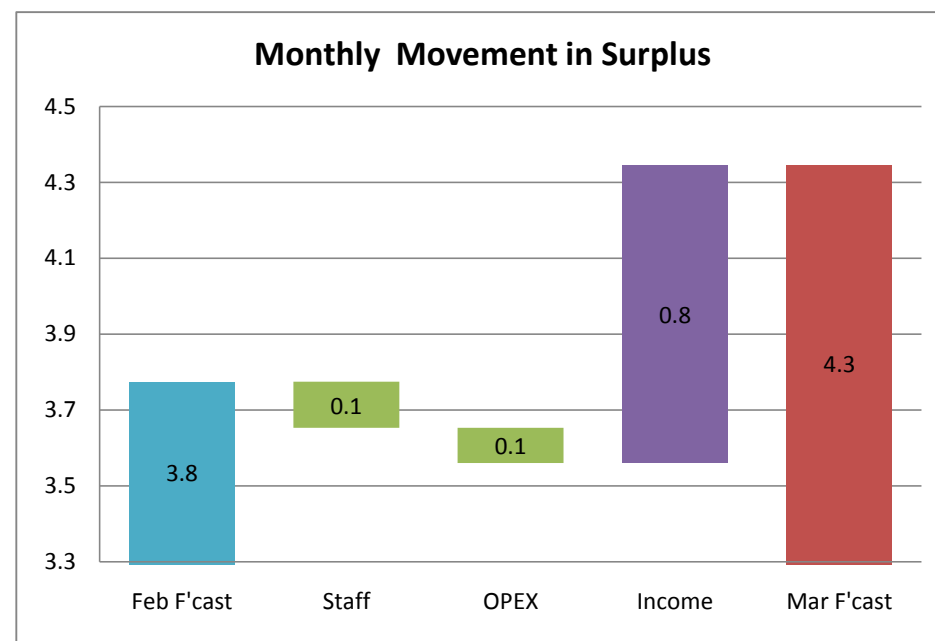
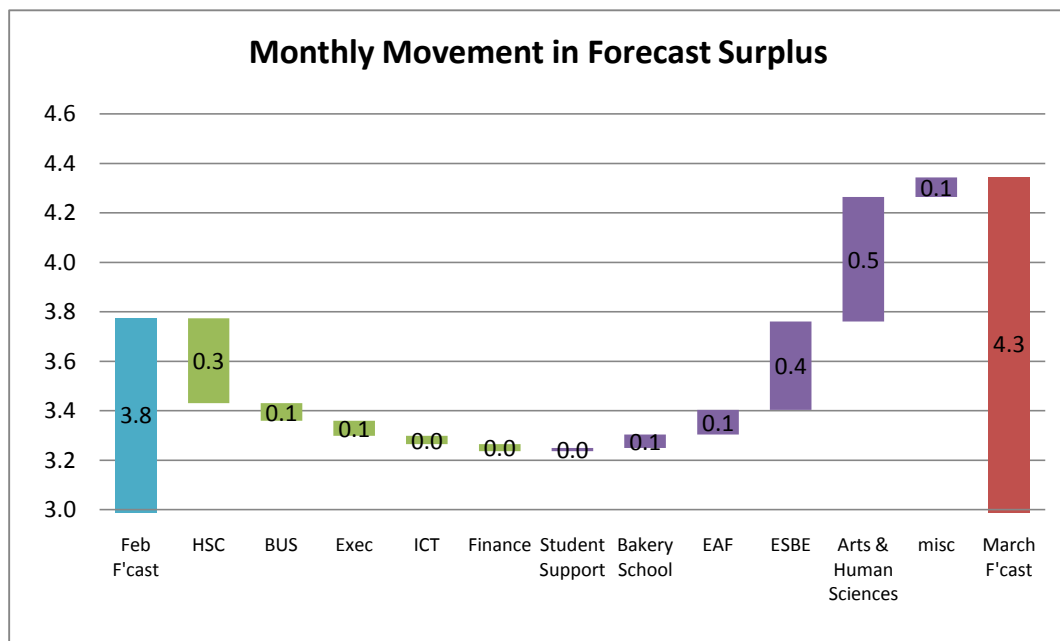
6 Academic Fees analysis

in £'m	11 / 12 Actual	12/13 Budget	Feb 12 / 13 FYF	Monthly Move	Mar 12 / 13 FYF to Budget	variance	in £'m	11 / 12 Actual	12/13 Budget	Feb 12 / 13 FYF	Monthly Move	Mar 12 / 13 FYF to Budget	variance
Home & EU Fees - UG	26.8	41.6	37.7	-0.0	37.7	-3.9	Overseas Fees - UG	6.4	5.8	5.4	-0.1	5.4	-0.5
Home & EU Fees - PG	4.9	9.4	7.2	-0.1	7.1	-2.3	Overseas Fees - PG	3.2	3.4	3.1	0.2	3.2	-0.2
Total Home & EU Fees	31.8	51.0	44.9	-0.1	44.8	-6.2	Total Overseas Fees	9.6	9.2	8.5	0.1	8.6	-0.6

Student numbers are included in Appendix 1. The University continues to decline in terms of student headcount, however in terms of Full Time Equivalents the numbers are broadly comparable with the 2011 / 12 out turn. This potentially represents a decline in the number of students studying on a part time basis and a switch towards a more full time mode of study.

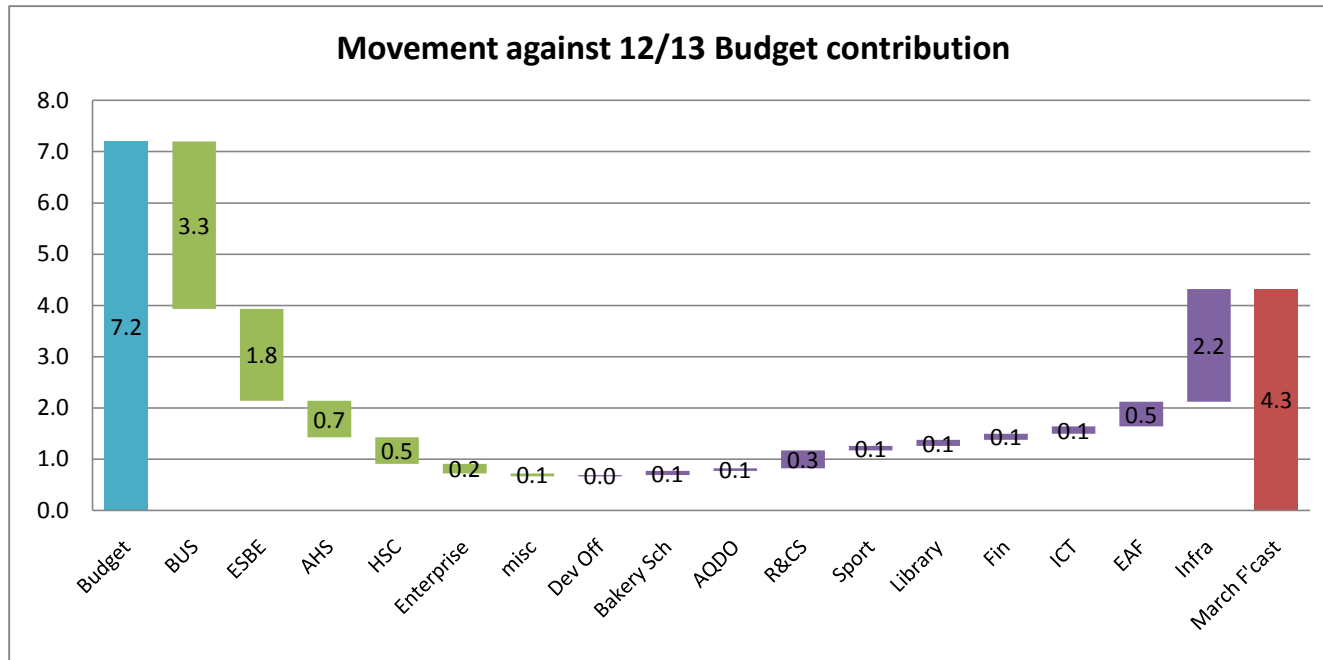
In terms of fees, the level of undergraduate income is skewed by the move to the new fee regime, in terms of postgraduates we are forecasting a 46% increase in the level of fees from Home and EU students as compared to the 2011 / 12 out turn. There is a slight reduction in the level of post graduate fees from Overseas students and our overall level of Overseas income is approximately 11% down on our 2011 / 12 out turn. This decline is particularly marked in the faculty of Business

7 Variance Analysis on surplus



With regard to the movement in this months surplus and with reference to Appx 4b the key driver for this months move is income and in particular HEFCE Grant Income. There has been an increase in HSC income particularly from consultancy. In terms of expenditure there has been a reduction in the depreciation forecast from EAF and additional investment within AHS. Given the lateness of the details regarding the HEFCE block grant allocation, it is not anticipated that Faculties will be able to react to the shortfall.

8 Contribution Analysis



The average Faculty contribution has increased year on year to 40% of income and has increased by £579K compared to the 2011 / 12 outturn. The faculty contribution forecast is behind budget but is driven by different factors within each faculty.

Contribution by Faculty

	10 / 11 Actual	11 / 12 Actual	Jan 12 / 13 FYF
AHS			
Income	26.9	27.6	28.4
Expenditure	16.2	16.1	15.7
Contribution	10.7	11.5	12.7
	40%	42%	45%
BUS			
Income	24.5	22.3	21.6
Expenditure	15.8	14.2	13.4
Contribution	8.7	8.1	8.2
	36%	36%	38%
ESBE			
Income	35.5	33.5	34.8
Expenditure	23.1	21.9	21.9
Contribution	12.4	11.7	12.9
	35%	35%	37%
HSC			
Income	37.2	37.3	35.7
Expenditure	22.5	21.4	21.7
Contribution	14.7	15.9	14.0
	40%	43%	39%
Total Income	124.1	120.8	120.5
Total Expenditure	77.7	73.6	72.7
Total Contribution	46.5	47.2	47.8
	37%	39%	40%

LONDON SOUTH BANK UNIVERSITY / ENTERPRISES

Management Summary Report from August 2012 To The End Of March 2013

SMT Area: All

Cost Centre %

London South Bank
University

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				Note	YEAR TO DATE				Full year Forecast less Actual YTD (£)	
			2012 Forecast (£)	2012 Budget (£)	Variance - Forecast to Budget			2012 Actuals (£)	2012 Budget (£)	Variance - Actuals to Budget			Note
					(£)	%				(£)	%		
(45,433,613)	(29,416,935)	Funding Grants	(34,138,442)	(33,196,788)	941,653	3%	(22,728,435)	(22,143,061)	585,374	3%	(11,410,007)		
(27,714,759)	(18,590,013)	Health Contract	(27,367,454)	(28,009,016)	(641,562)	(2%)	(18,123,983)	(18,779,344)	(655,361)	(3%)	(9,243,471)		
(26,838,677)	(27,314,165)	Home & EU Fees - UG	(37,690,669)	(41,615,952)	(3,925,283)	(9%)	(38,639,291)	(41,552,725)	(2,913,433)	(7%)	948,622		
(4,935,801)	(4,881,730)	Home & EU Fees - PG	(7,142,293)	(9,412,300)	(2,270,007)	(24%)	(7,162,689)	(9,377,639)	(2,214,950)	(24%)	20,396		
(5,607,536)	(5,578,968)	Other Fees	(4,171,378)	(4,049,052)	122,326	3%	(3,988,719)	(3,544,626)	444,093	13%	(182,659)		
(6,371,577)	(6,375,654)	Overseas Fees - UG	(5,372,140)	(5,842,258)	(470,118)	(8%)	(5,387,325)	(5,825,583)	(438,258)	(8%)	15,185		
(3,202,576)	(3,147,818)	Overseas Fees - PG	(3,210,436)	(3,368,079)	(157,643)	(5%)	(3,367,678)	(3,355,864)	11,814	%	157,242		
(4,067,302)	(2,728,350)	Research Grants & Contracts	(3,115,910)	(3,911,110)	(795,200)	(20%)	(2,053,817)	(2,541,440)	(487,624)	(19%)	(1,062,093)		
(8,873,998)	(6,343,265)	Other Income - student related	(8,942,543)	(8,883,750)	58,793	1%	(6,320,438)	(6,330,018)	(9,580)	(%)	(2,622,105)		
(5,006,817)	(2,402,252)	Other Operating Income	(4,975,214)	(3,852,886)	1,122,328	29%	(3,273,534)	(2,424,288)	849,247	35%	(1,701,680)		
(688,509)	(339,719)	Endowment Income & Interest Receivable	(437,178)	(323,300)	113,878	35%	(327,761)	(216,300)	111,461	52%	(109,417)		
(138,741,166)	(107,118,869)	Total Income	(136,563,657)	(142,464,491)	(5,900,834)	(4%)	(111,373,670)	(116,090,886)	(4,717,216)	(4%)	(25,189,988)		
39,230,655	25,858,256	Academic - Permanent staff	38,447,648	40,042,372	1,594,724	4%	25,360,207	26,808,872	1,448,665	5%	13,087,441		
3,647,963	2,140,604	Academic - Temporary staff	3,683,560	3,267,138	(416,422)	(13%)	2,167,730	2,038,209	(129,521)	(6%)	1,515,830		
		Interdepartmental Delivery staff	1	((1)	(833%)		(((100%)	1		
2,837,741	1,915,652	Technicians staff	2,772,788	2,823,940	51,152	2%	1,823,095	1,884,453	61,357	3%	949,693		
25,931,564	17,431,969	Support - Permanent staff	27,476,987	28,839,103	1,362,116	5%	17,872,279	19,284,345	1,412,066	7%	9,604,708		
523,883	320,584	Support - Temporary staff	435,586	574,685	139,099	24%	273,012	369,476	96,464	26%	162,574		
2,738,862	1,864,822	Third party staff	2,955,419	1,872,692	(1,082,727)	(58%)	2,098,644	1,404,199	(694,445)	(49%)	856,775		
74,910,667	49,531,887	Total Staff Costs	75,771,989	77,419,930	1,647,940	2%	49,594,968	51,789,555	2,194,586	4%	26,177,021		
8,031,256	5,490,259	Depreciation	8,023,113	8,741,574	718,461	8%	5,193,328	5,800,078	606,750	10%	2,829,785		
8,031,256	5,490,259	Total Depreciation	8,023,113	8,741,574	718,461	8%	5,193,328	5,800,078	606,750	10%	2,829,785		
1,614,567	889,106	Staff Related	1,893,892	1,696,833	(197,060)	(12%)	1,499,570	1,187,240	(312,330)	(26%)	394,323		
2,268,935	1,196,165	Marketing and PR	2,522,641	2,480,607	(42,034)	(2%)	1,568,498	1,684,927	116,429	7%	954,143		
1,332,647	476,289	Student Recruitment	1,173,367	1,426,496	253,129	18%	330,530	935,355	604,825	65%	842,837		
4,357,183	1,740,157	Bursaries and Scholarships	2,695,532	2,526,891	(168,641)	(7%)	1,769,505	986,018	(783,487)	(79%)	926,027		
5,293,073	3,100,167	Student Related	5,992,265	5,822,870	(169,396)	(3%)	3,277,992	3,329,255	51,263	2%	2,714,274		
713,974	461,890	Equipment	758,848	683,431	(75,418)	(11%)	487,617	471,198	(16,419)	(3%)	271,232		
2,402,445	1,398,673	Computing	2,227,999	2,066,346	(161,653)	(8%)	1,431,358	1,424,531	(6,827)	(%)	796,641		
3,921,021	2,931,084	Utilities	3,593,693	3,612,161	18,468	1%	2,372,830	2,393,537	20,707	1%	1,220,863		
7,825,502	3,241,032	Maintenance & Other Estate	7,295,494	7,211,798	(83,696)	(1%)	3,609,123	3,515,099	(94,024)	(3%)	3,686,372		
4,439,259	2,867,198	Cleaning & Security	4,441,162	4,402,238	(38,924)	(1%)	2,933,439	2,901,561	(31,878)	(1%)	1,507,723		
1,169,596	211,395	Financial	248,048	203,000	(45,048)	(22%)	12,269	144,000	131,731	91%	235,779		
815,371	631,243	Communications	840,033	853,021	12,988	2%	517,962	578,242	60,279	10%	322,071		
2,876,010	1,695,736	Legal & Professional	2,436,407	2,711,494	275,088	10%	1,493,076	1,548,732	55,655	4%	943,330		
611,194	398,196	Subscriptions and Membership Fees	703,993	682,636	(21,357)	(3%)	435,329	436,687	1,359	%	268,665		
1,027,421	565,735	Photocopying and Stationery	979,766	979,196	(569)	(%)	660,575	590,355	(70,220)	(12%)	319,191		
1,649,464	876,999	Other	3,112,672	3,238,541	125,869	4%	1,161,612	2,231,553	1,069,941	48%	1,951,060		
	55,020	Internal recharges	56,939	65,646	8,707	13%		96,441	96,441	100%	56,939		
42,317,662	22,736,085	Total Other Operating Expenses	40,972,752	40,663,205	(309,546)	(1%)	23,561,284	24,454,731	893,447	4%	17,411,467		
4,018,795	2,754,831	Interest Payable	4,953,157	4,942,262	(10,895)	(%)	2,414,185	3,294,841	880,656	27%	2,538,972		
4,018,795	2,754,831	Total Interest Payable	4,953,157	4,942,262	(10,895)	(%)	2,414,185	3,294,841	880,656	27%	2,538,972		
2,943,807	9	Exceptional Items	2,497,945	3,497,945	1,000,000	29%		2,291,307	2,291,307	100%	2,497,945		
2,943,807	9	Total Exceptional Items	2,497,945	3,497,945	1,000,000	29%		2,291,307	2,291,307	100%	2,497,945		
		Internal Allocations	228	635	407	64%	(2)	426	428	100%	230		
		Total Internal Allocations	228	635	407	64%	(2)	426	428	100%	230		
(6,518,980)	(26,605,798)	Contribution	(4,344,473)	(7,198,940)	(2,854,467)	(40%)	(30,609,906)	(28,459,948)	2,149,958	8%	26,265,433		
54.0%		Staff costs as % of income	55.5%	54.3%			44.5%	44.6%					
4.7%		Contribution %	3.2%	5.1%			27.5%	24.5%					

London South Bank University

	PAPER NO: BG.25(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Reports from committee meetings	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Executive sponsor:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Recommendation by the Executive:	That the Board discuss and note the reports	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	As indicated	On:
Further approval required?	No	On:
Communications – who should be made aware of the decision?	Redacted minutes of committee meetings are published on the University's website	

Executive summary

A summary of Committee decisions is provided for information. Minutes and papers will be available on the governors' sharepoint.

The Board is requested to discuss and note the reports.

Summary of Committee decisions

Property Committee – 24 April 2013

The committee meeting was cancelled because all items on the agenda were to note. Committee members were given the opportunity to comment on any areas of concern to management.

Committee members received:

- An update on the terraces renovation project and the creation of an Enterprise Centre
- An update on the Student Centre
- An update on the Perry Library renovation project
- An update on the pedestrianisation of Keyworth Street

Policy and Resources Committee – 7 May 2013

The committee discussed:

- An update on student recruitment
- An update on the NHS Funding position, 2013/14 – paper **BG.21(13)**
- An update on capital investment plans – paper **BG.26(13)**
- The key performance indicators
- Management accounts to 31 March 2013 – summary in paper **BG.24(13)**
- Treasury management report to 31 March 2013
- Student Union financial report

Educational Character Committee – 9 May 2013

The committee discussed:

- Faculty pro formas
- HESA performance indicators
- Postgraduate faculty monitoring reports
- Annual reports on academic misconduct and appeals

	PAPER NO: BG.26(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Capital Investment Update	
Author:	Ralph Sanders, Financial Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance,	
Recommendation by the Executive:	The Board is requested to note the current position	
Aspect of the Corporate Plan to which this will help deliver?	Financial Performance, Creating an environment in which excellence can thrive.	
Matter previously considered by:	Policy & Resources Committee	On: 7 May 2013
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

Executive summary

As discussed at the recent Board strategy day, cash flow forecasting and management is the key to future financial sustainability. An essential part of this is tight control of capital expenditure including clarity about longer term vision, costed plans and flexibility, to ensure that adjustments can be made as necessary to reflect ongoing institutional financial performance.

We have summarised in the attached schedule the current level of capital investment together with indicative levels of pipeline and potential future investment. The schedule should be treated as draft at this stage and will be continually updated as the estates strategy evolves.

Business cases are required for all capital investment and this update includes forecast expenditure for those that are currently being prepared as well as more speculative levels of investment.

It should be noted that:

- the University is on track to invest £25m on capital projects in this financial year. This is a substantial level of investment and is significantly higher than the normal level of annual spend.
- plans for 2013/14 are currently costed at £21.3m. This is almost exactly in line with the 2013/14 profile capex spend of £22m included within the 5YR forecasts recently approved by the Board. A significant proportion of this (£15.7m) has not yet been approved which provides flexibility to manage actual spend to reflect performance.
- the total spend for 2013/14 (£21.3m) and the next 4 years (£94.3m) is close to the total of £110m assumed in the 5YR forecasts although some prioritisation will be required. Any other major building work however will need to be funded from disposals through estate rationalisation.

LSBU Capital Forecast: 10 May 2013

Current capital projects

Description	Lead	Budget	2012-13	2013-14	Next 4 Yrs	Date	status
Remaining costs re student centre	E&F	£7,420,000	£4,772,000			0	Approved by Board previous year
Enterprise Centre	E&F	£13,542,000	£11,648,000	£487,000		May-12	Approved by Board May 12 at budget including contingency £13.5m
Perry Library	E&F	£1,937,000	£774,800	£1,162,200		Mar-13	Approved by Board March 2013
Sports centre entrance	E&F	£369,000	£369,000			Feb-13	Approved by Executive Feb 2013
Refurbishment of E-132 Food & Nutrition lab	E&F	£132,000	£132,000			Nov-12	Considered in Nov 12. Reworked and approved 6/11
Long term maintenance: capital	E&F	£851,347	£851,000			Nov-12	Agreed at Executive meeting Dec 12
EAF Small Projects (detailed on page 5)			£2,353,000				
User environment management	ICT	£35,000	£35,000		£210,000	Mar-13	Total bid £245k. Pilot agreed at cost £35k
Additional storage	ICT	£175,000	£175,000			Feb-13	
Upgrade Havering cabling	ICT	£61,920	£61,920			Feb-13	
Inflobox device renewal	ICT	£110,000	£110,000			Feb-13	
Additional network layer	ICT	£120,000	£120,000			Feb-13	
Projector replacement	ICT	£98,000	£98,000			Feb-13	
Wireless microphones	ICT	£30,000	£30,000			Nov-12	
BUllt Programme (Open sourced hosted VLE project)	ICT	£100,000	£100,000			Nov-12	
PC & Laptop Replacement Programme *	ICT	£2,177,200	£727,200	£725,000	£2,175,000		*Note Budget is for 3 year programme; 2012/13, 3013/14 &* 2014/15 only
Additional catering equipment for student centre	RCS	£63,000	£63,000			Sep-12	
HSC Clinical simulation support	Other	£94,150	£94,150			Sep-12	
Kell Street improvements	E&F	£330,000		£330,000		Apr-13	Approved by Executive
Enterprise centre post completion fit out	E&F	£142,000		£142,000		Apr-13	Approved by Executive
Enterprise centre courtyard	E&F	£432,000		£432,000		Apr-13	Approved by Executive
Total			£22,514,070	£3,278,200	£2,385,000		
Presented but not yet approved							
Carbon reduction	E&F	£1,000,000			£1,000,000	Nov-12	Considered in Nov 12 and rejected. Further work required
Psychology teaching labs	E&F	£969,000		£969,000		Mar-13	Business case to be updated
Arts and Media teaching spaces	E&F	£937,000		£937,000		Mar-13	Business case to be updated and space issues to be resolved with ESBE
CWP newsroom project	E&F	£352,000		£352,000		Mar-13	Business case to be updated
Total			£0	£2,258,000	£1,000,000		
Current & Pipeline Capital Projects			£22,514,070	£5,536,200	£3,385,000		

Closed capital projects

Description	Lead	Budget	2012-13	2013-14	Next 4 Yrs	Date	status
Demolition of student Union	E&F	£244,000	£244,000				
Borough Road - AHS Rehearsal Space	E&F	£218,900	£15,000				
Refurbishment of the Reception to include works to security barriers, lighting, removal of revolving door and new reception desk.	E&F	£452,000	£477,000				
Convert area to form 2 No Design Studios	E&F	£250,000	£26,000				
Creation of a Food Studies Area	E&F	£132,000	£132,000				
Creation of new VERT and radiation facilities (space to be identified)	E&F	£492,600	£486,600				
Tower Block Borough Rd - Project Based Learning L1 & Quiet Social / Career Gym / Employability Hub	E&F	£600,000	£380,000				
CAFM	E&F	£94,000	£94,000			Nov-12	
Technopark project 1592 (updated scope)	E&F	£2,638,000	£425,000				
Staff file servers Upgrade	ICT	£38,914	£38,914				
Blade Server Replacement	ICT	£140,949	£140,949				
AV Update (Classroom)	ICT	£217,413	£217,413				
ACD System- re telephone enquiries	ICT	£20,961	£20,961				
Student Portal	ICT	£84,600	£84,600				
CRM Phase 2	ICT	£128,040	£128,040				
Student Life Centre Tracking System	ICT	£89,000	£89,000				
Extend Wireless Network Coverage	ICT	£81,037	£81,037				
Rolling Switch Replacement	ICT	£207,733	£207,733				
Database Performance Project	ICT	£96,000	£96,000				
Total			£3,140,247	£0	£0		
Total Closed, Current & Pipeline Capital Projects			£25,654,317	£5,536,200	£3,385,000		

Future projects: Likely 13/14 subject to Business Case Approval

Description	Lead	Budget	2012-13	2013-14	Next 4 Yrs	
Tower Block Borough Rd - Project Based Learning for E&F	E&F	£550,000		£550,000		Awaiting revised business case by ESBE
Replace furniture within teaching spaces	E&F	£1,515,250		£1,515,250		Proposed as part of student experience investment
Enhanced ICT across estate in teaching spaces	E&F	£1,088,000		£1,088,000		Proposed as part of student experience investment
Refurbishment of 46 No toilets	E&F	£2,684,000		£2,684,000		Proposed as part of student experience investment
Refurbishment of main student circulation spaces	E&F	£280,000		£280,000		Proposed as part of student experience investment
Pedestrianisation of Keyworth Street	E&F	£2,000,000		£2,000,000		Proposed as part of student experience investment
Rooms LR C1CD/C2C16/292/C2C15, London Road Building to social study space	E&F	£373,000		£373,000		Proposed as part of student experience investment
Social study space adjacent to café 264 (LR265).	E&F	£180,000		£180,000		Proposed as part of student experience investment
Creation of new MBA study area in London Road (LR208E)	E&F	£103,000		£103,000		Proposed as part of student experience investment
Conversion of 3 no Keyworth pods to social learning space	E&F	£158,000		£158,000		Proposed as part of student experience investment
Creation of new, enhanced central timetabled and social study space on the third floor of Keyworth	E&F	£573,000		£573,000		Proposed as part of student experience investment
Phase 2 of 3 including low carbon solution to first floor teaching spaces at Havering.	E&F	£270,000		£270,000		Proposed as part of student experience investment
Keyworth centre entrance and enhance café	E&F	£650,000		£650,000		Proposed as part of student experience investment
High level space assessment for the future uses of the Borough road Building	E&F	£40,000		£40,000		Proposed as part of student experience investment
Delivery of enhance areas after academics comments from the functional suitability study	E&F	£300,000		£300,000		Proposed as part of student experience investment
Total			£0	£10,764,250	£0	

Future projects: Evaluation Stage

Description	Lead	Budget	2012-13	2013-14	Next 4 Yrs	
National Bakery School Redevelopment	N B S	£1,000,000			£1,000,000	Ideally £2M of which 1/2 from external funding.
Technopark phase 2a and 2b	E&F	£988,000			£988,000	Exact scope and priorities to be agreed with Project Sponsor
Peabody Housing Association Build	E&F	£10,000,000			£10,000,000	
Peabody Housing Association / Hugh Aster - Demolitions (could be revenue)	E&F	£2,000,000			£2,000,000	
Estimate of "BIG" £10M per anum EAF projects	E&F	£40,000,000			£40,000,000	
Small EAF projects at £5M per year	E&F	£20,000,000			£20,000,000	
Confucius Institute relocation Caxton House	E&F	£0				Awaiting approval of fund raising for project with Hanban.
Outcome of the strategic review of student residences.	RCs	£6,400,000			£6,400,000	External review underway commissioned by RCS,
VLE / BUILT	ICT	£400,000			£400,000	
Telephone Systems	ICT	£200,000			£200,000	
Future ICT	ICT	£15,000,000		5,000,000	£10,000,000	
Total			£0	£5,000,000	£90,988,000	
Total Future Projects			£0	£15,764,250	£90,988,000	
Total Closed, Current, Pipeline and Speculative Capital Projects			£25,654,317	£21,300,450	£94,373,000	

EAF Small Projects

Description	Lead	Budget	2012-13	2013-14	Next 4 Yrs	Date
Completion of rolling programme of refurbishment in the L Rd building Priority 6	E&F		£4,000			
Electrical and Emergency lighting	E&F		£25,000			
Comfort Cooling Works	E&F		£50,000			
New Lighting and Controls inc PIR's	E&F		£20,000			
Replace existing Boilers with fuel efficient condensing units	E&F		£20,000			
To look at Building Management System and make more effective in use	E&F		£28,000			
Window and Doors	E&F		£1,000			
Campus Wide - Water Compliance Works	E&F	LTM	£6,000			
E Block, J Block, M Block - Fire Alarm Upgrade Works	E&F	LTM	£134,000			
Heating & hot water services Keyworth Centre, Borough Road, Tower Block & Faraday Wing	E&F		£227,000			
Electrical & lighting works Caxton House, Tower Block, Borough Road, London Road, E & J Blocks	E&F		£269,000			
E, M & J Block - Heating & Hot Water Services.(ph.1of 2)	E&F	LTM	£232,000			
Caxton House - Ventilation, heating and hot water Works.	E&F	LTM	£5,000			
J Block Heating Infrastructure	E&F	Energy Saving	£3,000			
General Lighting upgrades	E&F	Energy Saving	£137,000			
McLaren Heating Controls and Boiler Upgrades	E&F	Energy Saving	£513,000			
General Energy Saving Controls Replace DX Units	E&F	Energy Saving	£85,000			
Borough Road CT Circuits	E&F	Energy Saving	£75,000			
Faraday Wing Chiller Replacement	E&F	Energy Saving	£154,000			
tbc	E&F		£73,000			
Replavement Furniture	E&F		£209,000			
Preparation of the building for occupation by the Confucius Institute - Under consideration	E&F		£20,000			
LLR Refurb & furniture upgrade to Student Learning & Stud Space	E&F		£63,000			
			£2,353,000			

	PAPER NO: BG.27(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Chairman Nomination Committee terms of reference	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	Andrew Owen, Convenor of the Chairman Nomination Committee	
Recommendation:	<p>That the Board approve:</p> <ul style="list-style-type: none"> • the establishment of the Chairman Nomination Committee • its terms of reference • authorise the selection and appointment of a search consultant by the committee 	
Aspect of the Corporate Plan to which this will help deliver?	All aspects	
Matter previously considered by:	Nomination Committee	On: November 2012
Further approval required?	N/A	On: N/A
Communications – who should be made aware of the decision?		

Proposed arrangements for the selection and appointment of the Chairman of the Board

Introduction

1. The Chairman of the Board of Governors is due to retire as governor and pro-Chancellor in July 2015. At this point he will have served for two terms of four years as Chairman of the Board. The CUC Guide for Members of Governing Bodies recommends that this is the maximum time a Chairman should serve:

“The re-appointment of a chair beyond two terms of four years, or the equivalent, should be regarded as exceptional” (Part II 2.56).

2. It is important that succession planning for the Chairman starts in good time to allow an orderly transfer.

The selection of the Chairman

3. Under LSBU’s articles, the appointment of the Chairman is a matter reserved to the Board as a whole. Accordingly, the Board of Governors, as a whole, makes the final decision to elect a new Chairman; this includes the student and staff governors. The Board will be kept fully informed at all key stages in the appointment process.

Appointment of sub-committee to lead the search

4. In order for the new Chairman to have the full support of all governors at the time of succession (i.e. July 2015), the Nomination Committee recommend that a Chairman Nomination Committee is established consisting of governors whose terms of office continue beyond 2015. The committee will determine the process and lead the search externally and amongst current governors for the new Chair and recommend to the Board the best candidate.
5. The initial membership of the Chairman Nomination committee will be:
 - Andrew Owen, Convenor
 - Steve Balmont
 - Douglas Denham St Pinnock
 - Prof Hilary McCallion
 - Mee Ling Ng
 - James Smith
6. Proposed terms of reference are attached for approval. The committee will be supported by the University Secretary and team.

Search Consultants

7. The Board are requested to authorise the Chairman Nomination Committee to appoint search consultants for external candidates, if deemed necessary by the committee, in accordance with LSBU’s procurement best practice. The appointed search consultant will work to the committee and manage the process of identifying suitable candidates.

8. All current independent governors are eligible to be appointed as Chair under the current Articles which state “where a member is elected Chairman of the governing body..., they would automatically begin a new term of membership linked to that office” (Article 7)¹. The Nomination Committee recommends that any current governor who expressed an interest in becoming Chair should be considered alongside external candidates.

Role description

9. The Nomination Committee has reviewed a draft role description for the Chairman and this will be submitted to the Chairman Nomination Committee for approval and subsequently to the Board for information.

Outline Timetable (for discussion by the Chairman Nomination Committee)

- Sep/Oct 2013 Chairman Nomination Committee agrees process and role description
- Nov/Dec 2013 Appointment of consultants (selection process)
- Jan/Feb 2014 Advertise/search
- March 2014 Longlist
- April 2014 Shortlist
- May 2014 Final Panel
- May 2014 Formal appointment as joint Vice Chair and Pro Chancellor
Board meeting
- July 2014 First Board meeting
- Sept 2014 Chair of P&R
- Oct 2014 – Jun 2015 Induction
- July 2015 Appointed as Chair

¹ When the Articles are submitted to the Board for approval it will be recommended that this article is removed but that the principle remains in the standing orders.

Conclusion

10. The Board is requested to:

- approve the establishment of the Chairman Nomination Committee;
- approve its terms of reference; and
- authorise the selection and appointment of a search consultant by the committee.

Chairman Nomination Committee
Terms of reference

1. Constitution

- 1.1 The Board of Governors has established a committee known as the Chairman Nomination Committee.

2. Membership

- 2.1 The first members of the committee shall be those independent governors in their first term as at May 2013 (whose terms of office continue beyond 2015).
- 2.2 The Chair of the committee shall be appointed by the committee from amongst its independent governor members.
- 2.3 The committee may co-opt staff or student governor members as it sees fit.
- 2.4 The committee may co-opt to the committee an independent adviser, such as a serving Chair of a university governing body, as it sees fit.
- 2.5 The quorum shall be at least 3 independent governors.
- 2.6 Any independent governor who expresses an interest in becoming Chair to the Convenor will not become a member of the committee.

3. Frequency of meetings

- 3.1 The committee shall meet at such times as the Chair shall require.

4. Financial Authority

- 4.1 The committee is authorised by the Board, at LSBU's expense, within any budgetary restraints imposed by the Board, to appoint search consultants, and to place advertisements in appropriate publications or websites which it deems necessary.

5. Secretary

- 5.1 The University Secretary or their nominee shall act as the secretary of the committee.

6. Remit

- 6.1 The remit of the Committee is to:

- 6.1.1 conduct the process for the selection of Chair of the Board on behalf of the Board of Governors:

- 6.1.2 if considered necessary, appoint external advisers;
- 6.1.3 if considered necessary, appoint search consultants;
- 6.1.4 draw up a short list;
- 6.1.5 sound out the short-listed candidates for interest and availability;
- 6.1.6 interview candidates;
- 6.2 From the short-list, identify an appointable candidate or candidates and make a recommendation to the Board on the appointment of the Chair.
- 6.3. The final decision to make an appointment rests with the Board.

Membership

Independent Governors	Andrew Owen Steve Balmont Douglas Denham St Pinnock Hilary McCallion Mee Ling Ng James Smith The new independent governor with HE experience
Independent adviser	External HEI Chairman - tbc

In attendance:

University Secretary & Clerk to the Board of Governors

*Approved by the Board of Governors * May 2013*

	PAPER NO: BG.28(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	Corporate Risk Register	
Author:	John Baker, Corporate & Business Planning Manager	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	The Executive recommends that the Board note the updated risk register.	
Aspect of the Corporate Plan to which this will help deliver?	The corporate risk framework is aligned to the new corporate plan and effective management of corporate risk underpins successful delivery of all aspects of the plan.	
Matter previously considered by:	Executive	On: 15/05/2013
	Board of Governors	On: 21/03/2013
Further approval required?	n/a	
Communications – who should be made aware of the decision?	n/a	

Executive summary

The latest Corporate Risk Register is attached.

Three risk actions have been updated, but details of two do not appear in the report:

Risk **CO-10-06** 'Potential loss of NHS contract income'

This been upgraded from 'High' and now is rated as 'Critical'. The risk has also been updated to reflect changes to the 'Existing Controls' and additional 'Actions' have been added e.g. 'Review staffing in faculty to reflect total activity, freeze non-critical vacant posts and HPL activity until income assured'.

Risk CO-08-01 'Ineffective Data systems'

This has an action for education around UKBA requirements to be provided for all staff engaged with international students.

This is partially complete, with training sessions having been held for the majority of faculties, and will be completed for all central support staff by the end of June.

Risk CO-10-08 'Potential impact of estates strategy delivery on financial position'

This has an action relating to the completion of negotiations for the new student centre. In accordance with the terms of the contract that the completion date for the works is either amended or confirmed within a given period, the University's employers agent Gardiner & Theobald have undertaken the review in consultation with the university's lawyers Muckle LLP. They have subsequently written to Mansell confirming that the completion dates for the contract remain as 30th July 2012 for section one, the Student Centre and 18th October 2012 for section two, the first floor café area.

This means that no extension of time has been awarded.

Damages have been taken as before advised. Total damages amount to £245,000.

Mansell are still providing further information on the measured account to the quantity surveyor, but it is still anticipated that the project will be delivered within the approved budget. Given this situation it is not in the University's interest to rush settlement of the final account. The quantity surveyor is however preparing a draft final account to issue to Mansell.

The Board is requested to note the revised Corporate Risk Register.

Attachments: Corporate Risk Register

Corporate Level - Risk Register

Date	09/05/2013
Risk Status	Open
Risk Area	Corporate

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
1	CP-01 Failure to position the university to effectively respond to changes in government policy and the competitive landscape Risk Owner: Martin Earwicker Last Updated: 11/01/2013	<p>Causes:</p> <ul style="list-style-type: none"> - Changes to fees and funding models - Increased competition, supported by Government policy - Failure to anticipate change - Failure to position (politically) - Failure to position (capacity/structure) - Failure to improve League Table position <p>Effects:</p> <ul style="list-style-type: none"> - Further loss of public funding - Loss of HEFCE contract numbers - Failure to recruit students - Business model becomes unsustainable 	4 3 Critical	<p>Financial controls (inc. forecasting/modelling, restructure) to enable achievement of operating surplus target</p> <hr/> <p>Maintain relationships with key politicians/influencers, boroughs and local FE</p> <hr/> <p>Annual review of corporate strategy by Executive and Board of Governors</p> <hr/> <p>OFFA agreement for 12/13 and 13/14</p> <hr/> <p>Recent work/modelling to establish a fee position net of fee waivers less than £7500. Monitoring of guidance and continual modelling/update as required in response to changing position.</p>	4 1 High	<p>Identifying and building on our academic strengths (Portfolio Review).</p> <p>Person Responsible: Beverley Jullien</p> <p>To be implemented by: 31/07/2013</p> <hr/> <p>Improve contacts with national and regional press</p> <p>Person Responsible: Lynn Grimes</p> <p>To be implemented by: 31/07/2013</p>
2	CO-01-02 Failure to meet revenue targets Risk Owner: Beverley Jullien Last Updated: 11/01/2013	<p>Causes:</p> <ul style="list-style-type: none"> - Changes to fees mechanisms for UGFT - Increased competition - Failure to develop and communicate brand - Lack of accurate real-time reporting mechanisms - LSBU late entrant to international student market and fails to catch-up - Poor league table position - Portfolio or modes of delivery do not reflect market need - Failure to engage with non-enterprise activities <p>Effects:</p>	4 3 Critical	<p>Report on student recruitment presented to every monthly Executive meeting and also reviewed by Board of Governors</p> <hr/> <p>International Action Plan, including International Fees & Discounting policy, simplified fee structure and discount/scholarship programme for targeted countries, enhanced in-market and partner activity</p> <hr/> <p>Sustainable internationalisation strategy</p> <hr/> <p>League Table action plan</p>	4 2 Critical	<p>Postgraduate action plan developed.</p> <p>Person Responsible: Beverley Jullien</p> <p>To be implemented by: 31/07/2013</p> <hr/> <p>Step-change in Internationalisation Plan to be incorporated.</p> <p>Person Responsible: Beverley Jullien</p> <p>To be implemented by: 31/07/2013</p> <hr/> <p>Enterprise Business Plan to be submitted to SBUEL Board for review and regular updates provided.</p> <p>Person Responsible: Tim Gebbels</p> <p>To be implemented by: 31/07/2013</p>

- Under recruitment
- Loss of HEFCE contract numbers
- Over recruitment leading to penalties on HEFCE numbers
- Failure to meet income targets for non-HEFCE students

Modelling of student recruitment numbers, including worse case scenarios which aid the planning process.

SBUEL with Governor Chair in place to oversee the Enterprise strategy

Differentiated campaigns started for postgraduate and part-time students

Identifying and building on our academic strengths (Portfolio Review).

Person Responsible: Beverley Jullien

To be implemented by: 31/07/2013

3	CO-10-01 Increasing pensions deficit	<p>Causes:</p> <ul style="list-style-type: none"> - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - TPS/USS schemes may also become subject to FRS17 accounting <p>Effects:</p> <ul style="list-style-type: none"> - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term 	<p>3 3 High</p>	<p>Switch of inflator from RPI to CPI (expected to be lower in the long term)</p>	<p>3 3 High</p>	<p>Create alternative, defined contribution pension option linked to creation of new enterprise subsidiary.</p> <p>Person Responsible: Richard Flatman</p> <p>To be implemented by: 30/06/2013</p>
	Risk Owner: Richard Flatman			<p>Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars</p>		
	Last Updated: 24/04/2013			<p>Regular valuation of pension scheme (actuarial and FRS 17). Most recent FRS valuation shows significant reduction in LPFA deficit and reduced I&E cost moving forward following switch to CPI.</p>		
				<p>Reporting to HR committee on progress.</p>		
				<p>Tight control of staff costs in all areas (and reported to committee and Board via agreed KPIs)</p>		
				<p>Proposal for new LPFA scheme, effective April 2014</p>		
				<p>Strict control on early access to pension at redundancy/restructure</p>		

Active monitoring in year of trends in discount rate, life expectancy assumptions etc to ensure year-end adjustments are minimised

6	<p>CO-08-01 Ineffective data systems leading to failure to supply meaningful and reliable management information (internally) and to comply with the requirements of external agencies</p>	<p>Causes:</p> <ul style="list-style-type: none"> - Data in systems is inaccurate - Data systems are insufficient to support effective delivery of management information - Financial constraints limit ability to improve systems - Insufficient capacity to deliver improved systems - Failure to manage data through the clearing period - Internal management information reporting insufficient to verify external reporting - Lack of data quality control and assurance mechanisms 	<p>3 3 High</p>	<p>Engagement with internal auditors to systematically check data in key systems (and processes around key systems):</p> <ul style="list-style-type: none"> - Finance (including student fees) - Student data - HR systems - Space management systems 	<p>3 2 High</p>	<p>Annual education of all staff engaged with international students, to update on UKBA requirements; annual independent review by UKBA specialist to highlight areas for improvement.</p>
	<p>Risk Owner: Phil Cardew</p>			<p>Systematic data quality checks of staff returns by HR in conjunction with faculties.</p>		<p>Person Responsible: Jennifer Parsons To be implemented by: 30/04/2013</p>
	<p>Last Updated: 09/05/2013</p>	<p>Effects:</p> <ul style="list-style-type: none"> - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information reporting insufficient to verify external reporting - Failure to manage recruitment levels through the clearing period resulting in over-recruitment - Failure to submit credible HESA/HESES return - Failure to satisfy requirements of UKBA leading to potential revocation of licence and loss of £8m+ in revenue in the short term, with reputational damage causing 		<p>Engagement between International Office, Registry and Faculties to ensure compliance with UKBA requirements, specifically with regards to:</p> <ul style="list-style-type: none"> - Visa applications and issue of Certificate of Acceptance to Study - English language requirements - Reporting of absence or withdrawal 		<p>Project has three stages. Project completion dates: Stage 1 - May 2013 Stage 2 - September 2013 Stage 3 - September 2014</p>
				<p>Internal Audit system in place and conducted by PwC to provide assurances on data quality.</p>		<p>Person Responsible: David Swayne To be implemented by: 30/09/2014</p>
				<p>Internal Audit system in place and conducted by PwC to provide assurance on UKBA compliance</p>		<p>HESA improvement project</p> <p>Project has two stages Project completion dates: Stage 1 - October 2012 Stage 2 - October 2013</p>
						<p>Person Responsible: Andrew Fisher To be implemented by: 31/10/2013</p>
						<p>To improve admissions processes</p> <p>Person Responsible: Andrew Fisher To be implemented by: 30/09/2013</p>

significant longer term revenue loss
 - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)

Data warehousing, to construct a 'master data view' and reports therefrom, including:
 - Cleansing core systems to ensure all data as accurate and complete as possible
 - Ensuring reports use core data without manipulating results
 - Provision of standard reports on key aspects of data:
 *Progression analysis
 *Student engagement
 *Admissions (especially during clearing)
 *Enrolment

Systematic data quality checks of student returns by Registry in conjunction with faculties.

14	CO-10-06 Potential loss of NHS contract income	<p>Cause: Reduction in expected CPPD funding due to ongoing NHS financial challenges/ structural change. In addition potential problems with NHS deanery recruitment to community programmes. Failure to maintain student numbers on the contract resulting in clawback</p> <p>Effect: Reduction in income Reduced staff numbers Negative impact on reputation</p>	<p>4 3 Critical</p>	<p>Named Customer Manager roles with NHS Trusts, CCGs and HEE.</p> <hr/> <p>Monitor quality of courses (CPM and NMC) annually in autumn (CPM) and winter (NMC)</p> <hr/> <p>Regular contact with commissioning contract managers and deanery</p>	<p>4 2 Critical</p>	<p>Review staffing in faculty to reflect total activity, freeze non-critical vacant posts and HPL activity until income assured.</p> <p>Person Responsible: Warren Turner</p> <p>To be implemented by: 28/06/2013</p> <hr/> <p>Continue contract discussions with newly formed HEE/ LETB's</p> <p>Person Responsible: Judith Ellis</p> <p>To be implemented by: 28/06/2013</p> <hr/> <p>Submit a strong return to next REF exercise.</p> <p>Person Responsible: Nicola Crichton</p> <p>To be implemented by: 31/12/2013</p>
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Ensure a quality campus in each HEE/ LETB area.

Person Responsible: Warren Turner

To be implemented by: 01/09/2013

Grow into new markets for medical and private sector CPPD provision

Person Responsible: Warren Turner

To be implemented by: 31/08/2013

Improvement in NSS returns and scores

Person Responsible: Judith Ellis

To be implemented by: 31/07/2013

Develop opportunities for further International 'in-country' activity.

Person Responsible: Dr Michelle Spruce

To be implemented by: 30/09/2013

Increase uptake in band 1-4 activity
Support Trusts in seeking external (non NHS) funding

Person Responsible: Sheelagh Mealing

To be implemented by: 01/09/2013

37	<p>CO-10-08 Potential impact of estates strategy delivery on financial position</p> <p>Risk Owner: Richard Flatman</p> <p>Last Updated: 09/05/2013</p>	<p>Causes:</p> <ul style="list-style-type: none"> - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding <p>Effects:</p> <ul style="list-style-type: none"> - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students 	<p>3 3</p> <p>High</p>	<p>Full Business Case including clarity on cost and funding prepared for each element of Estates Strategy and approved by Board of Governors</p> <hr/> <p>Clear requirement (including authority levels) for all major (>£1m) capital expenditure to have Board approval</p> <hr/> <p>Property Committee is a sub-committee of the Board of Governors and has a remit to review all property related capital decisions.</p> <hr/> <p>Automated process developed for business cases including all capital spend. Guidance developed as part of new process.</p> <hr/> <p>Financial forecasts regularly updated to take account of changing assumptions about future capital funding.</p> <hr/> <p>Clear project governance established for both the renovation of the Terraces and the Student Centre</p> <hr/> <p>Estates & Facilities Dept project controls</p> <hr/> <p>Strategic direction as set out in the new corporate plan 2011/14 is that the focus will be on improving student success and experience. Capital spend on improvements/maintenance will be inevitable but major new buildings will be unlikely once the Student centre and renovation of the Terraces are completed.</p>	<p>3 1</p> <p>Medium</p>	<p>Deliver the renovation of the Terraces in accordance with agreed budget.</p> <p>Person Responsible: Beverley Jullien</p> <p>To be implemented by: 31/07/2013</p> <hr/> <p>Complete and report on the final negotiations for the Student Centre</p> <p>Person Responsible: Ian Mehrtens</p> <p>To be implemented by: 30/04/2013</p>
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305	CO-13-01 Data protection (Upgraded from Registry's operational register)	Loss of student data security either en masse (e.g. address harvesting) or in specific cases (e.g. loss of sensitive personal files)	3 2 High	Following a meeting on 16/11/12, David Swayne has taken responsibility for improving our control over data protection risks at an institutional level.	3 2 High	
Risk Owner: Richard Flatman						
Last Updated: 12/02/2013						
362	CO-10-09 Poor staff engagement	<p>Causes:</p> <ul style="list-style-type: none"> •Bureaucracy involved in decision making at the University •No teamwork amongst departments at the University •Staff feeling that they do not receive relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises <p>Effects:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases 	3 3 High	<p>Departmental Business Planning process</p> <hr/> <p>Feedback page for staff to leave comments on staff Gateway</p> <hr/> <p>Scheduled Team meetings</p> <hr/> <p>Corporate Roadshows</p> <hr/> <p>Staff engagement survey</p> <hr/> <p>Quarterly review meetings</p>	3 2 High	<p>Co-ordination of the 2013 employee engagement survey</p> <p>Person Responsible: Mrs Vongai Nyahunzvi</p> <p>To be implemented by: 31/05/2013</p>
Risk Owner: Martin Earwicker						
Last Updated: 04/02/2013						

	PAPER NO: BG.29(13)	
Board/Committee:	Board of Governors	
Date:	23 May 2013	
Paper title:	HEFCE assessment of institutional risk	
Author:	Richard Flatman, Executive Director of Finance	
Executive sponsor:	Richard Flatman, Executive Director of Finance	
Recommendation by the Executive:	The Executive recommends that the Board notes HEFCE's assessment of risk and the associated financial benchmarking data.	
Aspect of the Corporate Plan to which this will help deliver?	Financial sustainability Creating an environment in which excellence can thrive.	
Matter previously considered by:	Audit Committee & Board of Governors	Annually
Further approval required?	Audit Committee (for noting)	On:13 June 2013
Communications – who should be made aware of the decision?	N/A	

Executive summary

HEFCE assesses on an annual basis the accountability, risk and sustainability of institutions which it funds. A small number are deemed to be at “higher risk” with the vast majority being “not at higher risk”.

Based on the accountability returns for 2011-12, HEFCE's assessment is that LSBU is “not at higher risk” at this time.

Attachment: Risk assessment letter from HEFCE dated 3/04/13

3 April 2013

Professor Martin Earwicker
Vice Chancellor and Chief Executive
London South Bank University
103 Borough Road
LONDON
SE1 0AA

Northavon House
Coldharbour Lane
BRISTOL BS16 1QD

Telephone 0117 931 7317
www.hefce.ac.uk

RECEIVED VC/EXECUTIVE OFFICE
REFERENCE: 04 04
- 4 APR 2013
ACTION: RF/ME

Direct Line 0117 931 7341
Direct Fax 0117 931 7150
E-mail a.langlands@hefce.ac.uk

Dear Martin,

HEFCE's annual assessment of institutional risk: London South Bank University

1. The purpose of this letter is to inform you of the risk status of London South Bank University, as determined by HEFCE, and of any failure to comply with the accountability obligations set out in the Financial Memorandum (HEFCE publication 2010/19) and other HEFCE guidance. We have copied this letter to Mr David Longbottom, Pro-Chancellor and Chair of the Board of Governors, and request that you formally submit this letter to the next meeting of the governing body.
2. Based on the accountability returns submitted for 2011-12, our overall assessment at this time is that London South Bank University is **not at higher risk**. In making this assessment we also conclude that the institution is meeting the accountability obligations set out in the Financial Memorandum and other HEFCE guidance.
3. The annual accountability return submitted in December 2012 showed that the University performed well in 2011-12 despite a decrease in income resulting from a reduction in students numbers attributable to managing the consequences of over-recruitment in 2010- 11 and the impact of the discontinuation of the University Modernisation Fund which funded 300 places. We note that the balance sheet is relatively strong and that the University is continuing to generate cash from its operating activities. The forecast for 2012-13 does not raise any material concerns over the short-term financial sustainability of the University. We note that the recruitment performance for home/EU students in 2012-13 was significantly below the SNC limit, but that the University clearly understands the risks associated with undershooting the SNC limit in future years. We also recognise that the University has engaged positively with HEFCE over these concerns and that it is continuing to develop mitigating actions that can be implemented should the risks

crystallise. We request that the University continue to engage with HEFCE officers and keep us informed of progress against the financial plan.

Risk assessment process

4. The annual accountability returns submitted to HEFCE by higher education institutions (HEIs) are the primary means by which HEFCE assesses the accountability, risk and sustainability of institutions. These annual risk assessments are based on current information in a number of areas of activity, including: financial performance, student recruitment and retention, audit findings, and compliance with HEFCE accountability requirements (including the Financial Memorandum and other guidance). It has been agreed that the financial forecasts will be submitted after the other returns in July.
5. In order to inform institutions of their risk assessments on a timelier basis this year we intend to send every institution a risk letter by the end of April 2013. We may issue a further risk letter to some institutions following the assessment of July forecasts, but only if that assessment makes a material change to the earlier risk assessment. Although the risk assessment is an annual process, issues emerging during the year can lead to a review of an institution's risk status and a change to its risk assessment at any point in the year. We currently assess a small number of institutions as being 'at higher risk', with the vast majority 'not at higher risk'. In addition some institutions 'not at higher risk' may have a specific risk issue highlighted for their attention. It is the responsibility of the governing body of the institution to ensure that risks are being managed effectively.

Adverse changes in circumstances

6. We require institutions to report material adverse changes in the institution's circumstances, such as a significant and immediate threat to the financial position, significant fraud or major accounting breakdown. The Financial Memorandum (Annex B paragraphs 14-17) provides more detail on the specific requirement. Whilst we fully respect the autonomy of institutions, we remind you of this requirement and that timely reporting of material adverse changes is an important element of the accountability framework for higher education. Given the unprecedented scale of the current changes to higher education funding and possible impacts on student recruitment, it is especially important that you inform HEFCE of any material adverse changes at the earliest stage.

Future context and feedback on financial performance

7. As we continue to move to a new funding framework, we encourage institutions to continue to assess the potential impacts of future changes on their operations and, where necessary, to implement mitigating actions. This scenario planning will need to consider the financial and non-financial impact of potential changes in student demand, over- or under-recruitment, student retention, availability of public funding, and pay and pensions pressures. Non compliance with requirements of other regulators, such as the UK Border Agency, may also present a significant risk. These are among the many factors that will

need to be monitored by you, your senior team and governing body, and we are happy to discuss these with you as part of our regular engagements with the institution.

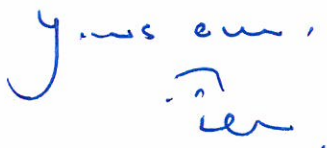
8. The Annexes provide feedback on the relative financial performance of the institution compared to the rest of the higher education sector. Inclusion of this information is intended to be helpful, rather than flagging areas of significant concern to us. For contextual information, additional financial benchmarking data has been made available to the institution's head of finance.

Who to contact

9. For further feedback from the annual accountability process, or if you would like to discuss any issues relating to risk assessment or accountability, contact the HEFCE Assurance Consultant, Jacqui Brasted (0117 931 7389, j.brasted@hefce.ac.uk) in the first instance, or Regional Consultant, Derek Hicks (0117 931 7460, d.hicks@hefce.ac.uk).

Freedom of information

10. This letter is provided in confidence to London South Bank University. While we have no objection to it being made available to third parties, we do not accept responsibility for any reliance they may place upon it. Though we have no plans proactively to release this information we ask you to consider carefully the implications of any public disclosure you may wish to make or are asked to make. As you know we are subject to the Freedom of Information Act 2000, and the content of this letter may ultimately be disclosable if a request is made to us under that Act.



Alan Langlands

cc: Mr David Longbottom, Pro-Chancellor and Chair of the Board of Governors

Annex A – Table of benchmarking of key financial metrics

London South Bank University

Indicators:		2010-11 Actual	2011-12 Actual	2012-13 Forecast
1. Historical cost surplus / (deficit) as % of total income	Institution	7.4	5.3	2.5
	Overall sector mean	5.7	4.9	2.6
	1 st quartile	3.1	2.4	1.2
	Median value	5.9	5.3	2.5
	3 rd quartile	8.7	7.8	4.1
2. Net liquidity / (total expenditure – depreciation) (days)	Institution	180	209	172
	Overall sector mean	109	118	101
	1 st quartile	70	76	64
	Median value	105	109	83
	3 rd quartile	155	157	130
3. External borrowing (on balance sheet) as % of total income	Institution	25.3	24.1	22.3
	Overall sector mean	22.4	23.6	25.8
	1 st quartile	8.4	9.8	8.5
	Median value	19.7	22.7	22.9
	3 rd quartile	34.6	34.5	36.0
4. Discretionary reserves (excl. pension asset/(liability)) as % of total income	Institution	67.7	77.1	80
	Overall sector mean	51.2	56.0	57.5
	1 st quartile	33.2	39.0	39.3
	Median value	47.3	55.5	54.4
	3 rd quartile	66.3	74.2	76.9
5. Net cash flow as % of total income	Institution	18.3	14.5	9.3
	Overall sector mean	9.2	8.1	5.0
	1 st quartile	6.7	6.3	3.3
	Median value	10.0	8.5	6.5
	3 rd quartile	13.7	11.6	9.0
6. Staff costs as % of total income	Institution	53.5	52.6	56.2
	Overall sector mean	53.0	52.6	54.1
	1 st quartile	49.0	49.2	51.3
	Median value	53.5	53.1	54.7
	3 rd quartile	56.1	55.9	57.5
7. Estates: percentage of estate classified in condition categories C and D in 2010-11	Institution	43.3		
	Overall sector mean	22.5		
	1 st quartile	10.0		
	Median value	18.4		
	3 rd quartile	27.0		

Source of data: Indicators 1 to 6 are calculated from the 2012 financial results and forecasts data as submitted to HEFCE in December 2012. Further details on this and on how the indicators are calculated are available on the HEFCE extranet under “2012 financial results and forecasts – summary statistics”. Details on how to access this benchmarking information will be sent to Directors of Finance.

Indicator 7: 2010-11 Estates data provided from Estates Management Statistics. For further information see HEFCE publication 2011/17 or http://www.hesa.ac.uk/index.php?option=com_collins&task=show_colln&Itemid=232&c=C10042&s=10&wvy=any&wvs=1&isme=1.

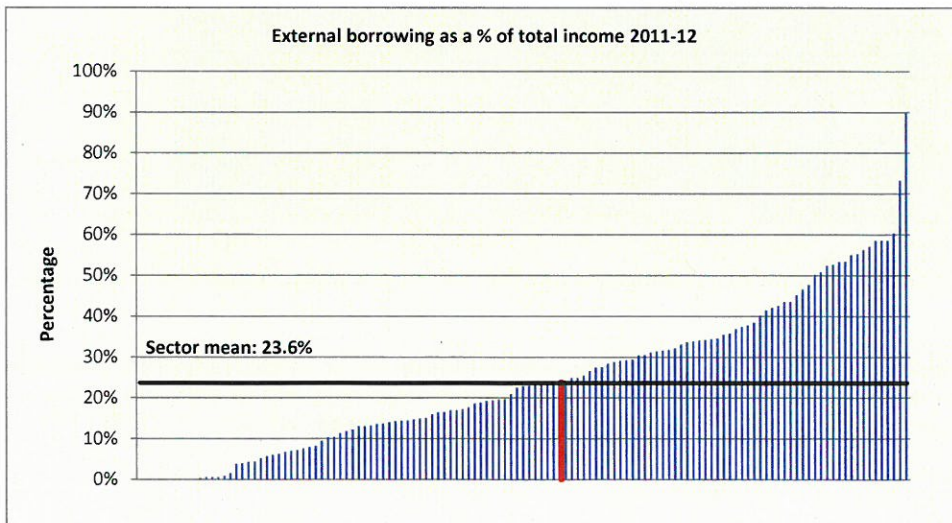
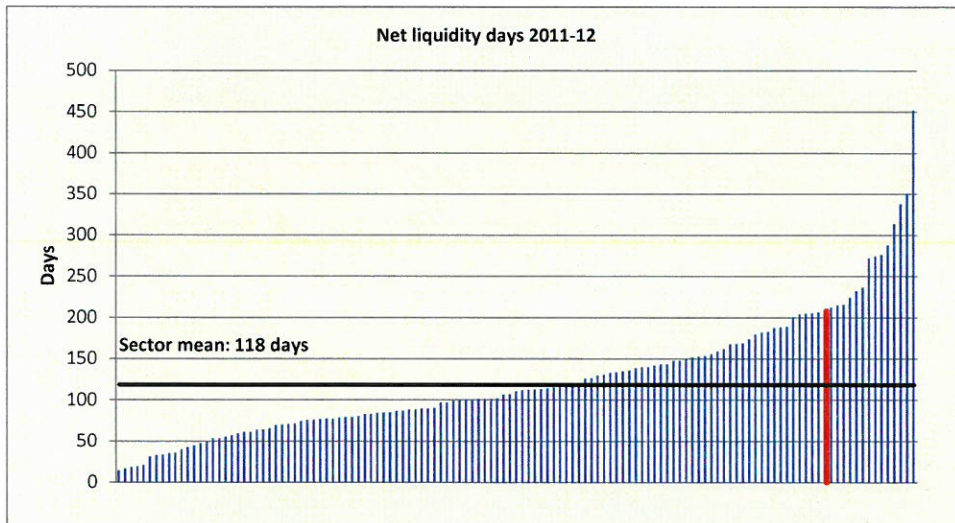
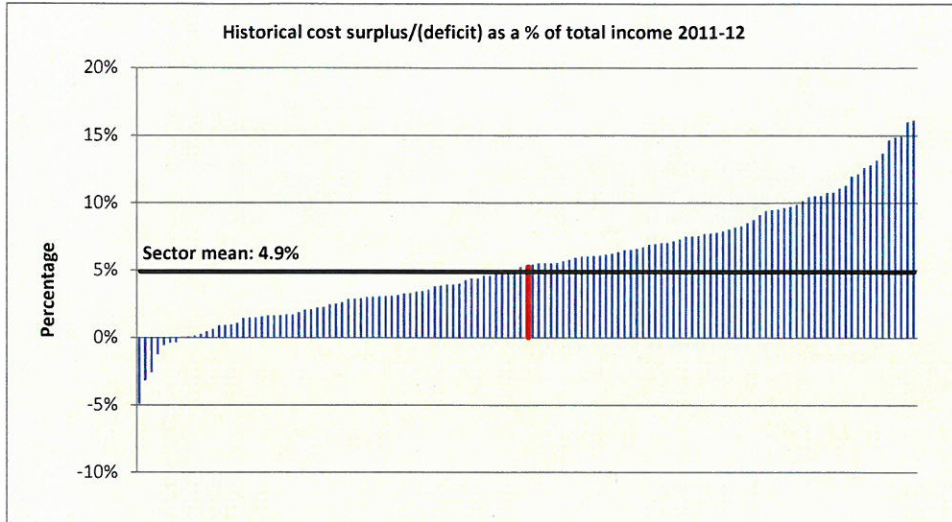
Although not comprehensive, these indicators were chosen to provide an overall view of financial performance:

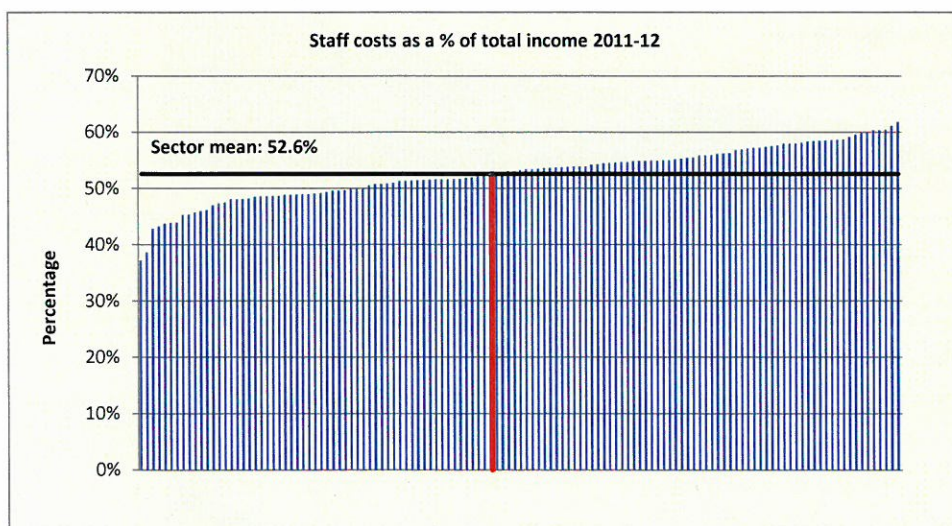
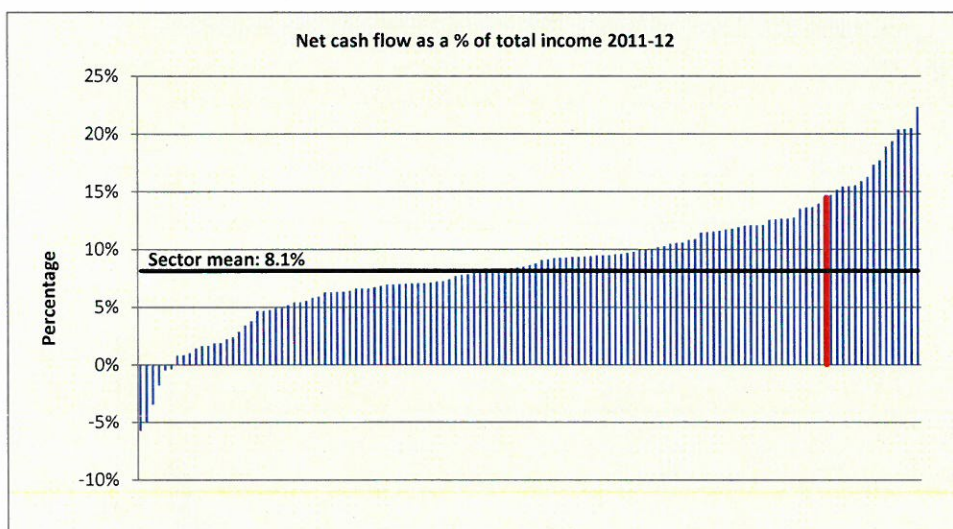
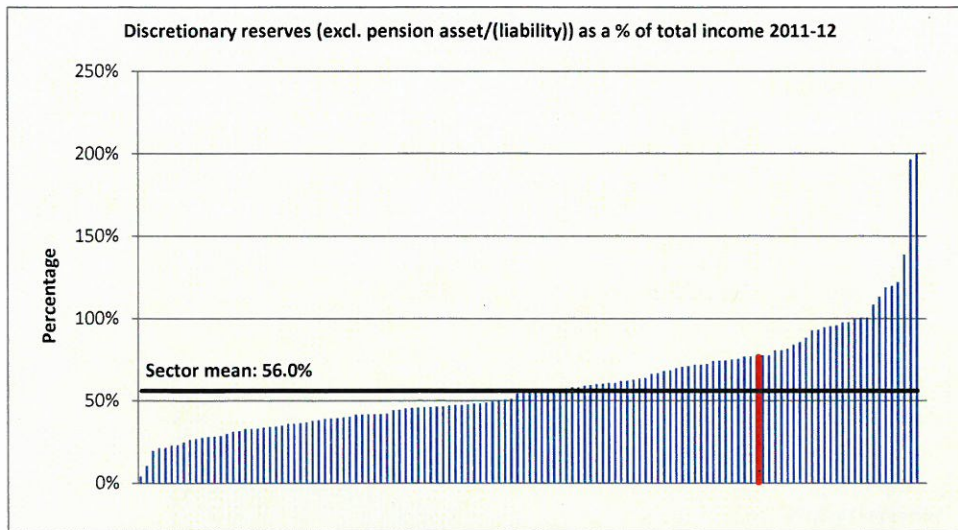
- Historical cost surplus: generation of surplus for investment
- Net liquidity: coverage of, and ability to respond quickly to, short-term financial pressures
- External borrowing (on-balance sheet): reliance on borrowings for development, balancing need for growth / development with increased costs of borrowing
- Discretionary reserves (excluding pension asset/(liability)): provision of a buffer against large unexpected financial pressures
- Net cash flow from operating activities: financial sustainability of the institution's core business
- Staff costs: appropriateness and significance of the staff cost structure for the institution
- Estates: indication of possible future estates costs

Annex B - Benchmarking of key financial indicators for 2011-12

Institution: London South Bank University

The figures below show the key financial information for 2011-12 relative to the sector. The data for London South Bank University are highlighted in red.





Source of data: Financial indicators are calculated from the 2012 financial results and forecasts data as submitted to HEFCE in December 2012. Further details on this and on how the indicators are calculated are available on the HEFCE extranet under "2012 financial results and forecasts – summary statistics". Details on how to access this benchmarking information will be sent to Directors of Finance.

	PAPER NO: BG.30(13)	
Board/Committee:	Board of Governors	
Date:	13 June 2013	
Paper title:	SU Elections Results and report	
Author:	Helen Olukoga, Acting Membership Development Manager	
Executive sponsor:	Dr Phil Cardew, Pro Vice Chancellor (Academic)	
Recommendation by the Executive:	That the Board notes the SU election results and that the election was carried out in a fair and democratic manner	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	Election results published on SU website	

Executive summary

Student Union elections for sabbatical officers for 2013/14 took place in February 2013. The new sabbatical officers for 2013/14 are as follows:

- President: Barbara Ahland
- Vice Presidents Student Experience: Alam Mahbubul and Hussein Elgharib
- Vice President Employability and Activities: Samer Fawaz

Under the Education Act 1994 the Board has a duty to take such steps as are reasonably practicable to ensure that appointment to major union offices should be by fairly and properly conducted election in a secret ballot in which all members are entitled to vote. The Returning Officer's report is attached which confirms that the election was run in a fair and democratic manner which satisfies the stipulations as laid out within the 1994 Education Act.

One complaint was dealt with and upheld by the Returning Officer. This was a complaint against one of the VP Employability and Activities candidates for violation of the limit for election expenditure. The Returning Officer ruled that as the materials had been returned and the candidate was under the spending limit no other action was necessary.

Attached: Returning Officer's Report



RETURNING OFFICER'S REPORT

Name: Emma Powell Title: Head of Membership	Students' Union: London South Bank University Students' Union
Email address: emma.powell@nus.org.uk Phone number: 07966 102 362	Key Students' union contact: Yemi Gbajobi
ELECTION DETAILS (TO BE COMPLETED BY THE STUDENTS' UNION)	
Date of elections: 25th Feb – 1st March 2013	
Method of election (online voting/paper ballot etc): 24 hour online voting	
Number of members of the Students' Union: 23,500	
Number of candidates (in total) standing for positions this year: 33	
Total number of students that voted this year: 1965	
Election turnout as percentage of membership: 8.36%	
Number of candidates (in total) standing for positions last year: 27	
Total number of students that voted last year: 1032	
Election turnout difference between this year and last year (%): 90.40%	
COMPLAINTS	
Number of formal complaints submitted to the Returning Officer: 14	
Number of complaints upheld: 1	
Number of official warnings issued: 0	
Number of candidates disqualified or removed from the election: 0	
RETURNING OFFICER'S GENERAL COMMENTS	
RETURNING OFFICER'S RECOMMENDATIONS	
1.	
CONFIRMATION OF FAIR ELECTION	
I hereby declare that this election was run in a fair and democratic manner which satisfies the stipulations as laid out within the 1994 Education Act.	
RETURNING OFFICER'S SIGNATURE	
Name: Emma Powell	
Date: 25 th March 2013	

London South Bank
University Enterprise

Enterprise Update

LSBU Board of Governors
23rd May 2013

the **brighter** choice

Agenda

- Enterprise Vision for 2017/18
- Enterprise Centre
- Enterprise Target – The 16-20 Challenge
- Our Approach to Commercial Enterprise
- Achievements to Date
- Pipeline of Major Projects
- Summary of learning to date

Enterprise Vision for 2017/18

- **London's Enterprising University**
 - A pervasive, University-wide culture of Enterprise
 - A well established virtuous circle linking enterprise, research and teaching to support Student Success
- **LSBU at the Heart of SE1**
 - University established as the partner of choice locally
 - Enterprise Centre thriving as successful incubator unit
 - Hub of activity for the local business community
- **Successful Commercial Income streams through SBUEL**
 - Broad CPD and Professional Qualification portfolio
 - Growing research and consultancy business in target sectors
 - Established international presence, including Edexcel network of partner colleges

Enterprise Centre to open in September

- Construction progressing on track and to budget
- Marketing work has begun to recruit tenants
 - Some transfer of Technopark tenants to kick-start occupancy
 - Target for 85% occupancy - 30 months after opening

Usage model now fully developed

- Incubator space to be let on commercial basis
 - Targeting small businesses “moving out of spare room”
 - Offer ranges from hot desks, single fixed desks in multi-occupancy offices to private units accommodating up to 10 staff
 - Business Centre for tenants and external members offering value added service
- 36 desks in open plan allocated to Student Enterprise
 - Allowing expansion of existing schemes
 - Enrolling students better into business ecosystem
- Ground floor for Business Community events
 - Crowd sourcing model – to create an active events calendar
 - Attractive offers to bring in external events and engage local business community, tenants, student entrepreneurs and academics
 - Focus for business engagement, support, networking

New Centre to be the foundation of the proposition “LSBU At The Heart Of SE1”

- **Building on existing Enterprise Network**
 - Promoting active engagement of local business community with University
 - Based on events, Business Centre, programme of advice/support
- **Crowd Sourcing events from network, academics, others**
 - Free venue for your event if our tenants/academics can attend
 - Offered to local organisations, professional bodies, through academics, etc
- **Integrating Students into service offering for Business**
 - Provision of business support and consultancy using Law Centre model
 - Using students under oversight from academics or external professionals
 - Providing students with placements and internships, increasing employability
- **Business Centre as hub for engagement of external businesses**
 - High quality working/meeting space – IoD model
 - Membership open to local business community

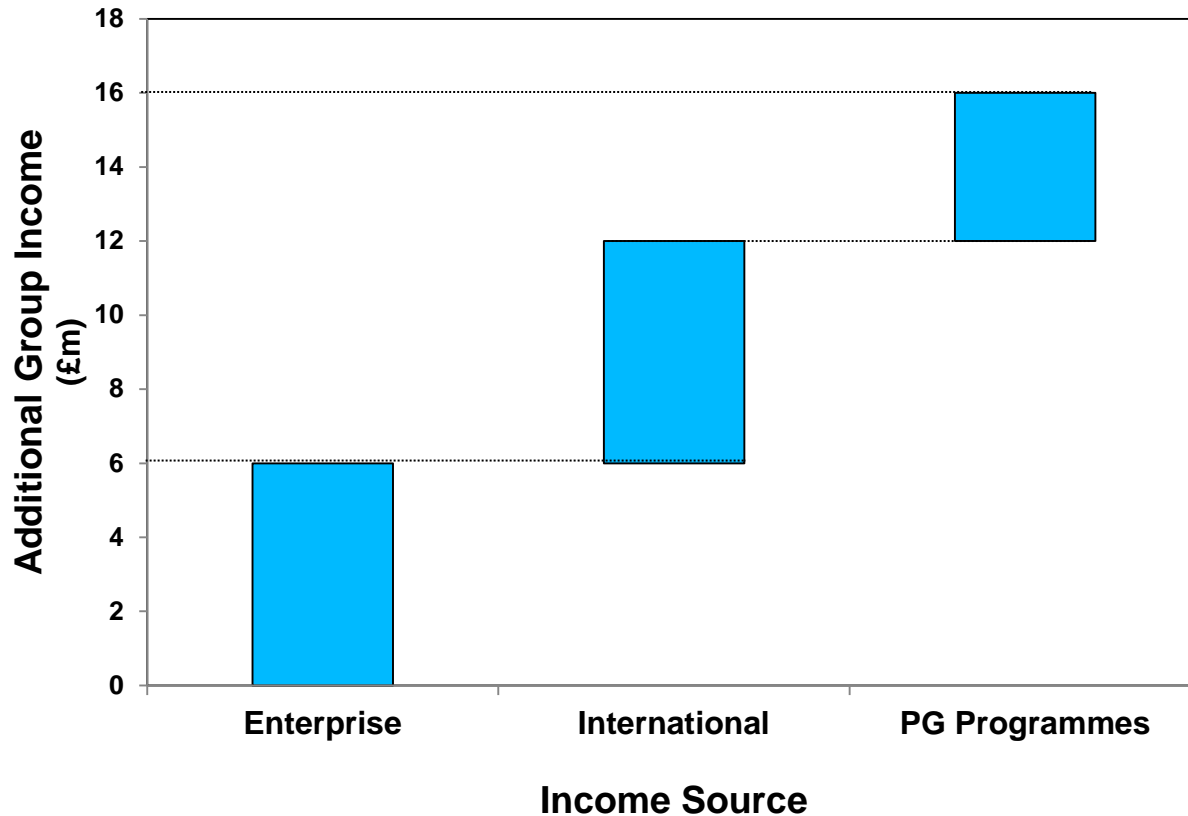
Expected operating finances have improved since the Full Business Case was approved

Enterprise Centre Annual Income and Expenditure	Approved Business Case (£)	Operating Plan ¹ (£)
Total Income	303,300	317,000
Total Expenditure²	718,000	306,000

1. Once target occupancy levels (85%) are reached
2. Cash cost - excluding depreciation

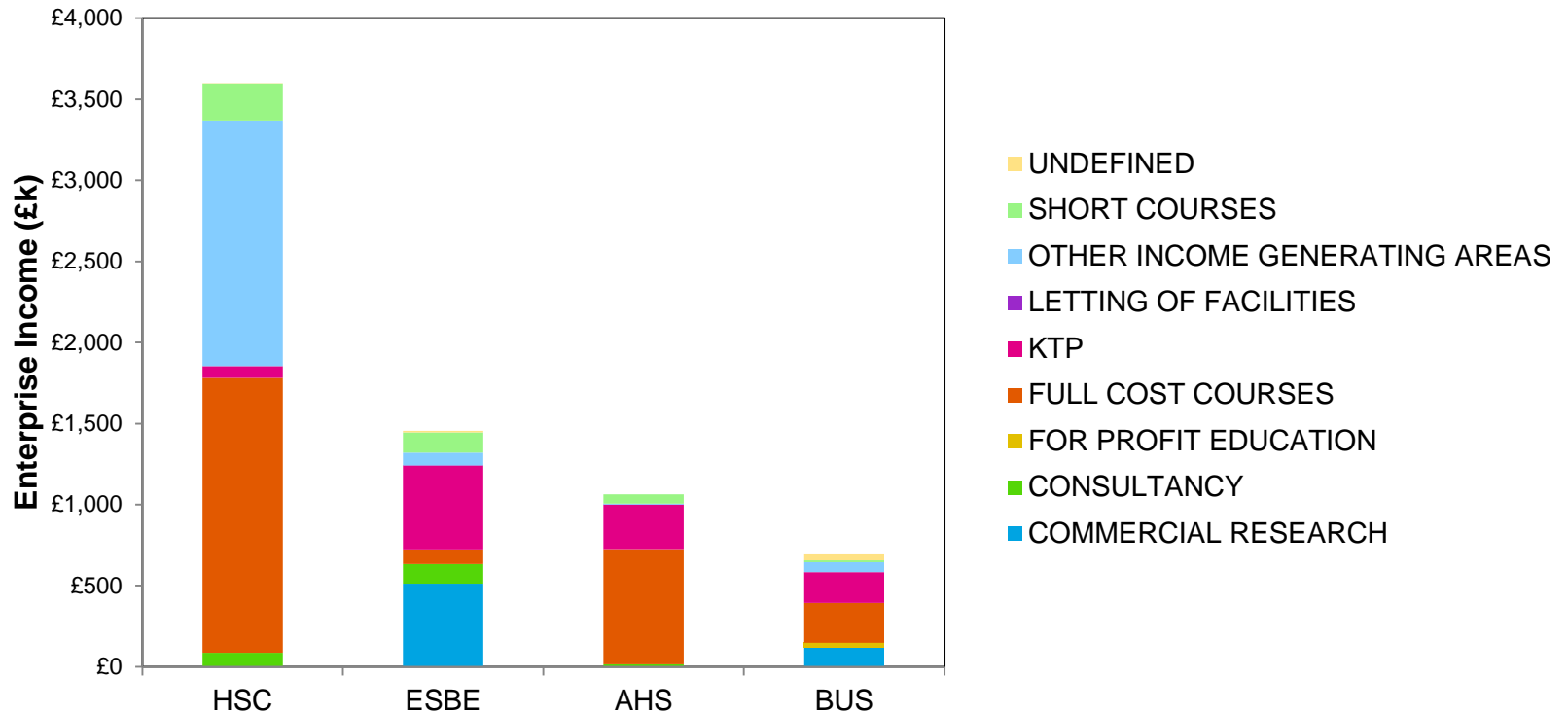
16-20 Challenge seeks £16m new income across the University by 2017/18 – £6m of it from Enterprise

Breakdown of planned new income sought by 2017/18



Current Enterprise income of circa £8m comes mainly through Faculties with Health CPPD dominant

Enterprise Income by Faculty and Activity Type
2011-12



Meeting target requires sustaining support to Faculties and a threefold increase in Commercial Enterprise

- Forecast commercial enterprise income ~£2m in 2012/13
- Current five year forecast suggestive that target is realistic
 - Based on developing pipeline of activity
 - But still only extrapolating from early stage ideas!

Projected Income from Commercial Enterprise to 2017/18

	2012-13 (£k)	2013-14 (£k)	2014-15 (£k)	2015-16 (£k)	2016-17 (£k)	2017-18 (£k)
Lettings	550	750	900	1000	1000	1000
ACCA	150	350	500	500	500	500
New SBUEL projects	150	200	400	800	1500	2500
Faculty projects	500	700	1000	1400	1700	2200
KTP	550	850	1000	1300	1300	1300
KTC	100	50	0	0	0	0
Sub total Commercial Enterprise	2000	2900	3800	5000	6000	7500

Two tiered approach to meeting agreed targets

- Major New Added-Value Projects
 - Focusing on the 16-20 Challenge
 - Looking for major new investable opportunities
 - Not necessarily quick-wins – up to 5 year maturity horizon
 - Growing focus of activity for Enterprise team
 - Likely source of most of Enterprise income growth
- Continued Operational Support
 - Providing structured and ad-hoc support to Faculties
 - Delivering small-scale IGA activity
 - Growing focus on providing systematised support for faculties to use
 - Standardised processes
 - Templates and checklists
 - Online guidance and support
 - Helps grow enterprising culture

Focusing on sectors where LSBU has key strengths and where there is a clear external rationale for engagement

Sectors of LSBU Strength	External Rationale for Engagement
Public and private health and wellbeing	Established strength in NHS London Wellbeing links with Sport and CI
Energy and the environment (defined sectors – e.g. oil and gas, civil nuclear, urban design)	Urban strength High priority nationally and internationally Strong heritage
Public services e.g. metropolitan police, transport and councils	Strong existing links with industry Strong alumni base Good fit with LSBU mission
Creative industries (defined applied elements)	Location on Southbank Development of creative industries a priority in local Boroughs
Accounting, legal and professional Services – esp. medium-small firms	Proximity to the City Strong alumni network Established tradition in practitioner education
Property, construction, planning	Location: Close to Elephant and Castle, Nine Elms, Waterloo quarter Alumni Network in property etc Heritage
Tourism, hospitality and leisure	Location on South Bank Proximity to attractions and hotels
Local community including SMEs	Fit with mission Enterprise growth links to National and London Agendas

Some Early Opportunities Already Delivering Results

Opportunity	Description	Annual Potential
KTP Programme	Re-launch the KTP programme externally, using pro-active data mining and marketing to generate new leads, building to a run rate of 10 new KTPs per year	£1m – £1.5m
ACCA Programme	Delivery of an IGA programme of professional education to deliver the ACCA (accounting) qualification	£0.5m – £1m
BIM Courses	Professional training in Building Information Modelling targeted at Industry	<£0.5m
Film Locations	Exploiting the LSBU facilities, buildings and campus as a location for TV and movie filming	<£0.5m
Quizslides	Project to develop and market a tool that allows users to easily create professional online tests from PowerPoint	<£0.5m
APAD – “Per Cent”	Development of a prototype device for diagnostic testing of diabetic neuropathy	<£0.5m
On-going support	Continuing operational support from BDMs to faculty academics, supporting bids, short courses, conferences, contracts and other projects underway	<£0.5m
Total Estimated Value		£2m – £5m pa

A range of projects are in development in each of the major 16-20 Challenge programmes

16-20 Challenge Programme	5 Year Objective Annual potential	Identified Projects
CPD Portfolio	Develop a broad CPD portfolio across the University ~£3m pa	<ul style="list-style-type: none"> • CPD Programme • Summer School Programme
International Partnerships	Create a University-wide portfolio of London-based, in-market and blended education provision ~£3m pa	<ul style="list-style-type: none"> • Edexcel Top-ups
Professional Qualifications	Develop a broad portfolio of education to deliver accredited professional qualifications ~£2.5m pa	<ul style="list-style-type: none"> • ACCA programme • AAT programme • Exam Centre
Work-based Education	Develop through partnership with employers an extensive programme of work-based education ~£3m pa	<ul style="list-style-type: none"> • Corporate Degrees • Higher Apprenticeships • Blended Leadership and Management
Exploiting University Assets	Increasing utilisation of the University's capital assets, buildings and equipment ~£1m pa	<ul style="list-style-type: none"> • Specialist facilities hire
Total potential income	Up to £12.5m pa	

Further Projects in the pipeline awaiting capacity to progress

Opportunity	Description	Annual Potential
Medico-technical centre	Develop infrastructure and funding sources to support set of cross-faculty projects that use new technologies to deliver radical VFM/new approaches in health sector	£0.5m – £2m
Tenders and Bids	Developing bids responsively to calls for bids/tenders	£0.5m – £1m
Economic Gardening	Specific consultancy interventions for stage 2 businesses to stimulate growth	£0.5m – £2m
LSBU at the heart of SE1	Exploiting the Enterprise Centre as a base for building a network for wide engagement in the local business community	<£0.5m
KTC Program	Redevelop current program of knowledge transfer projects that targets businesses similar to KTP but without government funding	<£0.5m
Cost reduction and Obsolescence Design-out service	Developing and offering a range of services to electronics SMEs/companies to cost reduce and design out obsolescence on existing products	<£0.5m
Total Estimated Value		£2m – £7m

Total potential by 2017/18 = £10m – £24m

Summary of Learning To Date

- Build culture to match corporate ambition
- Align objectives between University Enterprise and Faculties
- Prioritise Enterprise in academic staff workload
- Resource major projects independently of Faculties
- Continue to develop process infrastructure to support Enterprise activity

Enterprise Vision for 2017/18

- **London's Enterprising University**
 - A pervasive, University-wide culture of Enterprise
 - A well established virtuous circle linking enterprise, research and teaching to support Student Success
- **LSBU at the Heart of SE1**
 - University established as the partner of choice locally
 - Enterprise Centre thriving as successful incubator unit
 - Hub of activity for the local business community
- **Successful Commercial Income streams through SBUEL**
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 - Established international presence, including Edexcel network of partner colleges